

CITY OF LAWNSDALE, CALIFORNIA
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

PREPARED BY
FINANCE DEPARTMENT

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CITY OF LAWNSDALE
 FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITORS' REPORT	1
 BASIC FINANCIAL STATEMENTS	
Government–Wide Financial Statements	
Statement of Net Position	6
Statement of Activities.....	7
 Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	18
Statement of Fiduciary Net Position – Fiduciary Funds	20
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	21
Notes to Financial Statements	23
 REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of the Net Pension Liability	64
Schedule of Plan Contributions	65
Other Post-Employment Benefits (OPEB) Schedule of Funding Progress.....	66
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	67
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Restricted Urban Development.....	68

CITY OF LAWNSDALE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page Number</u>
 REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Lawndale Housing Authority.....	69
Notes to Required Supplementary Information	70
 COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Combining Balance Sheet – Nonmajor Governmental Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	84
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Gas Tax.....	94
Air Quality	95
Proposition A Local Transit Assistance.....	96
Narcotics Forfeiture	97
State COPS Grant.....	98
Lawndale Cable Usage Corporation	99
Hawthorne Boulevard Maintenance.....	100
Department of Conservation Grant	101
Justice Assisted Grant.....	102
Park Development.....	103
DRI Grant	104
CO Maint Grant – William Green.....	105
TDA Article 3 Local Transportation.....	106
Proposition C Local Transit Assistance	107
Community Development Block Grant	108
96 County Specified Grants	109
Safetea-Lu.....	110
Prop C25 Grant.....	111
Metro STP-L.....	112
Measure R	113
Measure R Grant.....	114
Prop C 25%.....	115
Measure R Grant Traffic Improvement	116
Metro STPL Exchange 2014.....	117
LA CO Park Grant – Hogan Tot Lot	118
Local Transportation Funds.....	119

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, 2017, 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, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 other post-employment benefits (OPEB) schedule of funding progress 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.

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 are fairly stated in all material respects in relation to the basic financial statements as a whole.



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2018 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Brea, California
April 10, 2018

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF LAWNSDALE

STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Primary Government</u>
	<u>Governmental Activities</u>
Assets	
Cash and investments	\$ 12,480,300
Receivables:	
Accounts	1,363,642
Grants	790,302
Accrued interest	24,119
Notes and loans	385,107
Agreements with Successor Agency	22,848,207
Prepaid costs	747,650
Land held for development	634,983
Capital assets not being depreciated	6,274,156
Capital assets, net of depreciation	<u>39,557,502</u>
Total Assets	<u>85,105,968</u>
Deferred Outflows of Resources	
Deferred pension related outflows	<u>1,570,464</u>
Total Deferred Outflows of Resources	<u>1,570,464</u>
Liabilities	
Accounts payable	2,016,338
Accrued liabilities	108,460
Accrued interest	8,365
Deposits payable	434,647
Noncurrent liabilities:	
Due within one year	214,978
Due in more than one year	1,041,808
Net OPEB obligation	1,989,602
Net pension liability	<u>6,129,965</u>
Total Liabilities	<u>11,944,163</u>
Deferred Inflows of Resources	
Deferred pension related inflows	<u>885,369</u>
Total Deferred Inflows of Resources	<u>885,369</u>
Net Position	
Net investment in capital assets	45,232,399
Restricted for:	
Community development projects	245,098
Public safety	86,767
Parks and recreation	8,005,297
Public works	1,035,097
Capital projects	2,713,690
Air quality	88,399
Municipal services	11,304
Housing	1,692,609
Unrestricted	<u>14,736,240</u>
Total Net Position	<u>\$ 73,846,900</u>

CITY OF LAWNSDALE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

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 Government
					Governmental Activities
Primary Government					
Governmental Activities:					
General government	\$ 3,974,826	\$ 1,516,849	\$ -	\$ -	\$ (2,457,977)
Public safety	5,481,018	-	152,857	-	(5,328,161)
Municipal services	1,161,697	-	-	-	(1,161,697)
Planning and community development	2,342,003	344,716	4,326	220,509	(1,772,452)
Recreation and community services	2,520,125	-	34,120	-	(2,486,005)
Public works	2,845,551	399,385	98,640	2,816,346	468,820
Interest on long-term debt	22,083	-	-	-	(22,083)
Total Governmental Activities	18,347,303	2,260,950	289,943	3,036,855	(12,759,555)
Total Primary Government	\$ 18,347,303	\$ 2,260,950	\$ 289,943	\$ 3,036,855	(12,759,555)
General Revenues					
Taxes:					
Property taxes, levied for general purpose					1,393,299
Transient occupancy taxes					661,089
Sales taxes					3,011,518
Franchise taxes					719,734
Utility users tax					1,900,519
Motor vehicle in lieu - unrestricted					3,259,248
Use of money and property					534,656
Miscellaneous					108,027
Total General Revenues					11,588,090
Change in Net Position					(1,171,465)
Net Position, Beginning of Year					75,018,365
Net Position, End of Year					\$ 73,846,900

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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 LAWNSDALE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds			
	General	Restricted Urban Development	Lawndale Housing Authority	Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 5,717,454	\$ 318,566	\$ 1,071,632	\$ 5,372,648
Receivables:				
Accounts	1,334,169	-	-	29,473
Grants	-	-	-	790,302
Accrued interest	11,815	632	2,126	9,546
Notes and loans	-	-	138,569	246,538
Agreements with Successor Agency	12,989,558	9,858,649	-	-
Prepaid costs	747,650	-	-	-
Due from other funds	1,029,514	-	-	-
Land held for development	147,900	-	487,083	-
Total Assets	\$ 21,978,060	\$ 10,177,847	\$ 1,699,410	\$ 6,448,507
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 1,811,930	\$ 3,625	\$ -	\$ 200,783
Accrued liabilities	88,464	-	2,388	17,608
Deposits payable	419,406	-	718	14,523
Due to other funds	-	-	-	1,029,514
Total Liabilities	2,319,800	3,625	3,106	1,262,428
Deferred Inflows of Resources				
Unavailable revenues	4,432,215	3,441,180	3,695	773,004
Total Deferred Inflows of Resources	4,432,215	3,441,180	3,695	773,004
Fund Balances				
Nonspendable:				
Prepaid costs	747,650	-	-	-
Land held for development	147,900	-	-	-
Agreements with Successor Agency	8,557,343	-	-	-
Restricted for:				
Community development projects	-	-	-	245,098
Public safety	-	-	-	86,767
Recreation and community services	9,769	6,733,042	-	1,262,486
Public works	-	-	-	1,035,097
Capital projects	-	-	-	2,713,690
Air quality	-	-	-	88,399
Municipal services	-	-	-	11,304
Housing	-	-	1,692,609	-
Unassigned	5,763,383	-	-	(1,029,766)
Total Fund Balances	15,226,045	6,733,042	1,692,609	4,413,075
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,978,060	\$ 10,177,847	\$ 1,699,410	\$ 6,448,507

CITY OF LAWDALE

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Total Governmental Funds
Assets	
Cash and investments	\$ 12,480,300
Receivables:	
Accounts	1,363,642
Grants	790,302
Accrued interest	24,119
Notes and loans	385,107
Agreements with Successor Agency	22,848,207
Prepaid costs	747,650
Due from other funds	1,029,514
Land held for development	634,983
	<u>634,983</u>
Total Assets	\$ 40,303,824
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable	\$ 2,016,338
Accrued liabilities	108,460
Deposits payable	434,647
Due to other funds	1,029,514
	<u>1,029,514</u>
Total Liabilities	3,588,959
Deferred Inflows of Resources	
Unavailable revenues	8,650,094
	<u>8,650,094</u>
Total Deferred Inflows of Resources	8,650,094
Fund Balances	
Nonspendable:	
Prepaid costs	747,650
Land held for development	147,900
Agreements with Successor Agency	8,557,343
Restricted for:	
Community development projects	245,098
Public safety	86,767
Recreation and community services	8,005,297
Public works	1,035,097
Capital projects	2,713,690
Air quality	88,399
Municipal services	11,304
Housing	1,692,609
Unassigned	4,733,617
	<u>4,733,617</u>
Total Fund Balances	28,064,771
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 40,303,824

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CITY OF LAWNSDALE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017**

Total Fund Balances - Governmental Funds	\$	28,064,771
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.		45,831,658
Adjustments to net pension liability arise from timing differences between the measurement date of the liability and when activities affecting the liability actually occur, and from changes in actuarial assumptions that result in a revaluation of the liability. These adjustments are recorded as deferred outflows and inflows of resources and are amortized over their remaining service life. These include:		
Deferred pension related outflows	\$	1,570,464
Deferred pension related inflows		<u>(885,369)</u>
		685,095
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.		(8,365)
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		(599,259)
Compensated absences		<u>(657,527)</u>
		(1,256,786)
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 Annual Required Contribution (ARC) are recorded as an asset or a liability.		(1,989,602)
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.		(6,129,965)
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>8,650,094</u>
Net Position of Governmental Activities	\$	<u>73,846,900</u>

CITY OF LAWDALE

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Restricted Urban Development</u>	<u>Lawndale Housing Authority</u>	<u>Nonmajor Governmental Funds</u>
Revenues				
Taxes	\$ 7,686,159	\$ -	\$ -	\$ -
Licenses and permits	653,889	-	-	-
Intergovernmental	3,259,248	-	-	3,974,854
Charges for services	622,409	-	-	42,691
Use of money and property	33,842	1,757	6,308	26,079
Fines and forfeitures	764,645	-	-	-
Miscellaneous	63,740	-	191,102	44,287
Total Revenues	13,083,932	1,757	197,410	4,087,911
Expenditures				
Current:				
General government	3,424,095	-	-	10
Public safety	5,343,005	-	-	138,013
Municipal services	1,123,101	-	-	-
Planning and community development	614,347	24,984	140,683	232,502
Recreation and community services	1,318,667	-	-	539,929
Public works	1,431,332	47,407	-	1,369,126
Capital outlay	761,487	-	-	465,242
Debt service:				
Principal retirement	36,325	-	-	-
Interest and fiscal charges	22,590	-	-	-
Total Expenditures	14,074,949	72,391	140,683	2,744,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	(991,017)	(70,634)	56,727	1,343,089
Other Financing Sources (Uses)				
Transfers in	156,000	-	-	407,391
Transfers out	(388,653)	-	-	(174,738)
Total Other Financing Sources (Uses)	(232,653)	-	-	232,653
Net Change in Fund Balances	(1,223,670)	(70,634)	56,727	1,575,742
Fund Balances, Beginning of Year	16,449,715	6,803,676	1,635,882	2,837,333
Fund Balances, End of Year	\$ 15,226,045	\$ 6,733,042	\$ 1,692,609	\$ 4,413,075

CITY OF LAWDALE

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Total Governmental Funds
Revenues	
Taxes	\$ 7,686,159
Licenses and permits	653,889
Intergovernmental	7,234,102
Charges for services	665,100
Use of money and property	67,986
Fines and forfeitures	764,645
Miscellaneous	299,129
	<hr/>
Total Revenues	17,371,010
	<hr/>
Expenditures	
Current:	
General government	3,424,105
Public safety	5,481,018
Municipal services	1,123,101
Planning and community development	1,012,516
Recreation and community services	1,858,596
Public works	2,847,865
Capital outlay	1,226,729
Debt service:	
Principal retirement	36,325
Interest and fiscal charges	22,590
	<hr/>
Total Expenditures	17,032,845
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	338,165
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Other Financing Sources (Uses)	
Transfers in	563,391
Transfers out	(563,391)
	<hr/>
Total Other Financing Sources (Uses)	-
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Net Change in Fund Balances	338,165
Fund Balances, Beginning of Year	27,726,606
	<hr/>
Fund Balances, End of Year	\$ 28,064,771
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CITY OF LAWDALE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Net Change in Fund Balances - Total Governmental Funds	\$ 338,165
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the government-wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays of \$1,270,483 exceeded depreciation expense of \$2,003,884 in the current period.	(733,401)
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.	(321,876)
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.	507
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	36,325
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.	(29,890)
Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the Statement of Activities only the ARC is an expense.	(266,123)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(195,172)
Change in Net Position of Governmental Activities	<u>\$ (1,171,465)</u>

FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF LAWNDALE

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2017

	<u>Private-Purpose Trust Funds Lawndale Successor Agency</u>
Assets	
Cash and investments	\$ 2,077,322
Receivables:	
Accrued interest	1,883
Notes and loans	173,712
Land held for development	2,243,568
Restricted assets:	
Cash and investments held with fiscal agents	<u>4,068,001</u>
Total Assets	<u>8,564,486</u>
Liabilities	
Accounts payable	4,435
Accrued liabilities	6,267
Accrued interest	444,762
Deposits payable	15,896
Long-term liabilities:	
Due in one year	1,473,188
Due in more than one year	<u>41,588,433</u>
Total Liabilities	<u>43,532,981</u>
Net Position	
Held in trust for other purposes	<u>(34,968,495)</u>
Total Net Position	<u>\$ (34,968,495)</u>

CITY OF LAWDALE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2017

	<u>Private-Purpose Trust Funds Lawndale Successor Agency</u>
Additions	
Taxes	\$ 2,691,990
Interest income	28,182
Total Additions	<u>2,720,172</u>
Deductions	
Administrative expenses	249,849
Contractual services	248,529
Interest and fiscal charges	1,546,024
Contributions to other governments	399,876
Total Deductions	<u>2,444,278</u>
Extraordinary items	143,371
Changes in Net Position	419,265
Net Position, Beginning of Year	<u>(35,387,760)</u>
Net Position, End of Year	<u>\$ (34,968,495)</u>

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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

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.

That 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, 2017

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

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 Local Agency Investment Fund (LAIF) are allocated to all funds on a quarterly basis.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

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

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.

m. 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 relating deferred outflows or inflows of resources that attributed to the acquisition, construction, or improvement of the assets.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 or 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 resolution.

Unassigned includes the residual amounts that have not been restricted, committed, or assigned to specific purposes.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

n. 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 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.

o. 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 effect 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.

p. Effect of New Accounting Standards

During the fiscal year ended June 30, 2017, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 77 – Tax Abatement Disclosures. This Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. This Statement requires disclosure of tax abatement information about (1) a government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the government's tax revenues. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2015.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

Note 2: Stewardship, Compliance and Accountability

a. Deficit Fund Balance

The following nonmajor governmental funds reported a deficit fund balance at June 30, 2017:

	<u>Deficit Fund Balance</u>
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)
Prop C25 Grant	(184,523)
Appropriations Act	(180,667)
Metro STP-L	(87,344)
Highway Safety Improvement	(45,157)
Measure R Grant	(9,968)
Prop C 25%	(24,490)
Local Transportation Funds	(7,616)

Note 3: Cash and Investments

Summary of Cash and Investments

Cash and investments as of June 30, 2017, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 12,480,300
Fiduciary Funds:	
Cash and investments	2,077,322
Cash and investments held with fiscal agents	<u>4,068,001</u>
Total	<u><u>\$ 18,625,623</u></u>

Cash and investments as of June 30, 2017, consist of the following:

Cash on hand	\$ 1,150
Deposits with financial institutions	9,046,303
Restricted cash held with fiscal agents	4,068,001
Investments	<u>5,510,169</u>
Total	<u><u>\$ 18,625,623</u></u>

CITY OF LAWNSDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Note 3: Cash and Investments (Continued)

Deposits

At June 30, 2017, the carrying amount of the City's deposits was \$9,046,303 and the bank balance was \$9,171,179. The \$124,876 difference represents outstanding checks 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, 2017, 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.

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.

CITY OF LAWDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

Note 3: Cash and Investments (Continued)

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, 2017, consist of the following:

	<u>Fair Value</u>
Investments Authorized by CA Government Code/City Investment Policy	
Local Agency Investment Fund (LAIF)	\$ 4,202
Certificates of deposit	3,188,000
Federal agency issues	2,000,000
Mutual funds	<u>317,967</u>
 Total Investments	 <u>\$ 5,510,169</u>

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.

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.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

Note 3: Cash and Investments (Continued)

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, 2017:

Investment Type	Fair Value	Fair Value Measurement		
		Level 1	Level 2	Level 3
Local Agency Investment Fund (LAIF)	\$ 4,202	\$ -	\$ 4,202	\$ -
Certificates of deposit	3,188,000	-	3,188,000	-
Federal agency issues	2,000,000	-	2,000,000	-
Mutual funds	317,967	317,967	-	-
Total Investments	\$ 5,510,169	\$ 317,967	\$ 5,192,202	\$ -

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.

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)	\$ 4,202	\$ 4,202	\$ -	\$ -
Certificates of deposit	3,188,000	492,000	744,000	1,952,000
Federal agency issues	2,000,000	-	1,000,000	1,000,000
Mutual funds	317,967	317,967	-	-
Total Investments	\$ 5,510,169	\$ 814,169	\$ 1,744,000	\$ 2,952,000

CITY OF LAWDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

Note 3: Cash and Investments (Continued)

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	\$ 4,202	\$ -	\$ -	\$ 4,202
Certificates of deposit	Not Rated	3,188,000	-	-	3,188,000
Federal agency issues	Not Rated	2,000,000	-	2,000,000	-
Mutual funds	AAA	317,967	317,967	-	-
Total Investments		\$ 5,510,169	\$ 317,967	\$ 2,000,000	\$ 3,192,202

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	\$ 1,000,000	18.15%
Federal National Mortgage Association	Federal agency issues	1,000,000	18.15%

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, 2017.

As of June 30, 2017, no City investments were held by the same broker-dealer (counterparty) that was used by the City to buy the securities.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

Note 4: Notes and Loans Receivable

The City's outstanding loans receivable as of June 30, 2017, are as follows:

Lawndale Housing Authority:		
Housing rehabilitation loan program	\$	138,569
Nonmajor Governmental Funds:		
Housing rehabilitation loan program		<u>246,538</u>
Total	\$	<u>385,107</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, 2017, the outstanding receivable balance for the housing rehabilitation loan program was \$385,107.

The balance of the forgivable loans receivable was \$87,000 at June 30, 2017 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).

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 in 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 13 to the financial statements for additional information.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

Note 5: Agreements with Successor Agency Receivable (Continued)

As of June 30, 2017, agreements with the Successor Agency receivable were reported in the accompanying financial statements as follows:

	Principal	Accrued Interest	Balance at June 30, 2017
General Fund			
Public Works Agreement	\$ 749,892	\$ 182,803	\$ 932,695
2000 Cooperation Agreement	3,703,632	2,067,078	5,770,710
2001 Cooperation Agreement	3,583,025	1,886,853	5,469,878
2009 Loan Agreement	211,746	150,067	361,813
2009 Purchase Agreement	309,048	145,414	454,462
Subtotal General Fund	8,557,343	4,432,215	12,989,558
Restricted Urban Development			
2000 Financing Agreement	6,417,469	3,441,180	9,858,649
Total	<u>\$ 14,974,812</u>	<u>\$ 7,873,395</u>	<u>\$ 22,848,207</u>

Note 6: Interfund Receivables, Payables and Transfers

a. Due To/From Other Funds:

As of June 30, 2017, the City had the following due to/from other funds:

Due to Other Funds	Due from Other Funds
	General
Nonmajor Governmental Funds	\$ 1,029,514
Total	<u>\$ 1,029,514</u>

Due to/from other funds are short-term loans to cover temporary cash shortages. The General Fund loaned various nonmajor governmental funds \$1,029,514 at June 30, 2017.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

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

b. Transfers In/Out:

Transfers in and out for the year ended June 30, 2017, were as follows:

Transfers In	Transfers Out		Total
	General Fund	Other Non-Major Governmental Fund	
General Fund	\$ -	\$ 156,000	\$ 156,000
Non-Major Governmental Funds	388,653	18,738	407,391
	<u>\$ 388,653</u>	<u>\$ 174,738</u>	<u>\$ 563,391</u>

The General Fund transferred \$388,653 to various non-major governmental funds to support operations in those funds and close out funds.

The Lawndale Cable Usage Corporation transferred \$156,000 to the General fund for the City Council Chamber Video Equipment project.

Note 7: Capital Assets

A summary of changes in capital assets activity for the year ended June 30, 2017, is as follows:

	Balance at July 1, 2016	Additions	Construction Placed in Service	Disposals	Balance at June 30, 2017
Capital assets not depreciated:					
Land	\$ 5,215,937	\$ -	\$ -	\$ -	\$ 5,215,937
Construction in progress	1,334,017	526,624	(802,422)	-	1,058,219
Total capital assets not being depreciated	6,549,954	526,624	(802,422)	-	6,274,156
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	2,238,507	437,339	-	22,694	2,653,152
Infrastructure	35,233,460	306,520	802,422	-	36,342,402
Total capital assets being depreciated	56,388,783	743,859	802,422	22,694	57,912,370
Accumulated depreciation:					
Building and structures	5,358,233	612,866	-	-	5,971,099
Improvements other than buildings	288,572	15,740	-	-	304,312
Vehicles, machinery and equipment	1,689,497	109,441	-	22,694	1,776,244
Infrastructure	9,037,376	1,265,837	-	-	10,303,213
Total accumulated depreciation	16,373,678	2,003,884	-	22,694	18,354,868
Total capital assets being depreciated, net	40,015,105	(1,260,025)	802,422	-	39,557,502
Total capital assets, net	<u>\$ 46,565,059</u>	<u>\$ (733,401)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,831,658</u>

CITY OF LAWNSDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

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, 2017, is as follows:

General government	\$	24,687
Municipal services		6,680
Planning and community development		641,584
Recreation and community services		9,235
Public works		1,321,698
		<hr/>
Total	\$	<u>2,003,884</u>

Note 8: Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017	Due Within One Year
Notes:					
Facility and site lease note	\$ 635,584	\$ -	\$ 36,325	\$ 599,259	\$ 37,542
Other long-term liabilities:					
Compensated absences	<u>627,637</u>	<u>199,260</u>	<u>169,370</u>	<u>657,527</u>	<u>177,436</u>
Total	<u>\$ 1,263,221</u>	<u>\$ 199,260</u>	<u>\$ 205,695</u>	<u>\$ 1,256,786</u>	<u>\$ 214,978</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, 2017

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, 2017, are as follows:

Year Ended June 30,	Facility and Site Lease Note		
	Principal	Interest	Total
2018	\$ 37,542	\$ 19,446	\$ 56,988
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
2023-2027	236,662	47,458	284,120
2028-2030	161,884	8,254	170,138
Total	<u>\$ 599,259</u>	<u>\$ 139,721</u>	<u>\$ 738,980</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, 2017, the compensated absences balance outstanding is \$657,527.

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 117 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

b. 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.

For 2016-17 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) \$2.5 million annual aggregate deductible in the \$3 million in excess of \$2 million layer, and (b) \$3 million annual aggregate deductible in the \$5 million in excess of \$10 million layer. There is a third annual aggregate deductible in the amount of \$2.5 million in the \$5 million in excess of \$5 million layer, however it is fully covered under a separate policy and therefore not retained by the Authority. The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$30 million per occurrence.

Workers' Compensation Program

[This section is only for those members which are also part of the WC pool.]

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 2016-17 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, 2014 through July 1, 2017. 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. City of Lawndale property is currently insured according to a schedule of covered property submitted by the City of Lawndale to the Authority. City of Lawndale property currently has all-risk property insurance protection in the amount of \$28,417,983. There is a \$5,000 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 \$8,636,056. 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 2016-17.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

Note 10: Defined Benefit Pension Plan

a. General Information about the Pension Plan

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	6.886%	6.250%
Required employer contribution rates	8.880%	6.555%

*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, 2017

Note 10: Defined Benefit Pension Plan (Continued)

For the year ended June 30, 2017, contributions recognized as a reduction to the City's net pension liability was \$492,655.

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

As of June 30, 2017, the City reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plans of \$5,976,726.

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, 2016, 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, 2014, rolled forward to June 30, 2016, 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, 2015 and 2016, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2015	0.161308%
Proportion - June 30, 2016	<u>0.172048%</u>
Change - Increase (Decrease)	<u><u>0.010740%</u></u>

For the year ended June 30, 2017, the City recognized pension expense relating to the Miscellaneous Plans of \$188,178. At June 30, 2017, 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	\$ 564,502	\$ -
Changes of assumptions	-	(158,647)
Differences between expected and actual experiences	16,769	(3,842)
Net difference between projected and actual earnings on pension plan investments	825,707	-
Changes in employer's proportion	143,945	(322,614)
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(400,266)
Total	<u>\$ 1,550,923</u>	<u>\$ (885,369)</u>

CITY OF LAWNDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

Note 10: Defined Benefit Pension Plan (Continued)

\$564,502 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, 2017. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Periods Ended June 30,	Deferred Outflows/(Inflows) of Resources
2017	\$ (290,888)
2018	(177,980)
2019	356,052
2020	213,868
Total	<u>\$ 101,052</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability. The June 30, 2015 and the June 30, 2016 total pension liability was based on the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Salary increases	Varies by entry age and service
Investment rate of return (1)	7.50%
Mortality rate table (2)	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) Net of pension plan investment expenses and administrative expenses.

(2) 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, 2014, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Note 10: Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a 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. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). 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.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Statement Nos. 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF LAWNDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

Note 10: Defined Benefit Pension Plan (Continued)

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. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (1)	Real Return Years 11+ (2)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100.0%		

(1) Expected inflation of 2.5% used for this period

(2) Expected inflation of 3.0% used for this period

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 7.65 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 (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% 6.65%	Current Discount 7.65%	Discount Rate +1% 8.65%
Miscellaneous	\$ 9,561,478	\$ 5,976,726	\$ 3,014,107

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.

Note 10: Defined Benefit Pension Plan (Continued)

c. 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. 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.

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, CA 92660.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability. The June 30, 2015 and the June 30, 2016 total pension liabilities were based on the following actuarial methods and assumptions:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017
Note 10: Defined Benefit Pension Plan (Continued)

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	7.00%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00%
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 compensation is subject to IRC 401(a)(17) limitations
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.

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, 2015.

The following assumptions detail out long-term expected rate of return for the PARS benefit plan:

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Cash	BofA Merrill Lynch 90-Day T-Bills	3.05%	36.00%	35.00%
Core Fixed Income	Barclays Aggregate	46.92%	2.17%	2.04%
Broad US Equities	Russell 3000	36.05%	4.83%	3.57%
Developed Foreign Equities	MSCI EAFE	9.23%	5.76%	4.15%
Emerging Market Equities	MSCI Emerging Markets	3.25%	8.06%	4.84%
Real Estate Investment Trust	FTSE NAREIT Equity REIT	1.50%	5.04%	3.27%
Assumed Inflation - Mean			2.32%	2.30%
Assumed Inflation - Standard Deviation			1.85%	1.85%
Portfolio Real Mean Return			3.64%	3.26%
Portfolio Nominal Mean Return			5.96%	5.63%
Portfolio Standard Deviation				8.45%
Long-Term Expected Rate of Return				6.50%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017
Note 10: Defined Benefit Pension Plan (Continued)

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.

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, 2016	\$ 698,044	\$ 587,613	\$ 110,431
Changes for the year:			
Service Cost	28,713	-	28,713
Interest on the Total Pension Liability	50,372	-	50,372
Effect of Assumptions Changes or Inputs	41,097	-	41,097
Benefit Payments	(14,562)	(14,562)	-
Employer Contributions	-	19,889	(19,889)
Net Investment Income	-	60,634	(60,634)
Administrative Expenses	-	(3,149)	3,149
Balance as of June 30, 2017	<u>\$ 803,664</u>	<u>\$ 650,425</u>	<u>\$ 153,239</u>

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

The following presents the net pension liability of the City of Lawndale, calculated using the discount rate of 7.00%, 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 (6.00%) or 1% point higher (8.00%) than the current rate.

	Discount Rate - 1% 6.00%	Current Discount Rate 7.00%	Discount Rate + 1% 8.00%
Total Pension Liability	\$ 897,657	\$ 803,664	\$ 724,852
Fiduciary Net Position	650,425	650,425	650,425
Net Pension Liability	<u>\$ 247,232</u>	<u>\$ 153,239</u>	<u>\$ 74,427</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

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, 2016, the net pension liability was \$110,431. For the measurement period ending June 30, 2017, the City incurred a pension expense of \$91,583 for the PARS Plan. As of the measurement date, June 30, 2017, the net pension liability is \$153,239.

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, 2017, 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 \$19,541. The amount above 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
2018	\$ 9,460
2019	9,458
2020	4,509
2021	(3,886)

Note 11: Other Post-Employment Benefits Plan

In addition to the pension benefits described in Note 10 to the financial statements, the City provides post-retirement health care benefits, in accordance with the California Government Code, to all employees who retire from the City

a. 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.

b. Eligibility

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) and are eligible for a CalPERS pension. The benefits are available only to employees who retire from the City. Membership of the plan consisted of 46 eligible active employees and 18 enrolled eligible retirees at June 30, 2017. These amounts do not reflect current retirees not enrolled in the CalPERS health plan who are eligible to enroll in the plan at a later date.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

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

c. Funding Policy

The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For fiscal year 2016-17, the City contributed \$87,081 to the plan. Upon retirement, City's employees who are not eligible for fully paid medical benefits based on service may elect to convert the value of their sick leave for payment of the balance of the premiums which are not paid by the City.

d. Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC as of June 30, 2017, was \$353,204. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Annual required contribution	\$	353,204
Interest on net OPEB obligation		29,691
Adjustment to annual required contribution		<u>(29,691)</u>
Annual OPEB cost (expense)		353,204
Contributions made		<u>(87,081)</u>
Increase in net OPEB obligation		266,123
Net OPEB obligation, beginning of year		<u>1,723,479</u>
Net OPEB obligation, end of year	\$	<u><u>1,989,602</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2017, and the two preceding years were as follows:

Year Ended June 30,	Annual OPEB Cost	Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 353,204	\$ 86,198	24.4%	\$ 1,463,861
2016	353,204	93,586	26.5%	1,723,479
2017	353,204	87,081	24.7%	1,989,602

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

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

e. Funded Status and Funding Progress

The funded status of the plan as of June 1, 2015, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Liability (AAL)	Actuarial Value of Plan Assets	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/1/2015	\$ 3,541,215	\$ -	\$ 3,541,215	0.0%	\$ 3,626,341	97.7%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

f. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations. The actuarial methods and assumptions applicable to the year ended June 30, 2017, are as follows:

Actuarial valuation date	June 1, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percentage, closed 30 years
Remaining amortization periods	22 years, as of June 30, 2017
Actuarial assumptions:	
Investment rate of return (1)	4.50%
Inflation	2.75%
Projected salary increases	2.75%
Healthcare cost trend	4.00%

Note 12: Commitments and Contingencies

As of June 30, 2017, in the opinion of City Management, there were no additional outstanding matters that would have a significant effect on the financial position of the City.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

Note 13: 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 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, 2017, cash and investments were reported in the accompanying financial statements as follows:

	Lawndale Successor Agency
Cash and investments	\$ 2,077,322
Cash and investments held with fiscal agents	4,068,001
Total	<u>\$ 6,145,323</u>

b. Notes and Loans Receivable

Anthony's Ready Mix

In October 2008, the former Lawndale Redevelopment Agency (RDA) sold a piece of property to Anthony's Ready Mix and accepted a loan. In April 2011, the former RDA assigned the loan receivable to the City's General Fund. In June of 2011, the California legislature approved 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, 2017, the outstanding balance of the loan receivable was \$173,712.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

Note 13: 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, 2017, 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, 2017, is as follows:

	Balance at July 1, 2016, as Restated	Additions	Deletions	Balance at June 30, 2017	Due Within One Year
Bonds:					
Tax Allocation Bonds, Series 2009	\$ 19,290,000	\$ -	\$ 275,000	\$ 19,015,000	\$ 285,000
Bonds Discount	(118,930)	-	(4,233)	(114,697)	-
Subtotal Bonds	19,171,070	-	270,767	18,900,303	285,000
Notes and Agreements:					
Tax Allocation Loan Agreement Note	1,378,043	-	64,932	1,313,111	67,302
Agreements with City	23,146,732	466,670	765,195	22,848,207	1,120,886
Subtotal Notes and Agreements	24,524,775	466,670	830,127	24,161,318	1,188,188
Total	\$ 43,695,845	\$ 466,670	\$ 1,100,894	\$ 43,061,621	\$ 1,473,188

CITY OF LAWDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

Note 13: 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, 2017, the outstanding principal on the bonds was \$19,015,000, and relating unamortized discount was \$114,697.

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
2018	\$ 285,000	\$ 1,013,800	\$ 1,298,800
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
2023-2027	1,940,000	4,539,325	6,479,325
2028-2032	2,540,000	3,936,625	6,476,625
2033-2037	3,965,000	3,050,438	7,015,438
2038-2042	5,180,000	1,799,875	6,979,875
2043-2046	3,845,000	324,638	4,169,638
Total	\$ 19,015,000	\$ 18,594,927	\$ 37,609,927

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, 2017, the outstanding principal on the note was \$1,313,111.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

Note 13: 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
2018	\$ 67,302	\$ 46,700	\$ 114,002
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
2023-2027	433,053	135,196	568,249
2028-2032	518,069	48,629	566,698
Total	\$ 1,313,111	\$ 391,383	\$ 1,704,494

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.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2017

Note 13: Successor Agency to the Former Lawndale Redevelopment Agency (Continued)

As of June 30, 2017, agreements with City were reported in the accompanying financial statements as follows:

	Principal	Accrued Interest	Balance at June 30, 2017
Lawndale Successor Agency			
Public Works Agreement	\$ 749,892	\$ 182,803	\$ 932,695
2000 Cooperation Agreement	3,703,632	2,067,078	5,770,710
2000 Financing Agreement	6,417,469	3,441,180	9,858,649
2001 Cooperation Agreement	3,583,025	1,886,853	5,469,878
2009 Loan Agreement	211,746	150,067	361,813
2009 Purchase Agreement	309,048	145,414	454,462
	<u>\$ 14,974,812</u>	<u>\$ 7,873,395</u>	<u>\$ 22,848,207</u>
Total			

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 \$61,883,628 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 \$2,691,990 and the debt service obligation on the bonds was \$2,178,897.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Miscellaneous Plans			
Proportion of the Net Pension Liability	0.06907%	0.06447%	0.06772%
Proportionate Share of the Net Pension Liability	\$ 5,976,726	\$ 4,425,429	\$ 4,213,742
Covered Payroll	\$ 3,502,895	\$ 3,608,780	\$ 3,763,636
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	170.62%	122.63%	111.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 7.5 percent (net of administration expense) to 7.65 percent.

(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 three years are shown.

CITY OF LAWSDALE

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Miscellaneous			
Actuarially Determined Contribution	\$ 564,502	\$ 492,655	\$ 408,984
Contribution in Relation to the Actuarially Determined Contribution	<u>(564,502)</u>	<u>(492,655)</u>	<u>(408,984)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,654,304	\$ 3,502,895	\$ 3,608,780
Contributions as a Percentage of Covered Payroll	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 three years are shown.

Note to Schedule:

Valuation Date:	June 30, 2014
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

OTHER POST-EMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED JUNE 30, 2017

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/1/2012	\$ 2,165,185	\$ -	\$ 2,165,185	0.0%	\$ 3,861,756	56.1%
6/1/2015	3,541,215	-	3,541,215	0.0%	3,626,341	97.7%

CITY OF LAWDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 7,747,122	\$ 7,595,797	\$ 7,686,159	\$ 90,362
Licenses and permits	632,000	632,000	653,889	21,889
Intergovernmental	3,216,020	3,241,020	3,259,248	18,228
Charges for services	596,550	596,550	622,409	25,859
Use of money and property	181,000	181,000	33,842	(147,158)
Fines and forfeitures	673,000	673,000	764,645	91,645
Miscellaneous	129,125	129,125	63,740	(65,385)
Total Revenues	13,174,817	13,048,492	13,083,932	35,440
Expenditures				
Current:				
General government				
City council	160,979	162,039	170,107	(8,068)
City attorney	360,000	360,000	408,525	(48,525)
City clerk	304,806	289,545	280,160	9,385
City manager	491,313	491,313	489,460	1,853
Administrative services	101,976	108,352	106,254	2,098
Cable TV	184,437	184,437	173,340	11,097
General operations	1,131,100	1,146,434	1,181,413	(34,979)
Finance	452,572	452,572	464,744	(12,172)
Information systems	154,109	154,109	150,092	4,017
Public safety	5,341,364	5,341,364	5,343,005	(1,641)
Municipal services	1,190,931	1,208,431	1,123,101	85,330
Planning and community development	489,840	202,188	614,347	(412,159)
Recreation and community services	1,430,860	1,419,235	1,318,667	100,568
Public works				
Administration	171,828	232,099	262,746	(30,647)
Grounds and facilities	1,105,056	1,112,976	1,050,982	61,994
Street maintenance	29,000	105,702	74,960	30,742
Engineering	15,650	16,150	42,644	(26,494)
Capital outlay	10,000	842,815	761,487	81,328
Debt service:				
Principal retirement	36,325	36,325	36,325	-
Interest and fiscal charges	22,591	22,591	22,590	1
Total Expenditures	13,184,737	13,888,677	14,074,949	(186,272)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,920)	(840,185)	(991,017)	221,712
Other Financing Sources (Uses)				
Transfers in	214,916	214,916	156,000	(58,916)
Transfers out	(205,000)	(205,000)	(388,653)	(183,653)
Total Other Financing Sources (Uses)	9,916	9,916	(232,653)	(242,569)
Net Change in Fund Balance	\$ (4)	\$ (830,269)	(1,223,670)	\$ (20,857)
Fund Balance, Beginning of Year			16,449,715	
Fund Balance, End of Year			\$ 15,226,045	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 RESTRICTED URBAN DEVELOPMENT
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ 90,500	\$ 90,500	\$ 1,757	\$ (88,743)
Total Revenues	90,500	90,500	1,757	(88,743)
Expenditures				
Current:				
Planning and community development	-	-	24,984	(24,984)
Public works	190,307	190,307	47,407	142,900
Total Expenditures	190,307	190,307	72,391	117,916
Excess (Deficiency) of Revenues Over (Under) Expenditures	(99,807)	(99,807)	(70,634)	(206,659)
Net Change in Fund Balance	\$ (99,807)	\$ (99,807)	(70,634)	\$ (206,659)
Fund Balance, Beginning of Year			6,803,676	
Fund Balance, End of Year			\$ 6,733,042	

CITY OF LAWNSDALE

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAWNSDALE HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ 1,100	\$ 1,100	\$ 6,308	\$ 5,208
Miscellaneous	-	-	191,102	191,102
Total Revenues	1,100	1,100	197,410	196,310
Expenditures				
Current:				
Planning and community development	268,494	268,494	140,683	127,811
Total Expenditures	268,494	268,494	140,683	127,811
Excess (Deficiency) of Revenues Over (Under) Expenditures	(267,394)	(267,394)	56,727	68,499
Other Financing Sources (Uses)				
Transfers in	223,806	223,806	-	(223,806)
Total Other Financing Sources (Uses)	223,806	223,806	-	(223,806)
Net Change in Fund Balance	\$ (43,588)	\$ (43,588)	56,727	\$ (155,307)
Fund Balance, Beginning of Year			1,635,882	
Fund Balance, End of Year			\$ 1,692,609	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017

Note 1: Stewardship, Compliance and Accountability

a. 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, 2017, budgeted appropriations were not approved for the Local Law Enforcement Grant, Used Oil Recycling Grant, LA County Parks Maintenance Grant, Metro TOD Grant, LA County Maintenance Grant – Hopper Park special revenue funds and the State Transit Program (Local), Appropriations Act, Highway Safety Improvement, Federal Appropriation, and Metro STPL Exchange 2017 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.

DRI Grant - To account for funds for disaster recovery program.

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.

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.

96 County Specified Grants - To account for funds for construction of a new community center.

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.

Federal Appropriation Act - To account for federal 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.

LA CO Park Grant – Hogan Tot Lot - To account for maintenance related to the Frank Hogan Tot Lot.

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, 2017

	Special Revenue Funds			
	Gas Tax	Air Quality	Proposition A Local Transit Assistance	Narcotics Forfeiture
Assets				
Cash and investments	\$ 62,218	\$ 77,380	\$ 1,212,000	\$ 53,883
Receivables:				
Accounts	-	10,873	-	-
Grants	-	-	-	-
Accrued interest	39	146	2,374	106
Notes and loans	-	-	-	-
Total Assets	\$ 62,257	\$ 88,399	\$ 1,214,374	\$ 53,989
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 52,166	\$ -	\$ 64,761	\$ -
Accrued liabilities	8,147	-	1,369	-
Deposits payable	1,898	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	62,211	-	66,130	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	53,989
Recreation and community services	-	-	1,148,244	-
Public works	46	-	-	-
Capital projects	-	-	-	-
Air quality	-	88,399	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	46	88,399	1,148,244	53,989
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 62,257	\$ 88,399	\$ 1,214,374	\$ 53,989

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	State COPS Grant	Local Law Enforcement Block	Used Oil Recycling Grant	Lawndale Cable Usage Corporation
Assets				
Cash and investments	\$ 38,928	\$ 15,468	\$ 9,356	\$ 1,166
Receivables:				
Accounts	-	-	-	9,934
Grants	-	-	-	-
Accrued interest	96	-	-	204
Notes and loans	-	-	-	-
Total Assets	\$ 39,024	\$ 15,468	\$ 9,356	\$ 11,304
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 28,620	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	28,620	-	-	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	10,404	15,468	-	-
Recreation and community services	-	-	-	-
Public works	-	-	9,356	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	11,304
Unassigned	-	-	-	-
Total Fund Balances	10,404	15,468	9,356	11,304
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 39,024	\$ 15,468	\$ 9,356	\$ 11,304

CITY OF LAWNSDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds			
	Hawthorne Boulevard Maintenance	Department of Conservation Grant	Justice Assisted Grant	Park Development
Assets				
Cash and investments	\$ 25,405	\$ 94,861	\$ 6,906	\$ 10,694
Receivables:				
Accounts	-	8,666	-	-
Grants	-	-	-	-
Accrued interest	-	-	-	21
Notes and loans	-	-	-	-
Total Assets	\$ 25,405	\$ 103,527	\$ 6,906	\$ 10,715
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 25,405	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	25,405	-	-	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	6,906	-
Recreation and community services	-	103,527	-	10,715
Public works	-	-	-	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	103,527	6,906	10,715
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 25,405	\$ 103,527	\$ 6,906	\$ 10,715

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	LA County Parks Maintenance Grant	Metro TOD Grant	DRI Grant	LA CO Maint Grant - Hopper Park
Assets				
Cash and investments	\$ -	\$ 26,170	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Grants	437,575	-	-	11,441
Accrued interest	-	-	-	-
Notes and loans	-	-	-	-
Total Assets	\$ 437,575	\$ 26,170	\$ -	\$ 11,441
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 2,891	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	434,683	-	-	11,441
Total Liabilities	437,574	-	-	11,441
Deferred Inflows of Resources				
Unavailable revenues	437,575	-	-	11,441
Total Deferred Inflows of Resources	437,575	-	-	11,441
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	26,170	-	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	(437,574)	-	-	(11,441)
Total Fund Balances	(437,574)	26,170	-	(11,441)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 437,575	\$ 26,170	\$ -	\$ 11,441

CITY OF LAWNSDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds	Capital Projects Funds		
	CO Maint Grant - William Green	TDA Article 3 Local Transportation	Proposition C Local Transit Assistance	State Transit Program (Local)
Assets				
Cash and investments	\$ -	\$ 14	\$ 2,366,665	\$ 11,419
Receivables:				
Accounts	-	-	-	-
Grants	40,984	-	-	-
Accrued interest	-	-	4,666	23
Notes and loans	-	-	-	-
Total Assets	\$ 40,984	\$ 14	\$ 2,371,331	\$ 11,442
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 20,380	\$ -
Accrued liabilities	-	-	4,515	-
Deposits payable	-	-	-	-
Due to other funds	40,986	-	-	-
Total Liabilities	40,986	-	24,895	-
Deferred Inflows of Resources				
Unavailable revenues	40,984	-	-	-
Total Deferred Inflows of Resources	40,984	-	-	-
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	11,442
Capital projects	-	14	2,346,436	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	(40,986)	-	-	-
Total Fund Balances	(40,986)	14	2,346,436	11,442
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 40,984	\$ 14	\$ 2,371,331	\$ 11,442

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	Capital Projects Funds			
	Community Development Block Grant	96 County Specified Grants	Prop 1B	Safetea-Lu
Assets				
Cash and investments	\$ -	\$ -	\$ 6,163	\$ 9,682
Receivables:				
Accounts	-	-	-	-
Grants	17,298	-	-	-
Accrued interest	-	-	13	20
Notes and loans	246,538	-	-	-
Total Assets	\$ 263,836	\$ -	\$ 6,176	\$ 9,702
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 6,560	\$ -	\$ -	\$ -
Accrued liabilities	1,628	-	-	-
Deposits payable	-	-	6,045	-
Due to other funds	10,550	-	-	-
Total Liabilities	18,738	-	6,045	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Community development projects	245,098	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	131	9,702
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	245,098	-	131	9,702
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 263,836	\$ -	\$ 6,176	\$ 9,702

CITY OF LAWDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

Capital Projects Funds				
	Prop C25 Grant	Appropriations Act	Metro STP-L	Measure R
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ 357,375
Receivables:				
Accounts	-	-	-	-
Grants	196,595	-	56,320	-
Accrued interest	-	-	-	650
Notes and loans	-	-	-	-
Total Assets	\$ 196,595	\$ -	\$ 56,320	\$ 358,025
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	920	-	-	618
Deposits payable	-	6,580	-	-
Due to other funds	183,603	174,087	87,344	-
Total Liabilities	184,523	180,667	87,344	618
Deferred Inflows of Resources				
Unavailable revenues	196,595	-	56,320	-
Total Deferred Inflows of Resources	196,595	-	56,320	-
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	357,407
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	(184,523)	(180,667)	(87,344)	-
Total Fund Balances	(184,523)	(180,667)	(87,344)	357,407
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 196,595	\$ -	\$ 56,320	\$ 358,025

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	<u>Capital Projects Funds</u>			
	<u>Highway Safety Improvement</u>	<u>Federal Appropriation</u>	<u>Measure R Grant</u>	<u>Prop C 25%</u>
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Grants	-	-	3,771	18,702
Accrued interest	-	-	-	-
Notes and loans	-	-	-	-
Total Assets	\$ -	\$ -	\$ 3,771	\$ 18,702
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	120
Deposits payable	-	-	-	-
Due to other funds	45,157	-	9,968	24,370
Total Liabilities	45,157	-	9,968	24,490
Deferred Inflows of Resources				
Unavailable revenues	-	-	3,771	18,702
Total Deferred Inflows of Resources	-	-	3,771	18,702
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	(45,157)	-	(9,968)	(24,490)
Total Fund Balances	(45,157)	-	(9,968)	(24,490)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ 3,771	\$ 18,702

CITY OF LAWNSDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Capital Projects Funds			
	Measure R Grant Traffic Improvement	Metro STPL Exchange 2014	LA CO Park Grant - Hogan Tot Lot	Local Transportation Funds
Assets				
Cash and investments	\$ -	\$ 408,479	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Grants	-	-	-	7,616
Accrued interest	-	807	-	-
Notes and loans	-	-	-	-
Total Assets	\$ -	\$ 409,286	\$ -	\$ 7,616
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	291
Deposits payable	-	-	-	-
Due to other funds	-	-	-	7,325
Total Liabilities	-	-	-	7,616
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	7,616
Total Deferred Inflows of Resources	-	-	-	7,616
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	409,286	-	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	(7,616)
Total Fund Balances	-	409,286	-	(7,616)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 409,286	\$ -	\$ 7,616

CITY OF LAWNSDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Metro STPL Exchange 2017</u>	
Assets		
Cash and investments	\$ 578,416	\$ 5,372,648
Receivables:		
Accounts	-	29,473
Grants	-	790,302
Accrued interest	381	9,546
Notes and loans	-	246,538
	<u> </u>	<u> </u>
Total Assets	<u>\$ 578,797</u>	<u>\$ 6,448,507</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 200,783
Accrued liabilities	-	17,608
Deposits payable	-	14,523
Due to other funds	-	1,029,514
	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>1,262,428</u>
Deferred Inflows of Resources		
Unavailable revenues	-	773,004
	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>-</u>	<u>773,004</u>
Fund Balances		
Restricted for:		
Community development projects	-	245,098
Public safety	-	86,767
Recreation and community services	-	1,262,486
Public works	578,797	1,035,097
Capital projects	-	2,713,690
Air quality	-	88,399
Municipal services	-	11,304
Unassigned	-	(1,029,766)
	<u> </u>	<u> </u>
Total Fund Balances	<u>578,797</u>	<u>4,413,075</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 578,797</u>	<u>\$ 6,448,507</u>

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			
	Gas Tax	Air Quality	Proposition A Local Transit Assistance	Narcotics Forfeiture
Revenues				
Intergovernmental	\$ 636,803	\$ 42,774	\$ 609,516	\$ -
Charges for services	-	-	504	-
Use of money and property	366	352	6,464	299
Miscellaneous	-	-	34,892	-
Total Revenues	637,169	43,126	651,376	299
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	523,337	-
Public works	879,918	-	-	-
Capital outlay	4,825	30,000	-	-
Total Expenditures	884,743	30,000	523,337	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(247,574)	13,126	128,039	299
Other Financing Sources (Uses)				
Transfers in	95,270	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	95,270	-	-	-
Net Change in Fund Balances	(152,304)	13,126	128,039	299
Fund Balances, Beginning of Year	152,350	75,273	1,020,205	53,690
Fund Balances, End of Year	\$ 46	\$ 88,399	\$ 1,148,244	\$ 53,989

CITY OF LAWSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	State COPS Grant	Local Law Enforcement Block	Used Oil Recycling Grant	Lawndale Cable Usage Corporation
Revenues				
Intergovernmental	\$ 129,324	\$ -	\$ -	\$ -
Charges for services	-	-	-	40,587
Use of money and property	325	-	-	607
Miscellaneous	-	-	9,356	39
Total Revenues	129,649	-	9,356	41,233
Expenditures				
Current:				
General government	-	-	-	10
Public safety	114,480	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	114,480	-	-	10
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,169	-	9,356	41,223
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(156,000)
Total Other Financing Sources (Uses)	-	-	-	(156,000)
Net Change in Fund Balances	15,169	-	9,356	(114,777)
Fund Balances, Beginning of Year	(4,765)	15,468	-	126,081
Fund Balances, End of Year	\$ 10,404	\$ 15,468	\$ 9,356	\$ 11,304

CITY OF LAWNSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			
	Hawthorne Boulevard Maintenance	Department of Conservation Grant	Justice Assisted Grant	Park Development
Revenues				
Intergovernmental	\$ -	\$ 17,426	\$ 23,533	\$ -
Charges for services	-	-	-	1,600
Use of money and property	-	-	-	59
Miscellaneous	-	-	-	-
Total Revenues	-	17,426	23,533	1,659
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	23,533	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	194,207	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	194,207	-	23,533	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(194,207)	17,426	-	1,659
Other Financing Sources (Uses)				
Transfers in	194,207	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	194,207	-	-	-
Net Change in Fund Balances	-	17,426	-	1,659
Fund Balances, Beginning of Year	-	86,101	6,906	9,056
Fund Balances, End of Year	\$ -	\$ 103,527	\$ 6,906	\$ 10,715

CITY OF LAWSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	LA County Parks Maintenance Grant	Metro TOD Grant	DRI Grant	LA CO Maint Grant - Hopper Park
Revenues				
Intergovernmental	\$ -	\$ 5,242	\$ 12,204	\$ -
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	5,242	12,204	-
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	540	11,453	-
Recreation and community services	-	-	-	-
Public works	55,867	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	55,867	540	11,453	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,867)	4,702	751	-
Other Financing Sources (Uses)				
Transfers in	-	-	9,651	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	9,651	-
Net Change in Fund Balances	(55,867)	4,702	10,402	-
Fund Balances, Beginning of Year	(381,707)	21,468	(10,402)	(11,441)
Fund Balances, End of Year	\$ (437,574)	\$ 26,170	\$ -	\$ (11,441)

CITY OF LAWSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds		Capital Projects Funds	
	CO Maint Grant - William Green	TDA Article 3 Local Transportation	Proposition C Local Transit Assistance	State Transit Program (Local)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 505,491	\$ -
Charges for services	-	-	-	-
Use of money and property	-	-	12,859	64
Miscellaneous	-	-	-	-
Total Revenues	-	-	518,350	64
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	16,592	-	-	-
Public works	-	-	125,189	-
Capital outlay	-	5,040	132,680	-
Total Expenditures	16,592	5,040	257,869	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,592)	(5,040)	260,481	64
Other Financing Sources (Uses)				
Transfers in	-	4,246	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	4,246	-	-
Net Change in Fund Balances	(16,592)	(794)	260,481	64
Fund Balances, Beginning of Year	(24,394)	808	2,085,955	11,378
Fund Balances, End of Year	\$ (40,986)	\$ 14	\$ 2,346,436	\$ 11,442

CITY OF LAWNSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Capital Projects Funds			
	Community Development Block Grant	96 County Specified Grants	Prop 1B	Safetea-Lu
Revenues				
Intergovernmental	\$ 220,509	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Use of money and property	-	-	34	54
Miscellaneous	-	-	-	-
Total Revenues	220,509	-	34	54
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	220,509	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	220,509	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	34	54
Other Financing Sources (Uses)				
Transfers in	-	27,211	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	27,211	-	-
Net Change in Fund Balances	-	27,211	34	54
Fund Balances, Beginning of Year	245,098	(27,211)	97	9,648
Fund Balances, End of Year	\$ 245,098	\$ -	\$ 131	\$ 9,702

CITY OF LAWNSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	<u>Capital Projects Funds</u>			
	<u>Prop C25 Grant</u>	<u>Appropriations Act</u>	<u>Metro STP-L</u>	<u>Measure R</u>
Revenues				
Intergovernmental	\$ 10,989	\$ -	\$ -	\$ 379,275
Charges for services	-	-	-	-
Use of money and property	-	-	-	1,941
Miscellaneous	-	-	-	-
Total Revenues	10,989	-	-	381,216
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	44,827	-	-	38,133
Capital outlay	55,722	-	46,320	190,655
Total Expenditures	100,549	-	46,320	228,788
Excess (Deficiency) of Revenues Over (Under) Expenditures	(89,560)	-	(46,320)	152,428
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(89,560)	-	(46,320)	152,428
Fund Balances, Beginning of Year	(94,963)	(180,667)	(41,024)	204,979
Fund Balances, End of Year	\$ (184,523)	\$ (180,667)	\$ (87,344)	\$ 357,407

CITY OF LAWSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Capital Projects Funds			
	Highway Safety Improvement	Federal Appropriation	Measure R Grant	Prop C 25%
Revenues				
Intergovernmental	\$ -	\$ -	\$ 3,280	\$ 4,295
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	3,280	4,295
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	875	6,832
Capital outlay	-	-	-	-
Total Expenditures	-	-	875	6,832
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	2,405	(2,537)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	(18,637)	-	-
Total Other Financing Sources (Uses)	-	(18,637)	-	-
Net Change in Fund Balances	-	(18,637)	2,405	(2,537)
Fund Balances, Beginning of Year	(45,157)	18,637	(12,373)	(21,953)
Fund Balances, End of Year	\$ (45,157)	\$ -	\$ (9,968)	\$ (24,490)

CITY OF LAWSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Capital Projects Funds			
	Measure R Grant Traffic Improvement	Metro STPL Exchange 2014	LA CO Park Grant - Hogan Tot Lot	Local Transportation Funds
Revenues				
Intergovernmental	\$ 273,676	\$ -	\$ 522,101	\$ -
Charges for services	-	-	-	-
Use of money and property	-	2,274	-	-
Miscellaneous	-	-	-	-
Total Revenues	273,676	2,274	522,101	-
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	15,662	-	-	7,616
Capital outlay	-	-	-	-
Total Expenditures	15,662	-	-	7,616
Excess (Deficiency) of Revenues Over (Under) Expenditures	258,014	2,274	522,101	(7,616)
Other Financing Sources (Uses)				
Transfers in	76,806	-	-	-
Transfers out	-	-	(101)	-
Total Other Financing Sources (Uses)	76,806	-	(101)	-
Net Change in Fund Balances	334,820	2,274	522,000	(7,616)
Fund Balances, Beginning of Year	(334,820)	407,012	(522,000)	-
Fund Balances, End of Year	\$ -	\$ 409,286	\$ -	\$ (7,616)

CITY OF LAWNSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	<u>Capital Projects Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Metro STPL Exchange 2017</u>		
Revenues			
Intergovernmental	\$ 578,416	\$	3,974,854
Charges for services	-		42,691
Use of money and property	381		26,079
Miscellaneous	-		44,287
Total Revenues	578,797		4,087,911
Expenditures			
Current:			
General government	-		10
Public safety	-		138,013
Planning and community development	-		232,502
Recreation and community services	-		539,929
Public works	-		1,369,126
Capital outlay	-		465,242
Total Expenditures	-		2,744,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>578,797</u>		<u>1,343,089</u>
Other Financing Sources (Uses)			
Transfers in	-		407,391
Transfers out	-		(174,738)
Total Other Financing Sources (Uses)	-		232,653
Net Change in Fund Balances	578,797		1,575,742
Fund Balances, Beginning of Year	-		2,837,333
Fund Balances, End of Year	\$ 578,797	\$	4,413,075

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GAS TAX
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 866,997	\$ 866,997	\$ 636,803	\$ (230,194)
Use of money and property	1,000	1,000	366	(634)
Total Revenues	867,997	867,997	637,169	(230,828)
Expenditures				
Public works	975,521	975,521	879,918	95,603
Capital outlay	50,000	50,000	4,825	45,175
Total Expenditures	1,025,521	1,025,521	884,743	140,778
Excess (Deficiency) of Revenues Over (Under) Expenditures	(157,524)	(157,524)	(247,574)	(371,606)
Other Financing Sources (Uses)				
Transfers in	-	-	95,270	95,270
Total Other Financing Sources (Uses)	-	-	95,270	95,270
Net Change in Fund Balance	\$ (157,524)	\$ (157,524)	(152,304)	\$ (276,336)
Fund Balance, Beginning of Year			152,350	
Fund Balance, End of Year			\$ 46	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 AIR QUALITY
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 38,000	\$ 38,000	\$ 42,774	\$ 4,774
Use of money and property	100	100	352	252
Total Revenues	38,100	38,100	43,126	5,026
Expenditures				
Current:				
Public works	10,000	10,000	-	10,000
Capital outlay	30,000	30,000	30,000	-
Total Expenditures	40,000	40,000	30,000	10,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,900)	(1,900)	13,126	(4,974)
Net Change in Fund Balance	\$ (1,900)	\$ (1,900)	13,126	\$ (4,974)
Fund Balance, Beginning of Year			75,273	
Fund Balance, End of Year			\$ 88,399	

CITY OF LAWNSDALE

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROPOSITION A LOCAL TRANSIT ASSISTANCE
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 612,020	\$ 612,020	\$ 609,516	\$ (2,504)
Charges for services	360	360	504	144
Use of money and property	2,500	2,500	6,464	3,964
Miscellaneous	-	-	34,892	34,892
Total Revenues	614,880	614,880	651,376	36,496
Expenditures				
Current:				
Recreation and community services	632,548	632,548	523,337	109,211
Capital outlay	70,000	70,000	-	70,000
Total Expenditures	702,548	702,548	523,337	179,211
Excess (Deficiency) of Revenues Over (Under) Expenditures	(87,668)	(87,668)	128,039	(142,715)
Net Change in Fund Balance	<u>\$ (87,668)</u>	<u>\$ (87,668)</u>	128,039	<u>\$ (142,715)</u>
Fund Balance, Beginning of Year			1,020,205	
Fund Balance, End of Year			<u>\$ 1,148,244</u>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 NARCOTICS FORFEITURE
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 500	\$ 500	\$ -	\$ (500)
Use of money and property	120	120	299	179
Total Revenues	620	620	299	(321)
Excess (Deficiency) of Revenues Over (Under) Expenditures	620	620	299	(321)
Net Change in Fund Balance	\$ 620	\$ 620	299	\$ (321)
Fund Balance, Beginning of Year			53,690	
Fund Balance, End of Year			\$ 53,989	

CITY OF LAWDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 STATE COPS GRANT
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 129,324	\$ 29,324
Use of money and property	50	50	325	275
Total Revenues	100,050	100,050	129,649	29,599
Expenditures				
Current:				
Public safety	123,735	123,735	114,480	9,255
Total Expenditures	123,735	123,735	114,480	9,255
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,685)	(23,685)	15,169	20,344
Net Change in Fund Balance	\$ (23,685)	\$ (23,685)	15,169	\$ 20,344
Fund Balance, Beginning of Year			(4,765)	
Fund Balance, End of Year			\$ 10,404	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 LAWNSDALE CABLE USAGE CORPORATION
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 33,300	\$ 33,300	\$ 40,587	\$ 7,287
Use of money and property	30	30	607	577
Miscellaneous	250	250	39	(211)
Total Revenues	33,580	33,580	41,233	7,653
Expenditures				
Current:				
General government	33,000	93,000	10	92,990
Total Expenditures	33,000	93,000	10	92,990
Excess (Deficiency) of Revenues Over (Under) Expenditures	580	(59,420)	41,223	(85,337)
Other Financing Sources (Uses)				
Transfers out	-	-	(156,000)	(156,000)
Total Other Financing Sources (Uses)	-	-	(156,000)	(156,000)
Net Change in Fund Balance	\$ 580	\$ (59,420)	(114,777)	\$ (241,337)
Fund Balance, Beginning of Year			126,081	
Fund Balance, End of Year			\$ 11,304	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 HAWTHORNE BOULEVARD MAINTENANCE
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current:				
Public works	\$ 205,000	\$ 205,000	\$ 194,207	\$ 10,793
Total Expenditures	205,000	205,000	194,207	10,793
Excess (Deficiency) of Revenues Over (Under) Expenditures	(205,000)	(205,000)	(194,207)	(10,793)
Other Financing Sources (Uses)				
Transfers in	205,000	205,000	194,207	(10,793)
Total Other Financing Sources (Uses)	205,000	205,000	194,207	(10,793)
Net Change in Fund Balance	\$ -	\$ -	-	\$ (21,586)
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			\$ -	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 DEPARTMENT OF CONSERVATION GRANT
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 17,426	\$ 8,426
Total Revenues	9,000	9,000	17,426	8,426
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,000	9,000	17,426	8,426
Net Change in Fund Balance	<u>\$ 9,000</u>	<u>\$ 9,000</u>	17,426	<u>\$ 8,426</u>
Fund Balance, Beginning of Year			86,101	
Fund Balance, End of Year			<u>\$ 103,527</u>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 JUSTICE ASSISTED GRANT
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 23,533	\$ 8,533
Total Revenues	15,000	15,000	23,533	8,533
Expenditures				
Current:				
Public safety	15,000	15,000	23,533	(8,533)
Total Expenditures	15,000	15,000	23,533	(8,533)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	17,066
Net Change in Fund Balance	\$ -	\$ -	-	\$ 17,066
Fund Balance, Beginning of Year			6,906	
Fund Balance, End of Year			\$ 6,906	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 PARK DEVELOPMENT
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 1,000	\$ 1,000	\$ 1,600	\$ 600
Use of money and property	25	25	59	34
Total Revenues	1,025	1,025	1,659	634
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,025	1,025	1,659	634
Net Change in Fund Balance	\$ 1,025	\$ 1,025	1,659	\$ 634
Fund Balance, Beginning of Year			9,056	
Fund Balance, End of Year			\$ 10,715	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 DRI GRANT
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 12,204	\$ 12,204
Total Revenues	-	-	12,204	12,204
Expenditures				
Current:				
Planning and community development	-	-	11,453	(11,453)
Total Expenditures	-	-	11,453	(11,453)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	751	23,657
Other Financing Sources (Uses)				
Transfers in	-	9,651	9,651	-
Total Other Financing Sources (Uses)	-	9,651	9,651	-
Net Change in Fund Balance	\$ -	\$ 9,651	10,402	\$ 23,657
Fund Balance, Beginning of Year			(10,402)	
Fund Balance, End of Year			\$ -	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CO MAINT GRANT - WILLIAM GREEN
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current:				
Recreation and community services	\$ -	\$ 295	\$ 16,592	\$ (16,297)
Total Expenditures	-	295	16,592	(16,297)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(295)	(16,592)	16,297
Net Change in Fund Balance	\$ -	\$ (295)	(16,592)	\$ 16,297
Fund Balance, Beginning of Year			(24,394)	
Fund Balance, End of Year			\$ (40,986)	

CITY OF LAWDALE

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TDA ARTICLE 3 LOCAL TRANSPORTATION
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 44,000	\$ 44,000	\$ -	\$ (44,000)
Total Revenues	44,000	44,000	-	(44,000)
Expenditures				
Capital outlay	44,000	44,000	5,040	38,960
Total Expenditures	44,000	44,000	5,040	38,960
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(5,040)	(82,960)
Other Financing Sources (Uses)				
Transfers in	-	-	4,246	4,246
Total Other Financing Sources (Uses)	-	-	4,246	4,246
Net Change in Fund Balance	\$ -	\$ -	(794)	\$ (78,714)
Fund Balance, Beginning of Year, as Restated			808	
Fund Balance, End of Year			\$ 14	

CITY OF LAWNSDALE

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROPOSITION C LOCAL TRANSIT ASSISTANCE
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 507,654	\$ 507,654	\$ 505,491	\$ (2,163)
Use of money and property	6,500	6,500	12,859	6,359
Total Revenues	514,154	514,154	518,350	4,196
Expenditures				
Current:				
Public works	477,592	477,592	125,189	352,403
Capital outlay	773,970	1,234,399	132,680	1,101,719
Total Expenditures	1,251,562	1,711,991	257,869	1,454,122
Excess (Deficiency) of Revenues Over (Under) Expenditures	(737,408)	(1,197,837)	260,481	(1,449,926)
Net Change in Fund Balance	\$ (737,408)	\$ (1,197,837)	260,481	\$ (1,449,926)
Fund Balance, Beginning of Year			2,085,955	
Fund Balance, End of Year			\$ 2,346,436	

CITY OF LAWDALE

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 301,575	\$ 301,575	\$ 220,509	\$ (81,066)
Total Revenues	301,575	301,575	220,509	(81,066)
Expenditures				
Current:				
Planning and community development	301,575	301,575	220,509	81,066
Total Expenditures	301,575	301,575	220,509	81,066
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(162,132)
Net Change in Fund Balance	\$ -	\$ -	-	\$ (162,132)
Fund Balance, Beginning of Year			245,098	
Fund Balance, End of Year			\$ 245,098	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 96 COUNTY SPECIFIED GRANTS
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ 27,211	\$ 27,211	\$ -
Total Other Financing Sources (Uses)	-	27,211	27,211	-
Net Change in Fund Balance	\$ -	\$ 27,211	27,211	\$ -
Fund Balance, Beginning of Year			(27,211)	
Fund Balance, End of Year			\$ -	

CITY OF LAWDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SAFETEA-LU
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 102,060	\$ 102,060	\$ -	\$ (102,060)
Use of money and property	-	-	54	54
Total Revenues	102,060	102,060	54	(102,006)
Expenditures				
Capital outlay	-	544,000	-	544,000
Total Expenditures	-	544,000	-	544,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	102,060	(441,940)	54	(646,006)
Net Change in Fund Balance	<u>\$ 102,060</u>	<u>\$ (441,940)</u>	54	<u>\$ (646,006)</u>
Fund Balance, Beginning of Year			9,648	
Fund Balance, End of Year			\$ 9,702	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 PROP C25 GRANT
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 10,989	\$ 10,989
Total Revenues	-	-	10,989	10,989
Expenditures				
Current:				
Public works	-	-	44,827	(44,827)
Capital outlay	-	230,617	55,722	174,895
Total Expenditures	-	230,617	100,549	130,068
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(230,617)	(89,560)	(119,079)
Net Change in Fund Balance	\$ -	\$ (230,617)	(89,560)	\$ (119,079)
Fund Balance, Beginning of Year			(94,963)	
Fund Balance, End of Year			\$ (184,523)	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 METRO STP-L
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 520,879	\$ 520,879	\$ -	\$ (520,879)
Total Revenues	520,879	520,879	-	(520,879)
Expenditures				
Capital outlay	480,000	480,000	46,320	433,680
Total Expenditures	480,000	480,000	46,320	433,680
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,879	40,879	(46,320)	(954,559)
Net Change in Fund Balance	\$ 40,879	\$ 40,879	(46,320)	\$ (954,559)
Fund Balance, Beginning of Year			(41,024)	
Fund Balance, End of Year			\$ (87,344)	

CITY OF LAWDALE

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MEASURE R
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 380,712	\$ 380,712	\$ 379,275	\$ (1,437)
Use of money and property	1,000	1,000	1,941	941
Total Revenues	381,712	381,712	381,216	(496)
Expenditures				
Current:				
Public works	75,208	75,208	38,133	37,075
Capital outlay	402,000	402,000	190,655	211,345
Total Expenditures	477,208	477,208	228,788	248,420
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,496)	(95,496)	152,428	(248,916)
Net Change in Fund Balance	\$ (95,496)	\$ (95,496)	152,428	\$ (248,916)
Fund Balance, Beginning of Year			204,979	
Fund Balance, End of Year			\$ 357,407	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MEASURE R GRANT
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 3,280	\$ 3,280
Total Revenues	-	-	3,280	3,280
Expenditures				
Current:				
Public works	-	-	875	(875)
Capital outlay	-	458,475	-	458,475
Total Expenditures	-	458,475	875	457,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(458,475)	2,405	(454,320)
Net Change in Fund Balance	\$ -	\$ (458,475)	2,405	\$ (454,320)
Fund Balance, Beginning of Year			(12,373)	
Fund Balance, End of Year			\$ (9,968)	

CITY OF LAWDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 PROP C 25%
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 4,295	\$ 4,295
Total Revenues	-	-	4,295	4,295
Expenditures				
Current:				
Public works	-	-	6,832	(6,832)
Capital outlay	-	2,090,113	-	2,090,113
Total Expenditures	-	2,090,113	6,832	2,083,281
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,090,113)	(2,537)	(2,078,986)
Net Change in Fund Balance	\$ -	\$ (2,090,113)	(2,537)	\$ (2,078,986)
Fund Balance, Beginning of Year			(21,953)	
Fund Balance, End of Year			\$ (24,490)	

CITY OF LAWDALE

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MEASURE R GRANT TRAFFIC IMPROVEMENT
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 273,676	\$ 273,676
Total Revenues	-	-	273,676	273,676
Expenditures				
Current:				
Public works	-	-	15,662	(15,662)
Capital outlay	-	697,577	-	697,577
Total Expenditures	-	697,577	15,662	681,915
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(697,577)	258,014	(408,239)
Other Financing Sources (Uses)				
Transfers in	-	76,805	76,806	1
Total Other Financing Sources (Uses)	-	76,805	76,806	1
Net Change in Fund Balance	\$ -	\$ (620,772)	334,820	\$ (408,238)
Fund Balance, Beginning of Year			(334,820)	
Fund Balance, End of Year			\$ -	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 METRO STPL EXCHANGE 2014
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 2,274	\$ 2,274
Total Revenues	-	-	2,274	2,274
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	2,274	2,274
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	2,274	<u>\$ 2,274</u>
Fund Balance, Beginning of Year			407,012	
Fund Balance, End of Year			<u>\$ 409,286</u>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 LA CO PARK GRANT - HOGAN TOT LOT
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 522,101	\$ 522,101	\$ -
Total Revenues	-	522,101	522,101	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	522,101	522,101	-
Other Financing Sources (Uses)				
Transfers out	-	-	(101)	101
Total Other Financing Sources (Uses)	-	-	(101)	101
Net Change in Fund Balance	\$ -	\$ 522,101	522,000	\$ 101
Fund Balance, Beginning of Year			(522,000)	
Fund Balance, End of Year			\$ -	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 LOCAL TRANSPORTATION FUNDS
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 15,915	\$ 15,915	\$ -	\$ (15,915)
Total Revenues	15,915	15,915	-	(15,915)
Expenditures				
Current:				
Public works	-	-	7,616	(7,616)
Capital outlay	15,915	15,915	-	15,915
Total Expenditures	15,915	15,915	7,616	8,299
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(7,616)	(24,214)
Net Change in Fund Balance	\$ -	\$ -	(7,616)	\$ (24,214)
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			\$ (7,616)	

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