

LAWNDALE



**City of Lawndale
Comprehensive Annual
Financial Report**

Fiscal Year Ending June 30, 2015

CITY OF LAWNSDALE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

PREPARED BY
FINANCE DEPARTMENT

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CITY OF LAWNSDALE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2015

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CITY OF LAWDALE

February 15, 2016

Honorable Mayor,
Members of the City Council

The Comprehensive Annual Financial Report (CAFR) of the City of Lawndale, California for the fiscal year ended June 30, 2015 (FY15) is submitted herewith.

The report was prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all the disclosures, rests with the City. We believe the data presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the City's financial position and the results of its operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a good understanding of the City's financial activity, are included.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, i.e. overview and analysis, to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The General Purpose Financial Statements included in the CAFR have been prepared in accordance with GAAP as promulgated by the Governmental Accounting Standards Board (GASB) and includes the report of the City's independent certified public accountants, Lance, Soll & Lunghard LLP.

In addition, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governmental Units and Non-Profit Organizations, and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Information related to the single audit, including the schedule of expenditures of federal awards, auditors' reports on compliance and internal control over financial reporting and compliance with applicable laws and regulations, are included in the single audit report, which is separately issued and available at City Hall in the Finance Department.

THE REPORTING ENTITY AND ITS SERVICES

The City of Lawndale, known as the Heart of the South Bay, is a general law city incorporated in 1959 under the laws of the State of California. It uses the Council/Manager form of government. The City Council is presided over by the Mayor, who is elected every two years. The four Council members are elected every four years via citywide vote. Among its primary duties, the City Council makes laws, sets policies, adopts budgets and oversees an array of agenda items for the community. The City Manager is appointed by the City Council and leads the administrative branch of city government and directs all City operations, projects and programs. The City is located in the County of Los Angeles, California and is approximately 13 miles southwest of Los Angeles and 3 miles east of Manhattan Beach. It is situated in the southwest part of the county and occupies approximately 2 square miles. The City population is estimated by the California State Department of Finance at approximately 35,000.

ECONOMIC ENVIRONMENT

The General Fund's four main revenue sources make up the bulk of the fund's revenue and have remained steady as the economy climbs out of a recessionary period. They are: Motor Vehicle in-Lieu at \$2.9 million, Sales Tax of \$2.6 million, Utility User's Tax of \$2.1 million and Property Tax of \$1.2 million. These four have been the revenue cornerstones for the City.

From a non-operational standpoint, the City has been working with the State to closeout the affairs of the Lawndale Redevelopment Agency/Successor Agency (SA) due to the passing of ABx126 which ended redevelopment. Going forward, statewide, successor agencies will primarily serve to close out debts and obligations of former redevelopment agencies. At this time, with regards to Lawndale, the State has validated the debt owed from the SA and has begun to make repayments on both the \$13.3 million in debt to the General Fund and \$9.7 million to the UDAG fund. Such repayment will likely be made over the next 15 years and provide a steady inflow to both funds. It is important to note that from an accounting standpoint the SA is no longer a component unit of the City or its financial statements and has the status of a fiduciary fund.

Despite the major occurrences due to ABx126, the General Fund's main components remain consistent. With the stagnation of revenues has come a paring down of expenditures. The City is basically working off of a base budget with limited allowance for capital and limited General Fund participation in new capital projects.

Going forward, our property tax and sales tax consultants have advised us that both revenue streams are experiencing significant upturn countywide. However, Lawndale's growth has only been modest but more importantly is that the trend is moving in the right direction. It is expected that future budgets will be flat from both a revenue and expenditure aspect as the City awaits a full economic recovery.

INTERNAL ACCOUNTING CONTROLS AND BUDGETARY CONTROL

The management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits require estimates and judgments by management. All internal control evaluations occur within the above framework. City management believes the City's internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions have been properly recorded.

As part of the City's internal controls, it maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the City funds are included in the annual appropriated budget. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund category level. The City Manager may transfer appropriations from one program to another within a department within the same fund without approval from the City Council. All other transfers must be approved by the City Council. The City also maintains an encumbrance accounting system as one technique for accomplishing budgetary control. Encumbrances outstanding at year-end are reported as reservations of fund equity since they do not constitute expenditures or liabilities under the Generally Accepted Accounting Principles.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when received in cash, except for revenues susceptible to accrual and revenues of a material amount that have not been received at the normal time. Revenues

considered susceptible to accrual are those that are measurable and available to finance the government operation during the year. Expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred.

In addition, as a recipient of federal financial assistance, the City is responsible for establishing and maintaining adequate internal controls to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the City's independent certified public accountants. As part of the City's single audit, tests are made to determine the adequacy of internal controls, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for fiscal year 2010 were published in a separately issued report and indicated that there were no material weaknesses in internal controls.

CASH MANAGEMENT

Funds which are temporarily idle during the year are invested in various instruments, with the majority of maturities being less than one year. The City's investment policy is to maximize return while minimizing risks to the principal and assuring that cash is available to meet anticipated needs. Cash is commingled for investment purposes in order to maximize interest earnings, except where legally restricted. Interest earnings on commingled cash are allocated to the participating funds based on average cash balances during the year.

Interest earnings on all invested funds of the City for the year ending June 30, 2014 totaled \$99,903.

RISK MANAGEMENT

The City is a member of the Southern California Joint Powers Insurance Authority and is provided the following insurance coverages as part of the Authority:

- General Liability - Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Costs are spread to members as delineated in note 5.
- Workers' Compensation - The City also participates in the workers compensation pool administered by the Authority. Pool deposits and retrospective adjustments are valued in a manner similar to the General Liability pool. The City of Lawndale is charged for the first \$50,000 of each claim. Costs are pooled above that level as delineated in note 5.
- Property Insurance - The City of Lawndale participates in the all-risk property protections program of the Authority. City property is currently insured according to a schedule of covered property submitted by the City of Lawndale to the Authority. Total all-risk property insurance coverage is \$5 million per occurrence. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.
- 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. The City currently has earthquake protection in the amount of \$10 million per occurrence. There is a deductible of 5 percent of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

PENSION FUND OPERATIONS

The City of Lawndale's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The employees are

covered by the California Public Employees' Retirement System (PERS) which is a cost sharing multiple-employer benefit plan. The plan is currently 78% funded and less subject to volatility as recent legislation recommends that when there are fewer than 100 active members, an organization shall be grouped with like-organizations in order to spread the risk and stabilize rate changes.

The Central Management Team (CMT) in place prior to January 1, 2013 receives a supplemental retirement benefit (1% at 55 formula) through the Public Agency Retirement System (PARS). The City makes contributions on behalf of the CMT and at this time there are only three remaining participants. Those CMT members hired after that date will not receive this supplemental benefit in conformance with the Public Employees Pension Reform Act (PEPRA) of 2013 which reduced and eliminated many retirement benefits.

INDEPENDENT AUDIT

The City and State of California statutes require the City to have an annual audit by independent certified public accountants. The accounting firm of Lance, Soll & Lunghard LLP was selected by the City Council for this purpose. In addition to meeting the requirements set forth in the State statutes, the audit is designed to meet the requirements of the federal Single Audit Act of 1984, as amended in 1996, and related OMB Circular A-133. The auditor's report on the basic general purpose financial statements and the supplementary combining statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in a separately issued single audit document.

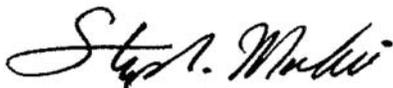
AWARDS

The Government Finance Officer's Association (GFOA) awards certificates of achievement to those entities whose annual financial reports are judged to conform substantially to high standards of public financial reporting. The City of Lawndale has been awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA in recent years and has continued its rigid requirements. This national award is a noteworthy accomplishment and strengthens the credibility of our city.

ACKNOWLEDGMENTS

Preparation of a financial report of this scope would not be possible without the support of the City Council and City Manager, the cooperation of the various departments and the efforts of the entire staff of the Finance Department. Special thanks must go to Wayne Schaller, Accounting Manager, for his invaluable assistance with the annual audit and all related year-end schedules.

Respectfully submitted,



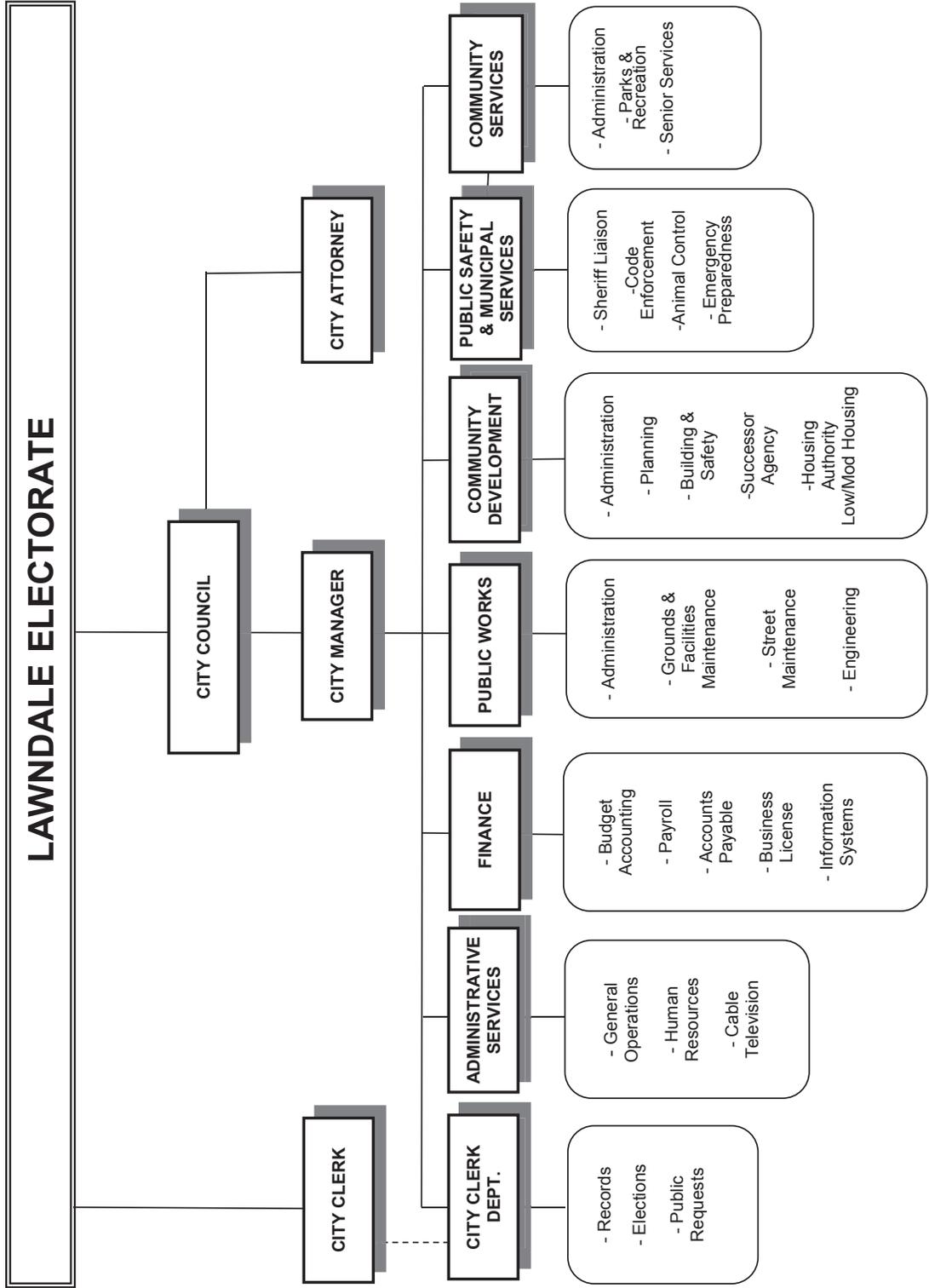
Stephen N. Mandoki
City Manager



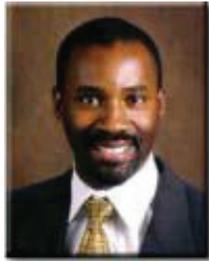
Ken Louie
Finance Director/City Treasurer

CITY OF LAWNSDALE

City-Wide Organizational Chart



■ **CITY ELECTED OFFICIALS**



**Mayor
Robert Pullen - Miles**

Elected: April 2014



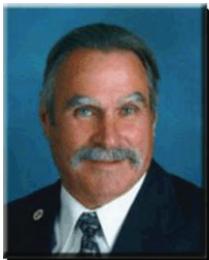
**Mayor Pro Tem
Larry Rudolph**

Elected: April 2014



**Councilmember
Jim Osborne**

Elected: April 2012



**Councilmember
Pat Kearney**

Elected: April 2014



**Councilmember
Daniel Reid**

Appointed: April 2014

City Clerk Bernadette Suarez
Elected: April 2014

■ **CENTRAL MANAGEMENT TEAM**

City Manager: Stephen N. Mandoki
Director of Community Development: Joe Perez
Director of Finance/City Treasurer: Ken Louie
Director of Public Works: Vacant
Assistant City Clerk: Pam Giamario

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, 2015, 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.

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, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison schedules for the general fund, community development block grant, restricted urban development and Lawndale housing authority special revenue funds, the schedule of proportionate share of the net pension liability – cost-sharing multiple-employer miscellaneous plans, the schedule of plan contributions – cost-sharing multiple-employer miscellaneous plans, the schedule of changes in net pension liability and related ratios – retirement enhancement plan, schedule of plan contributions – retirement enhancement plan, schedule of investment returns – retirement enhancement plan, and the schedules of funding progress – PARS and OPEB be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



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 February 15, 2016 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, Solt & Lughard, LLP

Brea California
February 15, 2016

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CITY OF LAWNSDALE, CALIFORNIA

Management's Discussion and Analysis

As management of the City of Lawndale, we offer readers of the City's financial statements this narrative discussion and analysis of the financial activities for fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i- vi of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lawndale is improving or deteriorating.

The *statement of activities and changes in net position* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation and sick leave).

Both the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include its general government, public safety, municipal services, planning and community development, recreation and community services. The city does not have any business type activities.

The government-wide financial statements include not only the City of Lawndale itself (known as the *primary government*), but also the legally separate Lawndale Cable Corporation, Lawndale Financing Authority and Lawndale Housing Authority for which the City of Lawndale is financially accountable. Financial information for these *component units* have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 16-18 of this report.

CITY OF LAWNSDALE, CALIFORNIA

Management's Discussion and Analysis

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Lawndale, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are presented in one category: governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Lawndale maintains 43 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Restricted Urban Development Special Revenue Fund, Lawndale Housing Authority Special Revenue Fund, and the Community Development Block Grant all of which are considered to be major funds. Data from the other 39 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *non-major* governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Lawndale adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement has been provided for each governmental fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-28 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-69 of this report.

CITY OF LAWNSDALE, CALIFORNIA

Management's Discussion and Analysis

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 72-77 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 84-98 of this report.

Government-wide Financial Analysis

You will note that the net position has decreased by \$6,254,923. This is due to two changes in reporting. The first one has to do with the Government Accounting Standards Board requiring that the net pension liability be booked (\$5,350,789) as an adjustment to opening net position and the second has to deal with assets now being depreciated on a shorter term.

City of Lawndale Net Position Government Activities	Fiscal Year 2014-2015	Fiscal Year 2013-2014	Variance Increase (Decrease)	Percentage Increase (Decrease)
Current and other assets	\$14,662,370	\$14,289,560	\$372,510	2.61%
Noncurrent assets	18,482,315	18,615,758	(133,443)	(0.72%)
Capital assets, net	42,302,758	42,008,400	294,358	.70%
Total Assets	75,447,443	74,913,718	533,425	.71%
Deferred Outflows of Resources	428,790	954,183	(525,393)	(55.06%)
Total Deferred Outflows	428,790	954,183	(525,393)	(1.00%)
Current liabilities	2,395,778	1,910,137	485,641	25.42%
Long-term liabilities outstanding	7,050,624	2,843,489	4,207,135	147.96%
Total Liabilities	9,446,402	4,753,626	4,692,776	98.72%
Deferred Inflows of Resources	1,570,479	-	1,570,479	100.00%
Total Deferred Inflows	1,570,479	-	1,570,479	100.00%
Net Investment in Capital				
Assets	41,632,026	41,303,660	328,366	.80%
Restricted, Net Position	25,108,842	5,971,750	(519,038)	(8.69)%

CITY OF LAWNSDALE, CALIFORNIA

Management's Discussion and Analysis

Unrestricted, Net Position	(1,881,516)	23,838,865	(6,064,251)	(23.44%)
Total Net Position	\$64,859,352	\$71,114,275	\$(6,254,923)	(8.80%)

Governmental activities. Governmental activities decreased the City's net position by \$6,254,923.

	Fiscal Year 2014-15	Fiscal Year 2013-2014	Variance Increase (Decrease)	Percentage Increase (Decrease)
Government Activities				
Program revenues:				
Charges for services	3,966,519	1,746,311	2,220,208	127.14%
Operating grants and contributions	1,155,002	143,560	1,011,442	704.54%
Capital grants and contributions	2,317,196	1,777,527	539,669	(36.75%)
General revenues:				
Property taxes	1,257,326	1,207,732	49,594	4.11%
Other taxes	8,769,384	10,937,105	(2,167,721)	(19.82%)
Other general revenues	819,123	1,188,719	(369,596)	(31.09%)
Total revenues	18,284,550	17,000,954	1,283,596	7.97%
Expenses:				
General government	3,494,485	3,644,909	(150,424)	(4.13%)
Public safety	4,984,084	4,767,707	216,377	4.54%
Municipal services	5,109,539	4,676,472	433,067	10.79%
Planning and community development	1,869,744	1,378,366	491,378	35.65%
Recreation and community services	1,839,218	1,938,501	(99,283)	(5.12%)
Interest and fiscal charges	24,565	25,913	(1,348)	(5.20%)
Total expenses	17,321,645	16,431,868	889,777	5.85%
Restatement on Net Position	(7,217,828)	(4,776,478)	(2,441,350)	51.11%
Change in net position	962,905	(4,207,392)	(2,047,531)	48.67%
Net Position - Beginning of Year	71,114,275	75,321,667	(4,207,392)	(5.59%)
Net Position - End of Year	64,859,352	71,114,275	(6,254,923)	(8.80%)

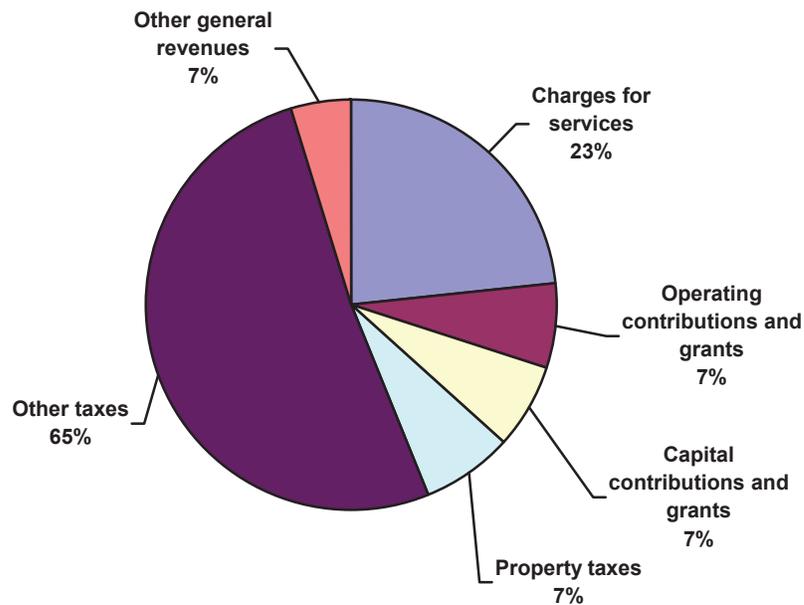
CITY OF LAWNSDALE, CALIFORNIA

Management's Discussion and Analysis

Key elements of this decrease in total net position from all activities are as follows:

- The difference in the method of accounting for capital assets in the governmental funds versus the statement of activities accounts. Governmental funds fully expend capital asset costs in the period they are acquired. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives.

Revenues by Source – Governmental Activities



Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$42,302,758 (net of accumulated depreciation). The investment in capital assets includes land, buildings and structures, improvements other than buildings, machinery and equipment and current year additions to infrastructure.

CITY OF LAWNSDALE, CALIFORNIA

Management's Discussion and Analysis

City of Lawndale Capital Assets (Net of Depreciation) Governmental Activities	Fiscal Year 2014-2015	Fiscal Year 2013-2014	Variance Increase (Decrease)	Percentage Increase (Decrease)
Land	5,215,937	5,215,937		
Buildings and structures	13,692,311	15,896,315	(2,204,004)	(1.42%)
Machinery and equipment	521,941	456,017	65,924	3.09%
Improvements other than buildings	206,208	221,948	(15,740)	(47.07%)
Infrastructure	20,490,122	18,167,753	2,322,369	(0.93%)
Construction in progress	2,176,239	2,050,430	125,809	(38.21%)
Total	42,302,758	42,008,400	294,358	(2.03%)

Additional information regarding the City's capital assets can be found in Note 5 on page 60.

Long-term debt. At the end of the current fiscal year, the City of Lawndale had total debt outstanding of \$2,809,436.

City of Lawndale Outstanding Debt Government Activities	Fiscal Year 2014-15	Fiscal Year 2013-2014	Variance Increase (Decrease)	Percentage Increase (Decrease)
Notes payable	670,732	704,740	(34,008)	(4.83%)
Compensated absences	674,843	697,451	(22,608)	(3.24%)
Claims payable - general and workers compensation liability	-	244,443	(244,443)	(100.00%)
Other post employment benefits payable	1,437,004	1,196,854	267,007	22.31%
Total	2,782,579	2,843,488	(34,052)	(1.20%)

CITY OF LAWNSDALE, CALIFORNIA

Management's Discussion and Analysis

Closing

For now, the General Fund remains healthy as it boasts approximately 50% in cash reserves and with the long-term receivable from the State, possesses close to a 150% of budget equity position.

Requests for Information

This financial report is designed to provide a general overview of the financial position of the City of Lawndale. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at 14717 Burin Avenue, Lawndale, CA 90260.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF LAWDALE

STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities
Assets:	
Cash and investments	\$ 11,385,356
Receivables:	
Accounts	2,027,557
Notes and loans	603,297
Accrued interest	26,797
Grants	14,655
Prepaid costs	604,708
Land held for resale	634,983
Advances to Successor Agency, net of allowances	17,847,332
Capital assets not being depreciated	7,392,176
Capital assets, net of depreciation	34,910,582
	<hr/>
Total Assets	75,447,443
	<hr/>
Deferred Outflows of Resources:	
Deferred pension related items	428,790
	<hr/>
Total Deferred Outflows of Resources	428,790
	<hr/>
Liabilities:	
Accounts payable	1,936,148
Accrued liabilities	53,447
Accrued interest	9,249
Deposits payable	396,934
Noncurrent liabilities:	
Due within one year	252,868
Due in more than one year	1,092,707
Net OPEB liability	1,437,004
Net pension liability	4,268,045
	<hr/>
Total Liabilities	9,446,402
	<hr/>
Deferred Inflows of Resources:	
Deferred pension related items	1,570,479
	<hr/>
Total Deferred Inflows of Resources	1,570,479
	<hr/>
Net Position:	
Net investment in capital assets	41,632,026
Restricted for:	
Community development projects	414,235
Public safety	74,523
Municipal services	664,483
Parks and recreation	8,479,696
Public works	839,723
Capital projects	2,302,237
Air quality	32,528
Housing	12,301,417
Unrestricted	(1,881,516)
	<hr/>
Total Net Position	\$ 64,859,352
	<hr/>

CITY OF LAWNSDALE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Expenses	Program Revenues		Capital Contributions and Grants	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Contributions and Grants		
					Governmental Activities
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	\$ 3,494,495	\$ 1,465,754	\$ -	\$ -	\$ (2,028,741)
Public safety	4,984,084	12,200	121,162	-	(4,850,722)
Municipal services	2,190,200	-	-	-	(2,190,200)
Planning and community development	1,869,744	324,518	181,239	-	(1,363,987)
Recreation and community services	1,839,218	-	742,313	-	(1,096,905)
Public works	2,919,339	2,164,047	110,288	2,317,196	1,672,192
Interest on long-term debt	24,565	-	-	-	(24,565)
Total Governmental Activities	17,321,645	3,966,519	1,155,002	2,317,196	(9,882,928)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					1,257,326
Transient occupancy taxes					580,084
Sales taxes					2,621,117
Franchise taxes					600,595
Utility users tax					2,000,513
Motor vehicle in lieu - unrestricted					2,967,075
Use of money and property					110,233
Other					708,890
Total General Revenues					10,845,833
Change in Net Position					962,905
Net Position at Beginning of Year					71,114,275
Restatement of Net Position					(7,217,828)
Net Position at End of Year					\$ 64,859,352

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FUND FINANCIAL STATEMENTS

**Governmental Fund Financial
Statements Fiduciary Fund
Financial Statements**

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF LAWDALE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds				
	General	Community Development Block Grant	Restricted Urban Development	Lawndale Housing Authority	LA CO Park Grant - Hogan TOT Lot
Assets:					
Pooled cash and investments	\$ 5,764,393	\$ -	\$ 197,685	\$ 959,130	\$ -
Receivables:					
Accounts	1,060,282	-	-	-	522,000
Notes and loans	182,352	246,538	-	174,407	-
Accrued interest	14,581	-	444	2,196	-
Grants	-	14,655	-	-	-
Prepaid costs	604,708	-	-	-	-
Due from other funds	1,119,064	-	-	-	-
Land held for resale	147,900	-	-	487,083	-
Advance to Successor Agency	10,569,569	-	7,277,763	-	-
Total Assets	\$ 19,462,849	\$ 261,193	\$ 7,475,892	\$ 1,622,816	\$ 522,000
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 1,634,404	\$ 935	\$ -	\$ 13,515	\$ -
Accrued liabilities	32,971	-	-	5,100	-
Deposits payable	369,193	-	-	718	12,500
Due to other funds	-	13,720	-	-	509,500
Total Liabilities	2,036,568	14,655	-	19,333	522,000
Deferred Inflows of Resources:					
Unavailable revenues	-	14,655	-	19,535	522,000
Total Deferred Inflows of Resources	-	14,655	-	19,535	522,000
Fund Balances:					
Nonspendable:					
Notes and loans	182,352	-	-	-	-
Prepaid costs	604,708	-	-	-	-
Land held for resale	147,900	-	-	-	-
Advances to Successor Agency	10,569,569	-	-	-	-
Restricted for:					
Community development projects	-	231,883	-	-	-
Public safety	-	-	-	-	-
Municipal services	-	-	-	-	-
Recreation and community services	8,463	-	7,475,892	-	-
Public works	-	-	-	-	-
Capital Projects	-	-	-	-	-
Air quality	-	-	-	-	-
Housing	-	-	-	1,583,948	-
Committed to:					
UDAG unrestricted principal	2,810,000	-	-	-	-
Assigned to:					
Community development projects	21,683	-	-	-	-
Recreation and community services	22,550	-	-	-	-
General government	80,100	-	-	-	-
Municipal services	121,629	-	-	-	-
Unassigned	2,857,327	-	-	-	(522,000)
Total Fund Balances	17,426,281	231,883	7,475,892	1,583,948	(522,000)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,462,849	\$ 261,193	\$ 7,475,892	\$ 1,622,816	\$ 522,000

CITY OF LAWNDALE

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 4,464,148	\$ 11,385,356
Receivables:		
Accounts	445,275	2,027,557
Notes and loans	-	603,297
Accrued interest	9,576	26,797
Grants	-	14,655
Prepaid costs	-	604,708
Due from other funds	-	1,119,064
Land held for resale	-	634,983
Advance to Successor Agency	-	17,847,332
Total Assets	\$ 4,918,999	\$ 34,263,749
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	287,294	\$ 1,936,148
Accrued liabilities	15,376	53,447
Deposits payable	14,523	396,934
Due to other funds	595,844	1,119,064
Total Liabilities	913,037	3,505,593
Deferred Inflows of Resources:		
Unavailable revenues	403,616	959,806
Total Deferred Inflows of Resources	403,616	959,806
Fund Balances:		
Nonspendable:		
Notes and loans	-	182,352
Prepaid costs	-	604,708
Land held for resale	-	147,900
Advances to Successor Agency	-	10,569,569
Restricted for:		
Community development projects	-	231,883
Public safety	74,523	74,523
Municipal services	59,775	59,775
Recreation and community services	995,341	8,479,696
Public works	839,723	839,723
Capital Projects	2,302,237	2,302,237
Air quality	32,528	32,528
Housing	-	1,583,948
Committed to:		
UDAG unrestricted principal	-	2,810,000
Assigned to:		
Community development projects	-	21,683
Recreation and community services	-	22,550
General government	-	80,100
Municipal services	-	121,629
Unassigned	(701,781)	1,633,546
Total Fund Balances	3,602,346	29,798,350
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,918,999	\$ 34,263,749

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CITY OF LAWNSDALE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Fund balances of governmental funds		\$ 29,798,350
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		42,302,758
Governmental funds report all pension contributions as expenditures. However, the net pension liability has a measurement date of June 30, 2014, and pension contributions subsequent to the measurement date are reclassified as deferred pension contributions.		408,984
Deferred pension related items for the PARS Plan related to net difference between projected and actual earnings on pension plan investment.		19,806
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Facility and Site Lease Note	\$ (670,732)	
Compensated Absences	<u>(674,843)</u>	(1,345,575)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(9,249)
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 a asset or liability.		(1,437,004)
Governmental funds report all pension contributions as expenditures, however in the statement of net position any excess pf the plan proportionate share of the total pension liability over the proportionate share of the plan fiduciary net position is reported as a net penion liability.		
California Public Employees' Retirement System (CalPERS)	(4,213,742)	
Public Agency Retirement System, Retirement Enhancement Plan	<u>(54,303)</u>	(4,268,045)
Deferred pension related items deferred inflows due to:		
Net difference between projected and actual earnings on pension plan investments	(1,416,013)	
Adjustment due to difference in proportions	(3,702)	
Net difference between the employer's contributions and the employer's proportionate share of contributions	<u>(150,764)</u>	(1,570,479)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		<u>959,806</u>
Net Position of governmental activities		<u>\$ 64,859,352</u>

CITY OF LAWDALE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	General	Community Development Block Grant	Restricted Urban Development	Lawndale Housing Authority
Revenues:				
Taxes	\$ 7,059,635	\$ -	\$ -	\$ -
Licenses and permits	603,215	-	-	-
Intergovernmental	2,967,075	313,748	-	-
Charges for services	632,838	-	-	-
Use of money and property	51,092	-	20,500	6,830
Fines and forfeitures	606,022	-	-	-
Contributions	1,192,923	-	-	-
Miscellaneous	670,407	15,000	4,000	349,262
Total Revenues	13,783,207	328,748	24,500	356,092
Expenditures:				
Current:				
General government	3,422,517	-	-	-
Public safety	4,842,154	-	-	-
Municipal services	1,164,568	-	-	-
Planning and community development	788,286	94,292	-	161,070
Recreation and community services	1,279,050	-	-	-
Public works	1,387,875	-	-	1,555
Capital outlay	1,288,827	250,596	44,217	-
Debt service:				
Principal retirement	34,008	-	-	-
Interest and fiscal charges	25,153	-	-	-
Total Expenditures	14,232,438	344,888	44,217	162,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	(449,231)	(16,140)	(19,717)	193,467
Other Financing Sources (Uses):				
Transfers in	-	1,485	-	-
Transfers out	(440,767)	-	-	-
Total Other Financing Sources (Uses)	(440,767)	1,485	-	-
Net Change in Fund Balances	(889,998)	(14,655)	(19,717)	193,467
Fund Balances, Beginning of Year, as previously reported	18,316,279	-	7,495,609	1,235,609
Restatements	-	246,538	-	154,872
Fund Balances, End of Year	\$ 17,426,281	\$ 231,883	\$ 7,475,892	\$ 1,583,948

CITY OF LAWNSDALE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds		
	LA CO Park Grant - Hogan TOT Lot	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 7,059,635
Licenses and permits	-	-	603,215
Intergovernmental	-	3,278,870	6,559,693
Charges for services	-	39,806	672,644
Use of money and property	-	31,811	110,233
Fines and forfeitures	-	-	606,022
Contributions	-	-	1,192,923
Miscellaneous	-	34,483	1,073,152
Total Revenues	-	3,384,970	17,877,517
Expenditures:			
Current:			
General government	-	451	3,422,968
Public safety	-	133,559	4,975,713
Municipal services	-	14,932	1,179,500
Planning and community development	-	181,240	1,224,888
Recreation and community services	-	546,718	1,825,768
Public works	-	1,523,172	2,912,602
Capital outlay	522,000	1,779,355	3,884,995
Debt service:			
Principal retirement	-	-	34,008
Interest and fiscal charges	-	-	25,153
Total Expenditures	522,000	4,179,427	19,485,595
Excess (Deficiency) of Revenues Over (Under) Expenditures	(522,000)	(794,457)	(1,608,078)
Other Financing Sources (Uses):			
Transfers in	-	439,282	440,767
Transfers out	-	-	(440,767)
Total Other Financing Sources (Uses)	-	439,282	-
Net Change in Fund Balances	(522,000)	(355,175)	(1,608,078)
Fund Balances, Beginning of Year, as previously reported	-	3,957,521	31,005,018
Restatements	-	-	401,410
Fund Balances, End of Year	\$ (522,000)	\$ 3,602,346	\$ 29,798,350

CITY OF LAWNDALE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Net change in fund balances - total governmental funds \$ (1,608,078)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 2,653,110	
Depreciation	(1,702,231)	
Contributed capital assets	1,192,923	2,143,802

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

Principal repayments		34,008
----------------------	--	--------

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

588

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.

22,608

Change in liability insurance payable

244,443

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.

(240,149)

Governmental funds report all contributions in relation to the net pension liability as expenditures, however in the statement of activities the contributions, and related deferred pension related items are recorded as an expense.

PERS	(24,448)	
PARS	(16,902)	(41,350)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

407,033

Change in net position of governmental activities

\$ 962,905

FIDUCIARY FUND FINANCIAL STATEMENTS

FIDUCIARY FUND

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The resources of fiduciary funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

PRIVATE PURPOSE TRUST FUND

Successor Agency to the Lawndale Redevelopment Agency Fund

The fund accounts for the activities of the Successor Agency to the City of Lawndale Redevelopment Agency. The fund's primary purpose is to expedite the dissolution of the former Agency's net assets (except for the low and moderate income housing fund's net assets) in accordance with AB x1 26 and AB 1484 as February 1, 2012.

CITY OF LAWNSDALE

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2015

	<u>Lawndale Successor Agency</u>
	<u>Private Purpose Trust Fund</u>
Assets:	
Pooled cash and investments	\$ 1,190,430
Receivables:	
Accrued interest	916
Land held for resale	2,500,073
Restricted assets:	
Cash and investments with fiscal agents	<u>5,909,976</u>
Total Assets	<u>9,601,395</u>
Liabilities:	
Accounts payable	332,247
Accrued liabilities	14,564
Accrued interest	454,864
Deposits payable	29,633
Long-term liabilities:	
Due in one year	327,645
Due in more than one year	20,388,646
Advances from the City of Lawndale	<u>17,847,332</u>
Total Liabilities	<u>39,394,931</u>
Net Position:	
Fiduciary deficiency in net position	<u>(29,793,536)</u>
Total Net Position	<u>\$ (29,793,536)</u>

CITY OF LAWNSDALE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2015

	<u>Lawndale Successor Agency Private Purpose Trust Fund</u>
Additions:	
Taxes	\$ 1,866,658
Interest and change in fair value of investments	<u>43,196</u>
Total Additions	<u>1,909,854</u>
Deductions:	
Administrative expenses	249,961
Contractual services	394,681
Interest expense	1,112,632
Payments to Lawndale Housing Authority	370,072
Capital contributions to the City of Lawndale	<u>1,192,923</u>
Total Deductions	<u>3,320,269</u>
Changes in Net Position	(1,410,415)
Net Position - Beginning of the Year	<u>(28,383,121)</u>
Net Position - End of the Year	<u>\$ (29,793,536)</u>

Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

The City of Lawndale ("City") is a municipal corporation governed by a five-member city council with the mayor elected by the council itself. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which are considered to have operational or financial relationships with the City.

Blended Component Units

The Lawndale Cable Corporation (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 funds of the Corporation have been included in the governmental activities of the financial statements.

The Lawndale Housing Authority (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 Lawndale Financing Authority (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.

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 basic financial statements

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental activities of the primary government (including the blended component units), as well as discretely presented financial statements. The City has no discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, 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 reporting government are reported in the government-wide financial statements. Basis of accounting refers to when the 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.

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 netted with program expenses in the Statement of Activities to present the net cost of each program.

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, liabilities, fund equity, 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, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major governmental funds individually and non-major 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.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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 offset by nonspendable fund balance accounts.

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.

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.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Amounts reported as program revenues include 1) charges to members, customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted

Note 1: Summary of Significant Accounting Policies (Continued)

resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

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

The City utilizes the following broad categories of funds:

Major Funds

Major funds are those funds which are either material or of particular importance.

Major Governmental Funds — Governmental funds are generally used to account for tax-supported activities. The following governmental funds met the criteria of a major fund:

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 Community Development Block Grant Special Revenue Fund is used to account for monies received and expended by the City as a participant in the Federal Community Block Grant programs.

The Restricted Urban Development Special Revenue 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 functions of the dissolved Lawndale Redevelopment Agency.

The Los Angeles County Park Grant – Hogan Park Special Revenue Fund is used to account for maintenance for Hogan Park.

Note 1: Summary of Significant Accounting Policies (Continued)

Additionally, the City reports the following fund types:

Special Revenue Funds

Special Revenue Funds are used to account for the revenues derived from specific revenue sources which are restricted by law or administrative regulation for specified purposes.

Fiduciary Funds

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

Private Purpose Trust Funds

The Private Purpose Trust Funds accounts for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The Private purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

d. 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.

The City pools cash and investments of all funds. 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 daily cash and investment balance.

The City invests in certificates of deposit in various financial institutions through a custodial agent. The custodial agent makes decisions on behalf of the City into which financial institutions to invest. Earnings from these investments along with Local Agency Investment Fund (LAIF) are allocated to all funds on a quarterly basis.

e. 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).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

f. 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:

<u>Capital Asset Type</u>	<u>Useful Lives</u>	<u>Capitalization Threshold</u>
Buildings and Structures	30 years	\$ 10,000
Improvements Other than Buildings	30 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.

g. 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 Agency. 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 nonspendable in the Governmental Fund Financial Statements.

See Note 13D for additional information regarding land held for development.

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 government reports deferred outflows of resources for forgivable loans receivable and for pension contributions made after the

Note 1: Summary of Significant Accounting Policies (Continued)

actuarial measurement date which will be expensed in the following year and for actuarial adjustments due to the proportionate share of the risk pool's total contributions made to the pension liability which will be amortized over the expected average remaining service life time.

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 government has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the government has deferred inflows relating to the net pension liability reported in the government-wide statements of net position. These inflows are the result of the net difference between projected and actual earnings on pension plan investments. This amount is deferred and amortized straight-line over a five-year period.

i. Long-Term Debt

Long-term debt and other financed obligations are reported as liabilities in 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.

j. 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.

In accordance with GASB Statement No. 16, a liability is recorded in the governmental funds 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.

Under GASB Statement No. 16, 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.

Note 1: Summary of Significant Accounting Policies (Continued)

k. 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.

l. Fund Equity

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

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

Committed include 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 include 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.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of “invested in capital assets, net of related debt” or “restricted net position.”

m. 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.

n. 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.

o. Effect of New Accounting Standards

During the fiscal year ended June 30, 2015, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 68 – *Accounting and financial Reporting for Pensions—an Amendment of GASB Statement No. 27* will improve the decision-usefulness of information in local government employer entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information. The requirements of this statement are effective and were properly implemented for the year ended June 30, 2015.

CITY OF LAWDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a local government employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of GASB Statement No. 71 are effective and have been properly implemented for the year ended June 30, 2015.

Note 2: Cash and Investments

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 11,385,356
Fiduciary Funds:	
Cash and investments	1,190,430
Cash and investments held by fiscal agent	<u>5,909,976</u>
Total cash and investments	<u><u>\$ 18,485,762</u></u>

Cash and investments as of June 30, 2015, consist of the following:

Cash on hand	\$ 1,150
Deposits with financial institutions	2,184,995
Investments	<u>16,299,617</u>
	<u><u>\$ 18,485,762</u></u>

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.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 2: Cash and Investments (Continued)

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

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

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

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	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Federal agency securities	\$ 2,250,000	\$ -	\$ -	\$ 2,250,000
U.S. treasury notes	-	-	-	-
Corporate bonds	-	-	-	-
Certificates of deposit	1,987,000	500,000	1,240,000	247,000
Mutual funds	21,329	21,329	-	-
LAIF	6,131,312	6,131,312	-	-
Held by fiscal agent:				
Money market funds	5,909,976	5,909,976	-	-
Total	<u>\$ 16,299,617</u>	<u>\$ 12,562,617</u>	<u>\$ 1,240,000</u>	<u>\$ 2,497,000</u>

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 2: 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. LAIF and the County Pool do not have a rating provided by a nationally recognized statistical rating organization.

Investment Type:	Fair Value	Minimum Credit Rating	Rating as of Year End		
			AAA	AA+	Not Rated
Negotiable certificates of deposit	\$ 1,987,000	N/A	\$ -	\$ -	\$ 1,987,000
Local Agency Investment Fund	6,131,312	N/A	-	-	6,131,312
Federal agency securities	2,250,000	AA+	-	2,250,000	-
Mutual funds - money market	21,329	AAA	21,329	-	-
Held by fiscal agent:					
Money market funds	5,909,976	AAA	5,909,976	-	-
	<u>\$ 16,299,617</u>		<u>\$ 5,931,305</u>	<u>\$ 2,250,000</u>	<u>\$ 8,118,312</u>

Concentration of Credit Risk

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

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	Federal Agency Securities	\$ 1,000,000

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. 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 California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 2: Cash and Investments (Continued)

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC.

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.

Note 3: Long-term Loans Receivable

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. If not forgivable loans, the loans are secured by a deed of trust and are normally repaid when the home changes ownership. The City did not fund any new loans during the fiscal year. At June 30, 2015, there was a receivable balance of \$420,945.

The balance of the forgivable loans receivable was \$181,660 at June 30, 2015 and have been fully allowed for.

In October 2008, the Lawndale Redevelopment Agency (Agency) sold a piece of property to Anthony's Ready Mix and accepted a loan. In April 2011, the former Lawndale Redevelopment Agency assigned the loan receivable to the City's General Fund. The balance of this loan receivable was \$182,352 at June 30, 2015.

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 California Department of Finance (DOF) provided its review of the DDR on a letter dated March 18, 2013 but did not provide the City any direction regarding this note. The City has not heard from the Department of Finance or the State Controller regarding its position on the transfer since the March 18, 2013 letter to date. In June 2014, the State Controller's Office (SCO) conducted an audit of the former RDA. However, to date the SCO has not completed its report on the audit. The City believes that the ownership of the Anthony's Trust Deed will not be resolved until the SCO completes its audit of the former RDA.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 4: Inter-fund Receivables, Payables and Transfers

a. Due To/From Other Funds:

As of June 30, 2015, the City had the following due to/from other funds:

Due to	Due from General Fund
Community Development Block Grant Fund	\$ 13,720
LA County Park Grant - Hogan TOT Lot	509,500
Non Major Governmental Funds	595,844
Total	<u>\$ 1,119,064</u>

The interfund balances were made to cover negative cash balances at June 30, 2015.

b. Transfers In/Out:

Transfers in and out for the year ended June 30, 2015, were as follows:

Transfers in	Transfers out General Fund
Community Development Block Grant	\$ 1,485 (1)
Nonmajor Governmental Funds	439,282 (2)
Total	<u>\$ 440,767</u>

(1) To close out fund balance in Community Development Block Grant fund.

(2) To close out fund balance in various Non-Major Governmental Funds in the aggregate sum of \$231,750 and to transfer funds from General Fund Hawthorne Boulevard Maintenance Fund in the amount of \$207,532.

c. Advances To Successor Agency:

The City previously loaned the former Lawndale Redevelopment Agency (RDA) funds prior to dissolution for various redevelopment activities. The repayment of the advances has been approved by the California Department of Finance. See Note 15 for further detail.

As of June 30, 2015, advances to the Successor Agency were as follows:

General Fund	\$ 10,569,569
Restricted Urban Development	7,277,763
Total advances to the Successor Agency, net of allowance	<u>\$ 17,847,332</u>

CITY OF LAWDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 5: Capital Assets

A summary of changes in the capital assets activity for the year ended June 30, 2015, is as follows:

	Balance at July 1, 2014	Restatements	Balance at July 1, 2014 (Restated)	Transfers	Additions	Deletions	Balance at June 30, 2015
Capital assets not depreciated:							
Land	\$ 5,215,937	\$ -	\$ 5,215,937	\$ -	\$ -	\$ -	\$ 5,215,937
Construction in progress	2,050,429	-	2,050,429	(1,516,673)	1,642,483	-	2,176,239
Total capital assets not being depreciated	7,266,366	-	7,266,366	(1,516,673)	1,642,483	-	7,392,176
Capital assets being depreciated:							
Building and structures	18,437,776	-	18,437,776	-	-	-	18,437,776
Improvements other than buildings	479,040	-	479,040	-	-	-	479,040
Vehicles, machinery and equipment	2,015,026	-	2,015,026	-	192,317	99,321	2,108,022
Infrastructure	24,930,769	-	24,930,769	1,516,673	2,011,233	-	28,458,675
Total capital assets being depreciated	45,862,611	-	45,862,611	1,516,673	2,203,550	99,321	49,483,513
Accumulated depreciation:							
Building and structures	2,541,461	1,591,236	4,132,697	-	612,768	-	4,745,465
Improvements other than buildings	257,092	-	257,092	-	15,740	-	272,832
Vehicles, machinery and equipment	1,559,009	-	1,559,009	-	126,393	99,321	1,586,081
Infrastructure	6,763,015	258,208	7,021,223	-	947,330	-	7,968,553
Total accumulated depreciation	11,120,577	1,849,444	12,970,021	-	1,702,231	99,321	14,572,931
Total depreciated assets, net	34,742,034	(1,849,444)	32,892,590	1,516,673	501,319	-	34,910,582
Total capital assets, net	\$ 42,008,400	\$ (1,849,444)	\$ 40,158,956	\$ -	\$ 2,143,802	\$ -	\$ 42,302,758

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2015, as follows:

Governmental Activities:	
General government	\$ 22,812
Public safety	8,371
Municipal services	1,016,239
Planning and community development	641,486
Recreation and community services	13,323
	<u>1,702,231</u>
Total cash and investments	\$ <u>1,702,231</u>

CITY OF LAWNSDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 6: Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Amount Due Within One Year
Compensated absences	\$ 697,451	\$ 202,407	\$ 225,015	\$ 674,843	\$ 217,721
Claims payable (Note 7)	244,443	-	244,443	-	-
OPEB Obligation (Note 9)	1,196,855	326,347	86,198	1,437,004	-
Facility and Site Lease Note	704,740	-	34,008	670,732	35,147
Total governmental activities long-term liabilities	<u>\$ 2,843,489</u>	<u>\$ 528,754</u>	<u>\$ 589,664</u>	<u>\$ 2,782,579</u>	<u>\$ 252,868</u>

Facility Lease and Site Lease Note

In 2005, the City and the RDA entered into a Public Works Agreement, as authorized by Community Development Law, in which the RDA agreed to provide funding for certain public works projects and the City agreed to construct them. In 2009, the RDA funded most of the construction and land acquisition for Hopper Park. The RDA wanted to finance a portion of the construction with the California Infrastructure and Economic Development Bank (CIEDB), but in order to obtain the loan it was necessary to pledge a public facility. Since the 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 the CIEDB. This agreement required that the City pay the CIEDB "lease" payments for pledged property. At the end of the lease term the City will retain the title to the pledge property. The CIEDB agreed to loan the City an amount, \$830,100, to be used by the City for the construction of Hopper Park. It was the intention of the City and the RDA and under the terms of the Public Works Agreement that the RDA would pay the City for the debt service for this lease. In the previous years the City had made the debt service payments but was reimbursed by the RDA for those amounts.

Due to the dissolution of the City's former RDA with ABx1 26, the City has sought repayment of the lease by the Lawndale Redevelopment Successor Agency (Successor Agency) by including the debt service payments on the 1st, 2nd and 3rd ROPS but was subsequently disallowed by the California Department of Finance (DOF) each time. The DOF has taken the position that since the City is the borrower and the Public Works Agreement was invalidated by the ABx1 26, the lease is the responsibility of the City and not an enforceable obligation of the Successor Agency. The Successor Agency has taken the position that ABx1 26 states that the legislation was not intended to inhibit the repayment of valid debts of the former RDA and that this lease is such a valid debt.

On December 18, 2012, the DOF sent a letter to the City stating that this lease might be reinstated as an enforceable obligation after the Successor Agency has received a "Finding of Completion" from the DOF.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 6: Long-Term Liabilities (Continued)

The Successor Agency obtained a "Finding of Completion" on April 12, 2013. Subsequently, on May 30, 2013, the Oversight Board to the Lawndale Successor Agency approved through Resolution 2013-6 the reinstatement of the Public Works Agreement pursuant to HSC section 34191.4, stating that the Hopper Park project was made for a legitimate redevelopment purpose. In letter dated July 23, 2013, the DOF approved the 2013-6 resolution; however, it also stated, "Finance will consider enforceability of loan agreements once repayment requests are placed on a ROPS schedule. Based on the repayment calculation formulas specified in HSC section 34191.4(b) (2), the earliest repayment can be requested is in the ROPS 14-15A period."

As of June 30, 2015, the lease remains as an obligation of the City. As of June 30, 2015, principal and interest remaining was \$853,018. The debt service schedule for the note payable, assuming the June 30, 2015, interest rate of 3.35%, is as follows:

Year Ending June 30	Facility Lease and Site Lease Note		
	Principal	Interest	Total
2016	\$ 35,147	\$ 21,881	\$ 57,028
2017	36,325	20,684	57,009
2018	37,542	19,446	56,988
2019	38,799	18,168	56,967
2020	40,099	16,846	56,945
2021-2025	221,568	62,805	284,373
2026-2030	261,252	22,456	283,708
Total	<u>\$ 670,732</u>	<u>\$ 182,286</u>	<u>\$ 853,018</u>

Note 7: 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 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, 2015, the outstanding balance is \$674,843.

Note 8: Liability, Workers' Compensation, and Purchased Insurance

The City is a member of the Southern California Joint Powers Insurance Authority (Authority). The following disclosures are made in reference to the joint undertaking:

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

The City of Lawndale is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority 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.

b. Self-Insurance Programs of the Authority

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. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

In the 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 2014-15 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) 50% of the \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, (b) 50% quota share of the \$3 million x/s \$2 million layer, and (c) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer.

Note 8: Liability, Workers' Compensation, and Purchased Insurance (Continued)

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

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

For 2014-15 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.

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 a 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 term of the policy.

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 \$27,655,716. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Note 8: Liability, Workers' Compensation, and Purchased Insurance (Continued)

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 \$8,394,939. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

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. Premiums are paid annually and are not subject to retrospective adjustments.

Special Event Tenant User Liability Insurance

The City of Lawndale further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Lawndale according to a schedule. The City of Lawndale then pays for the insurance. The insurance is arranged by 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 2014-15.

e. CJPIA Retrospective Deposit Liability

Retrospective deposits and refunds are cost allocation adjustments to prior coverage periods. Some claims take many years to resolve and over time their estimated value changes. The retrospective adjustments are calculated annually and take into consideration all the changes in claim values that occurred during the most recent year. The formula is designed to adequately cover the cost of claims brought against members and to ensure the overall financial strength and security of the Authority. The formula was developed to be as equitable as possible by taking into consideration both risk exposure and claims experience of individual members. CJPIA has temporarily deferred the payment on retrospective deposits owed to the Authority by members. The payment deferral period extended to July 1, 2013, for the Liability program and July 1, 2015, for the Workers' Compensation program. Retrospective deposit payments are scheduled to resume on these dates. The October 2011 annual retrospective adjustment is included in these balances. The City at June 30, 2015, had a retrospective deposit due of \$19,254 for general and automobile liability coverage and \$20,796 for worker's compensation coverage.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 8: Liability, Workers' Compensation, and Purchased Insurance (Continued)

Optional Payment Plans

When retrospective deposit payments resume as indicated above, members will have the opportunity to select from a variety of optional payment plans. Discounts under the incentive plan are available to members choosing to voluntarily accelerate payment during the deferral period.

After the deferral period, members choosing from among the optional payment plans will be subject to a moderate annual fee. The fee is intended to provide a means for the Authority to recover otherwise foregone investment earnings and to serve as a minor disincentive for the selection of longer financing terms.

Retrospective Balances Will Change Annually

Retrospective balances will change with each annual computation during the payment deferral period. Member balances may increase or decrease as a result of the most recent year's claim development. Accordingly, some members who chose to pay off their balance in full may be required to pay additional retrospective deposits in the future based on outcome of actual claim development reflected in subsequent retrospective deposit computations. Conversely, if claim development is favorable then subsequent retrospective adjustments could potentially result in refunds to the member.

More information on retrospective balances can be found on the CJPIA website at www.CJPIA.org.

Following is a summary of retroactive deposit balance activity for the fiscal year ended June 30, 2015:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Claims payable - general and workers compensation liability	\$ 244,443	\$ (40,861)	\$ 203,582	\$ -
	<u>\$ 244,443</u>	<u>\$ (40,861)</u>	<u>\$ 203,582</u>	<u>\$ -</u>

The adjustment reflects the outcome of the most recent annual retrospective adjustment and the City paid the deposit balance in full during the year ended June 30, 2015.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 9: Defined Benefit Pension Plan**a. Cost Sharing Multiple Employer Defined Benefit Pension Plans****General Information about the Pension Plan*****Plan Descriptions***

All qualified permanent and probationary employees are eligible to participate in the Local Government's separate Miscellaneous Employee Pension Plans, 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.

Cost-Sharing Plan

	Miscellaneous	Miscellaneous 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 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%, 50 yrs - 63+ yrs, respectively	2%, 62 yrs
Required employee contribution rates	6.891%	n/a
Required employer contribution rates	10.781%	n/a

*This plan is closed to new entrants. Subsequent to January 1, 2013, there all new entrants are part of the PEPRA plans. There were no PEPRA employees as of the valuation date of June 30, 2013.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Defined Benefit Pension Plan (Continued)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the employer contributions recognized as reduction to net pension liability for the plan was \$406,698.

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

As of June 30, 2015, the City reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plan is \$4,213,742.

The City's net pension liability for the Miscellaneous Plan is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2014, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014, 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, 2013 and 2014, was as follows:

Cost-Sharing Plan	
	Miscellaneous
Proportion - June 30, 2013	0.17571%
Proportion - June 30, 2014	0.17049%
Change - Increase (Decrease)	-0.00522%

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Defined Benefit Pension Plan (Continued)

For the year ended June 30, 2015, the City recognized pension expense of \$433,432. At June 30, 2015, 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>
Net Difference between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ 1,416,013
Adjustment due to Difference in Proportions	-	3,702
Differences between the employer's contributions and the employer's proportionate share of contributions	-	150,764
City contributions subsequent to the measurement date	408,984	-
Total	\$ 408,984	\$ 1,570,479

\$408,984 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, 2016. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2015	\$ (385,168)
2016	(385,168)
2017	(384,904)
2018	(415,239)
Total	<u>\$ (1,570,479)</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 9: Defined Benefit Pension Plan (Continued)***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and the June 30, 2014 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

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

All other actuarial assumptions used in the June 30, 2013, 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.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 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 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. 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.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS determined this difference was deemed immaterial to the Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. More information can be found on the CalPERS website.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 9: Defined Benefit Pension Plan (Continued)

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.

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.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 (1)</u>	<u>Real Return Years 11+ (2)</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Defined Benefit Pension Plan (Continued)

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

Plan	Cost-Sharing Plan		
	Discount Rate - 1% 6.50%	Current Discount 7.50%	Discount Rate +1% 8.50%
Miscellaneous	\$ 7,507,585	\$ 4,213,742	\$ 1,480,164
TOTAL:	\$ 7,507,585	\$ 4,213,742	\$ 1,480,164

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

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

Plan Description

The City established a Public Agency Retirement System Retirement Enhancement Plan (PARS-REP) for its Central Management Team (CMT) effective July 1, 2007. PARS-REP is a defined benefit 401 (a) tax-qualified multiple agency trust.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Defined Benefit Pension Plan (Continued)

Funding Policy

The City contributed 7.0% 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, 2015 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2014 and the June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	7.00%
Inflation	3.00%
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.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Pension Plan (Continued)

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	9.41%	0.53%	0.53%
Core Fixed Income	Barclays Aggregate	45.72%	2.03%	1.90%
Broad US Equities	Russell 3000	32.66%	5.64%	4.25%
Developed Foreign Equities	MSCI EAFE	9.51%	6.31%	4.58%
Emerging Market Equities	MSCI Emerging Markets	2.70%	8.56%	5.11%
Assumed Inflation - Mean			2.76%	2.74%
Assumed Inflation - Standard Deviation			1.85%	1.85%
Portfolio Real Mean Return			3.65%	3.37%
Portfolio Nominal Mean Return			6.41%	6.13%
Portfolio Standard Deviation				7.96%
Long-Term Expected Rate of Return				7.00%

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.

	<u>Total Pension Liability</u> <u>(a)</u>	<u>Increase (Decrease) Plan Fiduciary Net Position</u> <u>(b)</u>	<u>Net Pension Liability/(Assets)</u> <u>(c)=(a)-(b)</u>
Balance as of June 30, 2014	\$ 562,042	\$ 544,447	\$ 17,595
Changes for the year:			
Service Cost	45,100	-	45,100
Interest on the Total Pension Liability	42,191	-	42,191
Benefit Payments	(8,974)	(8,974)	-
Employer Contributions	-	39,254	(39,254)
Net Investment Income	-	14,293	(14,293)
Administrative Expenses	-	(2,964)	2,964
Balance as of June 30, 2015	<u>\$ 640,359</u>	<u>\$ 586,056</u>	<u>\$ 54,303</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 9: Pension Plan (Continued)***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	\$ 714,475	\$ 640,359	\$ 577,260
Fiduciary Net Position	586,056	586,056	586,056
Net Pension Liability	<u>\$ 128,419</u>	<u>\$ 54,303</u>	<u>\$ (8,796)</u>

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

As of the start of the measurement period, July 1, 2014, the net pension liability was \$17,595. For the measurement period ending June 30, 2015, the City incurred a pension expense of \$56,156 for the PARS Plan. As of the measurement date, June 30, 2015, the net pension liability is \$54,303.

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, 2015, 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 \$19,806. 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
2016	\$ 4,952
2017	4,952
2018	4,952
2019	4,950

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 10: Other Post-Employment Benefits Plan

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

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, CA 95814.

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, 2015. 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.

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 2014-15, the City contributed \$86,198 to the plan from the General Fund. 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.

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, 2015, 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 OPEB cost (expense)	\$ 353,204
Interest on net OPEB obligation	53,858
Adjustment to annual required contribution	(80,715)
Annual OPEB cost (expense)	<u>326,347</u>
Contributions made	<u>86,198</u>
Increase/(decrease) in Net OPEB obligation	240,149
Net OPEB obligation - beginning of year	<u>1,196,855</u>
Net OPEB obligation - end of year	<u><u>\$ 1,437,004</u></u>

CITY OF LAWDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 10: Other Post-Employment Benefits Plan (Continued)

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, 2015 and the two preceding years were as follows:

<u>Fiscal Year End</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution (Net of Adjustments)</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation</u>
6/30/2013	\$ 299,642	\$ 79,439	26.5%	\$ 974,348
6/30/2014	299,642	77,135	25.7%	1,196,855
6/30/2015	326,347	86,198	26.4%	1,437,004

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2015, was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b- a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (b-a)/c</u>
6/1/2012	\$ -	\$ 2,165,185	\$ 2,165,185	0%	\$ 3,861,756	56.07%
6/1/2015	-	2,213,827	2,213,827	0%	3,626,341	61.05%

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 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.

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 cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 4.25% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 4.0%. Both rates included a 2.75% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over an open-period basis using a 30-year amortization period. It is assumed the City's payroll will increase 2.75% per year.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 11: Commitments and Contingencies

As of June 30, 2015, in the opinion of City Management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

Note 12: Fund Balance and Net Position

a. Fund Balance/Net Position Deficits

At June 30, 2015, the following governmental funds have fund deficits:

	<u>Deficit Amount</u>
Major Funds:	
LA CO Park Grant - Hogan TOT Lot	\$ (522,000)
Non-major Special Revenue Funds:	
State COPS Grant	(5,164)
96 County Specified Grants	(27,211)
Justice Assistance Grant	(4,628)
Prop C25 Grant	(26,820)
Appropriations Act	(180,667)
Metro STP-L	(41,024)
Highway Safety Improvement	(45,157)
LA County Parks Maintenance Grant	(205,306)
Measure R Grant	(10,803)
Prop C 25%	(5,788)
Measure R Grant Traffic Improvement	(21,361)
DRI Grant	(103,530)
LA CO Maint Grant - Hopper Park	(11,441)
CO Maint Grant - William Green	(3,565)
Hazmat Grant (HMEP)	(9,316)

b. Restatement of Net Position and Fund Balances:

As discussed in note 3, the Community Development Block Grant and the Lawndale Housing Authority Special Revenue Funds provide loans to borrowers and have been recorded as deferred revenue. The funds have restated its beginning balance of fund balance to recognize revenues as follows:

	<u>Special Revenue Funds</u>	
	<u>Community Development Block Grant</u>	<u>Lawndale Housing Authority</u>
Fund balance, beginning as previously reported	\$ -	\$ 1,235,609
Restatements	246,538	154,872
Fund balance, beginning as restated	<u>\$ 246,538</u>	<u>\$ 1,390,481</u>

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 12: Fund Balance and Net Position (Continued)

The City recorded depreciation costs not previously recorded using the estimated useful lives. Also, as discussed in Note 1 to the financial statements, the City adopted Statement of Governmental Accounting Standards Board No. 65, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*, as of July 1, 2014. The City has recognized an actuarially determined net pension liability in the fund balance. The statement of net position has been restated as follows:

Statement of Net Position	
Governmental activities	
Community Development Block Grant restatement	\$ 246,538
Lawndale Housing Authority restatement	154,872
To record depreciation in accordance to the useful lives policy	(1,849,444)
To account for the net pension liability under GASB No. 68	<u>(5,769,794)</u>
	<u>\$ (7,217,828)</u>

Note 13: Successor Agency to the Lawndale Redevelopment Agency Fund

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 Redevelopment Successor Agency (Successor Agency), a legal entity separates from the City itself assumed the former RDA's obligations.

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.

The Bill directed the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

a. Cash and investments

As of June 30, 2015, cash and investments were reported in the accompanying financial statements as follows:

Cash and investments	\$ 1,190,430
Cash and investments with fiscal agents	<u>5,909,976</u>
Total cash and investments	<u>\$ 7,100,406</u>

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

b. Advance from the City of Lawndale

On April 12, 2013, the City received notification that a Finding of Completion has been granted, which allows for: 1) loan agreements between the former redevelopment agency and City may be placed on the ROPS as an enforceable obligation, provided the oversight board makes a finding that the loan was for a legitimate redevelopment purpose per California Health and Safety Code (HSC) section 34191.4(b)(1), and 2) utilizing proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4(c).

On February 20, 2014, the Oversight Board to the Lawndale Successor Agency approved Resolutions 2014-1, 2014-2, 2014-3, 2014-4, and 2014-5 by which it approved the reinstated individual five loans from the City to the Successor Agency to be an indebtedness of the former RDA and found them to be enforceable obligations of the Successor Agency for legitimate redevelopment purposes.

California Health and Safety Code Section 34191.4(b)(2) outlines the terms for restructuring city loans to former redevelopment agencies as follows: "the accumulated interest on the remaining principal amount of the loan shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund." Management's position is to apply the historical Local Agency Investment Fund (LAIF) rate over the life of the loan.

The California Department of Finance (DOF) has provided information regarding the recalculation of accrued interest for city loans to redevelopment agencies. The DOF applies the LAIF rate for the quarter during which the Oversight Board makes a finding that the loan was made for legitimate redevelopment purposes to the entire life of the loan. Based on this assumption, the advance from the City is recalculated to have a June 30, 2015 balance of \$17,847,332.

Management's position is to apply the historical Local Agency Investment Fund (LAIF) rate over the life of the loan, resulting in a balance at June 30, 2015 of \$13,196,879 and \$9,693,450 in the General Fund and the Restricted Urban Development Fund, respectively. The City has recorded an allowance for the difference between methodologies of the City and DOF of \$2,627,310 and \$2,415,687 in the General Fund and the Restricted Urban Development Fund, respectively. As further information becomes available, the allowance for uncollectable amounts may be adjusted in future periods.

During fiscal year ended June 30, 2015, the Successor Agency made a payment of \$170,032 to the City to pay down the balance.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

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

c. Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2015, is as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Amount Due Within One Year
2009 Tax Allocation Bonds	\$ 19,810,000	\$ -	\$ 255,000	\$ 19,555,000	\$ 265,000
Bond discount	(289,034)	-	9,635	(279,399)	-
Notes payable	1,501,128	-	60,438	1,440,690	62,645
Total long-term liabilities	<u>\$ 21,022,094</u>	<u>\$ -</u>	<u>\$ 325,073</u>	<u>\$ 20,716,291</u>	<u>\$ 327,645</u>

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 RDA on February 1, 2012. The loan is secured solely by future tax increment revenues allocated to the Successor Agency. As of June 30, 2015, principal and interest remaining was \$40,209,033. The bond had \$279,399 of unamortized discount.

The debt service schedule for the notes payable, at June 30, 2015, interest rate range from 2% to 5.6%, is as follows:

Year Ending June 30	2009 Tax Allocation Bonds		
	Principal	Interest	Total
2016	\$ 265,000	\$ 1,034,450	\$ 1,299,450
2017	275,000	1,024,656	1,299,656
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
2021-2025	1,760,000	4,722,725	6,482,725
2026-2030	2,275,000	4,201,313	6,476,313
2031-2035	3,350,000	3,452,350	6,802,350
2036-2040	4,655,000	2,340,388	6,995,388
2041-2045	6,085,000	872,438	6,957,438
Total	<u>\$ 19,555,000</u>	<u>\$ 20,654,033</u>	<u>\$ 40,209,033</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

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

Tax Allocation Loan Agreement Note

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

Pursuant to Assembly Bill 1X 26, the loan was transferred to the Successor Agency from the 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 loan proceeds have been disbursed under the loan agreement. As of June 30, 2015, principal and interest remaining was \$1,932,628. For the current year, principal and interest paid and total tax increment revenue were \$1,432,176 and \$1,866,658, respectively. The debt service schedule for the notes payable, assuming the June 30, 2015, interest rate of 3.65%, is as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 62,645	\$ 51,442	\$ 114,087
2017	64,932	49,114	114,046
2018	67,302	46,700	114,002
2019	69,759	44,199	113,958
2020	72,305	41,606	113,911
2021-2025	403,091	165,706	568,797
2026-2030	482,225	85,128	567,353
2031-2033	218,431	8,043	226,474
Total	<u>\$ 1,440,690</u>	<u>\$ 491,938</u>	<u>\$ 1,932,628</u>

d. 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."

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

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

As of June 30, 2015, the Successor Agency has a total land held for redevelopment of \$2,500,073.

e. Subsequent Event

On September 23, 2015, Governor Jerry Brown signed SB107 which adjusts all interest on loans with the former redevelopment agency to a maximum simple rate of 3%.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF LAWNSDALE

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

	<u>2015</u>
Proportion of the Net Pension Liability	0.00677%
Proportionate Share of the Net Pension Liability	\$ 4,213,742
Covered-Employee Payroll	\$ 3,761,276
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	112.03%
Total Miscellaneous Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.03%

Notes to Schedule:

Benefit Changes: None.

Changes of Assumptions: None.

(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 one year is shown.

CITY OF LAWNSDALE

**SCHEDULE OF PLAN CONTRIBUTIONS
 COST SHARING MULTIPLE EMPLOYER DEFINED BENEFITS PENSION PLAN
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
Actuarially Determined Contribution	\$ 408,984
Contributions in Relation to the Actuarially Determined Contribution	(408,984)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 3,992,186
Contributions as a Percentage of Covered-Employee Payroll	10.24%

(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 one year is shown.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry age normal
Amortization method	Level percent of payroll
	30- year period with a 5 year ramp up at the beginning and a 5 year ramp down at the end of the amortization period
Remaining amortization period	Market value
Assets valuation method	2.75%
Inflation	Varies by Entry Age and Service
Salary Increases	7.50% net of pension plan investment expense, including inflation
Investment rate of return	Minimum 50 years for miscellaneous tier 1, miscellaneous tier 2, safety tier 1, safety tier 2, and safety PEPRA. Minimum 52 years for miscellaneous PEPRA
Retirement age	
Mortality	Derived using CalPERS' Membership Data for all Funds

CITY OF LAWNSDALE

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

MEASUREMENT PERIOD	<u>2015</u>
TOTAL PENSION LIABILITY	
Service Cost	\$ 45,100
Interest on Total Pension Liability	42,191
Benefit Payments	(8,974)
Net Change in Total Pension Liability	<u>78,317</u>
Total Pension Liability - Beginning	<u>562,042</u>
Total Pension Liability - Ending (a)	<u><u>\$ 640,359</u></u>
PLAN FIDUCIARY NET POSITION	
Benefit Payments	\$ (8,974)
Employer Contributions	39,254
Member Contributions	-
Net Investment Income	14,293
Administrative Expenses	(2,964)
Net Change in Fiduciary Net Position	<u>41,609</u>
Plan Fiduciary Net Position - Beginning	<u>544,447</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 586,056</u></u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u><u>\$ 54,303</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 91.52%
Covered-Employee Payroll	\$ 404,081
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	13.44%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, additional years will be added as they become available in the future.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. 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: There were no changes in assumptions.

CITY OF LAWNSDALE

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 39,254
Contribution in Relation to the Actuarially Determined Contribution	<u>(39,254)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Actual Contributions as a Percentage of Actuarial Determined Contributions	100.00%
Covered-Employee Payroll (3) (4)	\$ 404,081
Contributions as a Percentage of Covered-Employee Payroll (3)	9.71%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, additional years will be added as they become available in the future.

Note to Schedule:

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	6 years
Assets valuation method	None
Inflation	3.00%
Salary Increases	Varies by entry age and service
Investment rate of return	7.50%
Retirement age	Retirement rates of 20% per year for ages 55-69 and 100% at ages 70 and up
Mortality	Consistent with non-industrial rates used to value the Miscellaneous CalPERS Pension Plans

CITY OF LAWNSDALE

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

	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.48%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, additional years will be added as they become available in the future.

CITY OF LAWNSDALE

**SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2015**

Note 1: Defined Benefit Pension Plan

a. Funded Status of Plan – Miscellaneous Employees

In fiscal year ended June 30, 2004, CalPERS established a risk pool for cities and other government entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of the funding progress for the City's miscellaneous employees is no longer available. Further information on the risk pool funding status can be obtained from the CalPERS audited financial statements.

b. Funded Status of Plan – Public Agency Retirement System Retirement Enhancement Plan (PARS-REP)

**SCHEDULE OF FUNDING PROGRESS
(Most recent information available)**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A) (C)	Funded Ratio (A/B) (D)	Projected Payroll (E)	Unfunded Actuarial Liability as a Percentage of Covered Payroll (C/E) (F)
7/1/2011	\$ 295,546	\$ 312,636	\$ 17,090	95%	\$ 579,697	3%

Note 2: Other Post-Employment Benefits

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A) (C)	Funded Ratio (A/B) (D)	Projected Payroll (E)	Unfunded Actuarial Liability as a Percentage of Covered Payroll (C/E) (F)
6/1/2012	\$ -	\$ 2,165,185	\$ 2,165,185	0%	\$ 3,861,756	56%
6/1/2015	-	2,213,827	2,213,827	0%	3,864,711	57%

Based on the latest actuarial valuation available.

CITY OF LAWDALE

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,316,279	\$ 18,316,279	\$ 18,316,279	\$ -
Resources (Inflows):				
Taxes	6,919,870	6,891,510	7,059,635	168,125
Licenses and permits	602,000	622,000	603,215	(18,785)
Intergovernmental	3,076,093	3,120,753	2,967,075	(153,678)
Charges for services	760,500	681,500	632,838	(48,662)
Use of money and property	71,000	71,000	51,092	(19,908)
Fines and forfeitures	598,000	580,000	606,022	26,022
Miscellaneous	179,225	315,925	670,407	354,482
Transfers in	107,000	365,000	-	(365,000)
Amounts Available for Appropriations	30,629,967	30,963,967	32,099,486	1,135,519
Charges to Appropriations (Outflow):				
General government				
City Council	157,525	165,921	132,910	33,011
City Attorney	360,000	360,000	330,482	29,518
City Clerk	293,816	295,626	287,840	7,786
City Manager	511,619	508,799	519,865	(11,066)
Administrative Services	97,651	96,296	91,814	4,482
Cable TV	191,525	193,525	190,703	2,822
General Operations	930,603	1,004,236	1,207,601	(203,365)
Finance	492,282	489,582	512,587	(23,005)
Information Systems	154,109	154,109	148,715	5,394
Public safety				
Public Safety	4,690,342	4,690,342	4,842,154	(151,812)
Planning and Community Development				
Planning and community development	529,279	722,994	788,286	(65,292)
Recreation and Community Services				
Recreation and community services	1,197,944	1,209,387	1,279,050	(69,663)
Public works				
PW - Admin	194,562	193,562	204,867	(11,305)
PW - Grounds	889,933	1,193,333	1,121,145	72,188
PW - Streets	49,157	47,610	41,083	6,527
PW - Engineering	36,454	14,554	20,780	(6,226)
Municipal Services				
Municipal Services	1,213,291	1,208,406	1,164,568	43,838
Capital outlay	47,500	90,700	1,288,827	(1,198,127)
Debt service:				
Principal retirement	34,008	34,008	34,008	-
Interest and fiscal charges	25,153	25,153	25,153	-
Transfers out	200,000	431,750	440,767	(9,017)
Total Charges to Appropriations	12,296,753	13,129,893	14,673,205	(1,543,312)
Budgetary Fund Balance, June 30	\$ 18,333,214	\$ 17,834,074	\$ 17,426,281	\$ (407,793)

CITY OF LAWDALE

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 246,538	\$ 246,538	\$ 246,538	\$ -
Resources (Inflows):				
Intergovernmental	453,037	453,037	313,748	(139,289)
Miscellaneous	-	-	15,000	15,000
Transfers in	-	-	1,485	1,485
Amounts Available for Appropriations	699,575	699,575	576,771	(122,804)
Charges to Appropriations (Outflow):				
Planning and community development	128,112	143,759	94,292	49,467
Capital outlay	324,926	304,143	250,596	53,547
Total Charges to Appropriations	453,038	447,902	344,888	103,014
Budgetary Fund Balance, June 30	\$ 246,537	\$ 251,673	\$ 231,883	\$ (19,790)

CITY OF LAWNSDALE

**BUDGETARY COMPARISON SCHEDULE
RESTRICTED URBAN DEVELOPMENT
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,495,609	\$ 7,495,609	\$ 7,495,609	\$ -
Resources (Inflows):				
Use of money and property	1,500	1,500	20,500	19,000
Miscellaneous	-	-	4,000	4,000
Amounts Available for Appropriations	7,497,109	7,497,109	7,520,109	23,000
Charges to Appropriations (Outflow):				
Capital outlay	-	44,215	44,217	(2)
Transfers out	30,000	288,000	-	288,000
Total Charges to Appropriations	30,000	332,215	44,217	287,998
Budgetary Fund Balance, June 30	\$ 7,467,109	\$ 7,164,894	\$ 7,475,892	\$ 310,998

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 LAWNSDALE HOUSING AUTHORITY
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,390,481	\$ 1,390,481	\$ 1,390,481	\$ -
Resources (Inflows):				
Taxes	38,188	38,188	-	(38,188)
Use of money and property	-	-	6,830	6,830
Miscellaneous	816,730	816,730	349,262	(467,468)
Amounts Available for Appropriations	2,245,399	2,245,399	1,746,573	(498,826)
Charges to Appropriations (Outflow):				
Community development	465,500	465,500	161,070	304,430
Public works	-	-	1,555	(1,555)
Total Charges to Appropriations	465,500	465,500	162,625	302,875
Budgetary Fund Balance, June 30	\$ 1,779,899	\$ 1,779,899	\$ 1,583,948	\$ (195,951)

CITY OF LAWNSDALE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2015

Budgetary Information

Stewardship, Compliance and Accountability

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 (GAAP). There were no adopted budgets for the LA County Park Grant – Hogan TOT Lot, Local Law Enforcement Block, Safeta-Lu, Appropriations Act, LA Co Maintenance Grant – Hopper Park, and County Maintenance Grant – William Green Special Revenue Funds for the year ended June 30, 2015.

Expenditures in Excess of Appropriations

The following departments/funds reported expenditures in excess of appropriations for the major funds:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund:			
City Manager	\$ 508,799	\$ 519,865	\$ (11,066)
General Operations	1,004,236	1,207,601	(203,365)
Finance	489,582	512,587	(23,005)
Information Systems	184,109	187,667	(3,558)
Public Safety	4,690,342	4,842,154	(151,812)
Planning and community development	722,994	788,286	(65,292)
Recreation and community services	1,209,387	1,279,050	(69,663)
PW - Admin	193,562	204,867	(11,305)
PW - Engineering	14,554	20,780	(6,226)
Transfers	431,750	440,767	(9,017)
Restricted Urban Development Fund:			
Capital Outlay	44,215	44,217	(2)
Lawndale Housing Authority Fund:			
Public Works	-	1,555	(1,555)

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

The following Special Revenue Funds have been classified as non-major funds:

Gas Tax Fund

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

Air Quality Fund

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

TDA Article 3 Local Transportation Fund

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

Proposition A & C Local Transit Assistance Funds

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

State Transit Program (Local) Fund

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

Narcotics Forfeiture Fund

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

California Law Enforcement Equipment Program Fund

To account for State funds used for equipment utilized in the City's law enforcement program.

Lawndale Cable Usage Corporation Fund

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

Hawthorne Boulevard Maintenance Fund

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

Department of Conservation Grant Fund

To account for funds received and expended for park renovation projects.

County Specified Grant Fund

To account for LA County grant for park and recreation projects.

Justice Assisted Grant

To account for federal funds in the City's law enforcement program.

Park Development Fund

To account for funds received from developers for park improvements.

Robert Zberg Harris Fund

To account for funds for parks and recreation projects.

NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

Prop 1B Fund

To account for state funds for road and street infrastructure improvements.

Safetee-LU Fund

To account for funds for road and street infrastructure improvements.

Prop A Grant Fund

To account for state funds for parks and open space.

Metro STP-L Fund

To account for funds for road and street infrastructure improvements.

Measure R Fund

To account for local funds for road and street infrastructure improvements.

Highway Safety Improvement Program Fund

To account for funds for road and street infrastructure improvements.

Prop C25 Grant Fund

To account for funds for road and street infrastructure improvements.

Federal Appropriations Act Fund

To account for federal funds for road and street infrastructure improvements.

Appropriations Act Fund

To account for funds for road and street infrastructure improvements.

1996 LA County Specified Fund

To account for funds for construction of a new community center.

LA County Parks Maintenance Grant Fund

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.

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.

NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

Metro STPL Exchange 2014

To account for funds for road and street infrastructure improvements.

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.

Hazmat Grant (HMEP)

To account for emergency preparedness grant purchases.

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CITY OF LAWNSDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Special Revenue Funds</u>			
	<u>Gas Tax Fund</u>	<u>Air Quality</u>	<u>TDA Article 3 Local Transportation</u>	<u>Proposition A Local Transit Assistance</u>
Assets:				
Pooled cash and investments	\$ 383,451	\$ 21,669	\$ 21	\$ 975,291
Receivables:				
Accounts	-	10,818	-	-
Accrued interest	759	41	-	2,180
Total Assets	<u>\$ 384,210</u>	<u>\$ 32,528</u>	<u>\$ 21</u>	<u>\$ 977,471</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 58,593	\$ -	\$ -	\$ 63,642
Accrued liabilities	-	-	-	4,575
Deposits payable	1,898	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>60,491</u>	<u>-</u>	<u>-</u>	<u>68,217</u>
Deferred Inflows of resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Municipal services	-	-	-	-
Recreation and community services	-	-	-	909,254
Public works	323,719	-	-	-
Capital Projects	-	-	21	-
Air quality	-	32,528	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>323,719</u>	<u>32,528</u>	<u>21</u>	<u>909,254</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 384,210</u>	<u>\$ 32,528</u>	<u>\$ 21</u>	<u>\$ 977,471</u>

CITY OF LAWNSDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Special Revenue Funds</u>			
	<u>Proposition C Local Transit Assistance</u>	<u>State Transit Program (Local)</u>	<u>Narcotics Forfeiture</u>	<u>State COPS Grant</u>
Assets:				
Pooled cash and investments	\$ 2,102,588	\$ 11,277	\$ 56,431	\$ 22,843
Receivables:				
Accounts	-	-	2,498	-
Accrued interest	4,720	24	126	73
Total Assets	<u>\$ 2,107,308</u>	<u>\$ 11,301</u>	<u>\$ 59,055</u>	<u>\$ 22,916</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 28,080
Accrued liabilities	3,920	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>3,920</u>	<u>-</u>	<u>-</u>	<u>28,080</u>
Deferred Inflows of resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Public safety	-	-	59,055	-
Municipal services	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	11,301	-	-
Capital Projects	2,103,388	-	-	-
Air quality	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,164)</u>
Total Fund Balances	<u>2,103,388</u>	<u>11,301</u>	<u>59,055</u>	<u>(5,164)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,107,308</u>	<u>\$ 11,301</u>	<u>\$ 59,055</u>	<u>\$ 22,916</u>

CITY OF LAWDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Special Revenue Funds</u>			
	<u>Local Law Enforcement Block</u>	<u>Lawndale Cable Usage Corporation</u>	<u>Hawthorne Boulevard Maintenance</u>	<u>Department of Conservation Grant</u>
Assets:				
Pooled cash and investments	\$ 15,468	\$ 52,460	\$ 24,937	\$ 77,091
Receivables:				
Accounts	-	7,652	-	-
Accrued interest	-	113	-	-
Total Assets	<u>\$ 15,468</u>	<u>\$ 60,225</u>	<u>\$ 24,937</u>	<u>\$ 77,091</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 450	\$ 24,937	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>450</u>	<u>24,937</u>	<u>-</u>
Deferred Inflows of resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Public safety	15,468	-	-	-
Municipal services	-	59,775	-	-
Recreation and community services	-	-	-	77,091
Public works	-	-	-	-
Capital Projects	-	-	-	-
Air quality	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>15,468</u>	<u>59,775</u>	<u>-</u>	<u>77,091</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,468</u>	<u>\$ 60,225</u>	<u>\$ 24,937</u>	<u>\$ 77,091</u>

CITY OF LAWNSDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds			
	96 County Specified Grants	Justice Assisted Grant	Park Development	Prop 1 B
Assets:				
Pooled cash and investments	\$ -	\$ -	\$ 8,975	\$ 6,087
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	-	21	14
Total Assets	\$ -	\$ -	\$ 8,996	\$ 6,101
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	6,045
Due to other funds	27,211	4,628	-	-
Total Liabilities	27,211	4,628	-	6,045
Deferred Inflows of resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Municipal services	-	-	-	-
Recreation and community services	-	-	8,996	-
Public works	-	-	-	-
Capital Projects	-	-	-	56
Air quality	-	-	-	-
Unassigned	(27,211)	(4,628)	-	-
Total Fund Balances	(27,211)	(4,628)	8,996	56
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ -	\$ 8,996	\$ 6,101

CITY OF LAWNSDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Special Revenue Funds</u>			
	<u>Safeta-Lu</u>	<u>Prop C25 Grant</u>	<u>Appropriations Act</u>	<u>Metro STP-L</u>
Assets:				
Pooled cash and investments	\$ 9,561	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	38,892	-	10,000
Accrued interest	22	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 9,583</u>	<u>\$ 38,892</u>	<u>\$ -</u>	<u>\$ 10,000</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 14,022	\$ -	\$ 10,000
Accrued liabilities	-	-	-	-
Deposits payable	-	-	6,580	-
Due to other funds	-	12,798	174,087	31,024
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>26,820</u>	<u>180,667</u>	<u>41,024</u>
Deferred Inflows of resources:				
Unavailable revenues	-	38,892	-	10,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>-</u>	<u>38,892</u>	<u>-</u>	<u>10,000</u>
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Municipal services	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital Projects	9,583	-	-	-
Air quality	-	-	-	-
Unassigned	<u> </u>	<u>(26,820)</u>	<u>(180,667)</u>	<u>(41,024)</u>
Total Fund Balances	<u>9,583</u>	<u>(26,820)</u>	<u>(180,667)</u>	<u>(41,024)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,583</u>	<u>\$ 38,892</u>	<u>\$ -</u>	<u>\$ 10,000</u>

CITY OF LAWNSDALE

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Special Revenue Funds			
	Measure R	Highway Safety Improvement	Federal Appropriation	LA County Parks Maintenance Grant
Assets:				
Pooled cash and investments	\$ 173,744	\$ -	\$ 18,637	\$ -
Receivables:				
Accounts	-	-	-	205,309
Accrued interest	397	-	-	-
Total Assets	\$ 174,141	\$ -	\$ 18,637	\$ 205,309
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 15,309
Accrued liabilities	3,589	-	-	3,292
Deposits payable	-	-	-	-
Due to other funds	-	45,157	-	186,705
Total Liabilities	3,589	45,157	-	205,306
Deferred Inflows of resources:				
Unavailable revenues	-	-	-	205,309
Total Deferred Inflows of Resources	-	-	-	205,309
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Municipal services	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital Projects	170,552	-	18,637	-
Air quality	-	-	-	-
Unassigned	-	(45,157)	-	(205,306)
Total Fund Balances	170,552	(45,157)	18,637	(205,306)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 174,141	\$ -	\$ 18,637	\$ 205,309

CITY OF LAWNSDALE

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Special Revenue Funds			
	Metro TOD Grant	Measure R Grant	Prop C 25%	Measure R Grant Traffic Improvement
Assets:				
Pooled cash and investments	\$ 22,792	\$ -	\$ -	\$ -
Receivables:				
Accounts	1,395	4,607	20,691	15,563
Accrued interest	-	-	-	-
Total Assets	\$ 24,187	\$ 4,607	\$ 20,691	\$ 15,563
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 2,739	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	8,064	26,479	21,361
Total Liabilities	-	10,803	26,479	21,361
Deferred Inflows of resources:				
Unavailable revenues	1,395	4,607	-	15,563
Total Deferred Inflows of Resources	1,395	4,607	-	15,563
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Municipal services	-	-	-	-
Recreation and community services	-	-	-	-
Public works	22,792	-	-	-
Capital Projects	-	-	-	-
Air quality	-	-	-	-
Unassigned	-	(10,803)	(5,788)	(21,361)
Total Fund Balances	22,792	(10,803)	(5,788)	(21,361)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 24,187	\$ 4,607	\$ 20,691	\$ 15,563

CITY OF LAWNSDALE

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue Funds				
	DRI Grant	Metro STPL Exchange 2014	LA CO Maint Grant - Hopper Park	CO Maint Grant - William Green	Hazmat Grant (HMEP)
Assets:					
Pooled cash and investments	\$ -	\$ 480,825	\$ -	\$ -	\$ -
Receivables:					
Accounts	103,530	-	11,441	3,563	9,316
Accrued interest	-	1,086	-	-	-
Total Assets	\$ 103,530	\$ 481,911	\$ 11,441	\$ 3,563	\$ 9,316
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 67,806	\$ -	\$ -	\$ -	\$ 1,716
Accrued liabilities	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	35,724	-	11,441	3,565	7,600
Total Liabilities	103,530	-	11,441	3,565	9,316
Deferred Inflows of resources:					
Unavailable revenues	103,530	-	11,441	3,563	9,316
Total Deferred Inflows of Resources	103,530	-	11,441	3,563	9,316
Fund Balances:					
Restricted for:					
Public safety	-	-	-	-	-
Municipal services	-	-	-	-	-
Recreation and community services	-	-	-	-	-
Public works	-	481,911	-	-	-
Capital Projects	-	-	-	-	-
Air quality	-	-	-	-	-
Unassigned	(103,530)	-	(11,441)	(3,565)	(9,316)
Total Fund Balances	(103,530)	481,911	(11,441)	(3,565)	(9,316)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 103,530	\$ 481,911	\$ 11,441	\$ 3,563	\$ 9,316

CITY OF LAWNSDALE

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Total Other Governmental Funds
Assets:	
Pooled cash and investments	\$ 4,464,148
Receivables:	
Accounts	445,275
Accrued interest	9,576
	<u>9,576</u>
Total Assets	<u>\$ 4,918,999</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:	
Liabilities:	
Accounts payable	\$ 287,294
Accrued liabilities	15,376
Deposits payable	14,523
Due to other funds	595,844
	<u>595,844</u>
Total Liabilities	<u>913,037</u>
Deferred Inflows of resources:	
Unavailable revenues	403,616
	<u>403,616</u>
Total Deferred Inflows of Resources	<u>403,616</u>
Fund Balances:	
Restricted for:	
Public safety	74,523
Municipal services	59,775
Recreation and community services	995,341
Public works	839,723
Capital Projects	2,302,237
Air quality	32,528
Unassigned	<u>(701,781)</u>
Total Fund Balances	<u>3,602,346</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,918,999</u>

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CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Gas Tax Fund	Air Quality	TDA Article 3 Local Transportation	Proposition A Local Transit Assistance
Revenues:				
Intergovernmental	\$ 946,533	\$ 41,226	\$ 20,890	\$ 584,640
Charges for services	-	-	-	528
Use of money and property	2,108	130	-	6,562
Miscellaneous	-	-	-	34,356
Total Revenues	948,641	41,356	20,890	626,086
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Municipal services	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	546,718
Public works	760,261	-	-	-
Capital outlay	-	81,159	20,869	-
Total Expenditures	760,261	81,159	20,869	546,718
Excess (Deficiency) of Revenues Over (Under) Expenditures	188,380	(39,803)	21	79,368
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	188,380	(39,803)	21	79,368
Fund Balances, Beginning of Year	135,339	72,331	-	829,886
Fund Balances, End of Year	\$ 323,719	\$ 32,528	\$ 21	\$ 909,254

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Special Revenue Funds</u>			
	<u>Proposition C Local Transit Assistance</u>	<u>State Transit Program (Local)</u>	<u>Narcotics Forfeiture</u>	<u>State COPS Grant</u>
Revenues:				
Intergovernmental	\$ 486,041	\$ -	\$ 2,498	\$ 106,230
Charges for services	-	-	-	-
Use of money and property	16,256	78	393	216
Miscellaneous	-	-	-	-
Total Revenues	502,297	78	2,891	106,446
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	112,319
Municipal services	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	163,301	-	-	-
Capital outlay	756,567	-	-	-
Total Expenditures	919,868	-	-	112,319
Excess (Deficiency) of Revenues Over (Under) Expenditures	(417,571)	78	2,891	(5,873)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(417,571)	78	2,891	(5,873)
Fund Balances, Beginning of Year	2,520,959	11,223	56,164	709
Fund Balances, End of Year	\$ 2,103,388	\$ 11,301	\$ 59,055	\$ (5,164)

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Local Law Enforcement Block	Lawndale Cable Usage Corporation	Hawthorne Boulevard Maintenance	Department of Conservation Grant
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	38,478	-	-
Use of money and property	-	305	-	-
Miscellaneous	-	127	-	-
Total Revenues	-	38,910	-	-
Expenditures:				
Current:				
General government	-	451	-	-
Public safety	-	-	-	-
Municipal services	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	207,532	-
Capital outlay	-	-	-	-
Total Expenditures	-	451	207,532	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	38,459	(207,532)	-
Other Financing Sources (Uses):				
Transfers in	-	-	207,532	-
Total Other Financing Sources (Uses)	-	-	207,532	-
Net Change in Fund Balances	-	38,459	-	-
Fund Balances, Beginning of Year	15,468	21,316	-	77,091
Fund Balances, End of Year	\$ 15,468	\$ 59,775	\$ -	\$ 77,091

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	96 County Specified Grants	Justice Assisted Grant	Park Development	Prop 1 B
Revenues:				
Intergovernmental	\$ -	\$ 9,702	\$ -	\$ -
Charges for services	-	-	800	-
Use of money and property	-	-	62	43
Miscellaneous	-	-	-	-
Total Revenues	-	9,702	862	43
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	21,240	-	-
Municipal services	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	21,240	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(11,538)	862	43
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	(11,538)	862	43
Fund Balances, Beginning of Year	(27,211)	6,910	8,134	13
Fund Balances, End of Year	\$ (27,211)	\$ (4,628)	\$ 8,996	\$ 56

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Safeta-Lu	Prop C25 Grant	Appropriations Act	Metro STP-L
Revenues:				
Intergovernmental	\$ -	\$ 35,626	\$ -	\$ -
Charges for services	-	-	-	-
Use of money and property	67	25	-	-
Miscellaneous	-	-	-	-
Total Revenues	67	35,651	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Municipal services	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	74,517	-	10,000
Total Expenditures	-	74,517	-	10,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	67	(38,866)	-	(10,000)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	67	(38,866)	-	(10,000)
Fund Balances, Beginning of Year	9,516	12,046	(180,667)	(31,024)
Fund Balances, End of Year	\$ 9,583	\$ (26,820)	\$ (180,667)	\$ (41,024)

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Measure R	Highway Safety Improvement	Federal Appropriation	LA County Parks Maintenance Grant
Revenues:				
Intergovernmental	\$ 411,150	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Use of money and property	4,092	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	415,242	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Municipal services	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	171,763	-	-	205,309
Capital outlay	763,763	-	-	-
Total Expenditures	935,526	-	-	205,309
Excess (Deficiency) of Revenues Over (Under) Expenditures	(520,284)	-	-	(205,309)
Other Financing Sources (Uses):				
Transfers in	-	-	-	231,750
Total Other Financing Sources (Uses)	-	-	-	231,750
Net Change in Fund Balances	(520,284)	-	-	26,441
Fund Balances, Beginning of Year	690,836	(45,157)	18,637	(231,747)
Fund Balances, End of Year	\$ 170,552	\$ (45,157)	\$ 18,637	\$ (205,306)

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Metro TOD Grant	Measure R Grant	Prop C 25%	Measure R Grant Traffic Improvement
Revenues:				
Intergovernmental	\$ 26,208	\$ 4,419	\$ 67,548	\$ -
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	26,208	4,419	67,548	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Municipal services	-	-	-	-
Planning and community development	27,604	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	9,025	47,892	15,563
Total Expenditures	27,604	9,025	47,892	15,563
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,396)	(4,606)	19,656	(15,563)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(1,396)	(4,606)	19,656	(15,563)
Fund Balances, Beginning of Year	24,188	(6,197)	(25,444)	(5,798)
Fund Balances, End of Year	\$ 22,792	\$ (10,803)	\$ (5,788)	\$ (21,361)

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds				
	DRI Grant	Metro STPL Exchange 2014	LA CO Maint Grant - Hopper Park	CO Maint Grant - William Green	Hazmat Grant (HMEP)
Revenues:					
Intergovernmental	\$ 50,106	\$ 480,437	\$ -	\$ -	\$ 5,616
Charges for services	-	-	-	-	-
Use of money and property	-	1,474	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	50,106	481,911	-	-	5,616
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Municipal services	-	-	-	-	14,932
Planning and community development	153,636	-	-	-	-
Recreation and community services	-	-	-	-	-
Public works	-	-	11,441	3,565	-
Capital outlay	-	-	-	-	-
Total Expenditures	153,636	-	11,441	3,565	14,932
Excess (Deficiency) of Revenues Over (Under) Expenditures	(103,530)	481,911	(11,441)	(3,565)	(9,316)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(103,530)	481,911	(11,441)	(3,565)	(9,316)
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ (103,530)	\$ 481,911	\$ (11,441)	\$ (3,565)	\$ (9,316)

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Total Governmental Funds
Revenues:	
Intergovernmental	\$ 3,278,870
Charges for services	39,806
Use of money and property	31,811
Miscellaneous	34,483
	<hr/>
Total Revenues	3,384,970
	<hr/>
Expenditures:	
Current:	
General government	451
Public safety	133,559
Municipal services	14,932
Planning and community development	181,240
Recreation and community services	546,718
Public works	1,523,172
Capital outlay	1,779,355
	<hr/>
Total Expenditures	4,179,427
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(794,457)
	<hr/>
Other Financing Sources (Uses):	
Transfers in	439,282
	<hr/>
Total Other Financing Sources (Uses)	439,282
	<hr/>
Net Change in Fund Balances	(355,175)
	<hr/>
Fund Balances, Beginning of Year	3,957,521
	<hr/>
Fund Balances, End of Year	\$ 3,602,346
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CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 GAS TAX FUND
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 135,339	\$ 135,339	\$ 135,339	\$ -
Resources (Inflows):				
Intergovernmental	848,445	848,445	946,533	98,088
Use of money and property	-	-	2,108	2,108
Amounts Available for Appropriations	983,784	983,784	1,083,980	100,196
Charges to Appropriations (Outflow):				
Public works	916,399	916,399	760,261	156,138
Total Charges to Appropriations	916,399	916,399	760,261	156,138
Budgetary Fund Balance, June 30	\$ 67,385	\$ 67,385	\$ 323,719	\$ 256,334

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 72,331	\$ 72,331	\$ 72,331	\$ -
Resources (Inflows):				
Intergovernmental	38,000	38,000	41,226	3,226
Use of money and property	100	100	130	30
Amounts Available for Appropriations	110,431	110,431	113,687	3,256
Charges to Appropriations (Outflow):				
Capital outlay	-	124,000	81,159	42,841
Total Charges to Appropriations	-	124,000	81,159	42,841
Budgetary Fund Balance, June 30	\$ 110,431	\$ (13,569)	\$ 32,528	\$ 46,097

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
TDA ARTICLE 3 LOCAL TRANSPORTATION
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	21,827	21,827	20,890	(937)
Amounts Available for Appropriations	21,827	21,827	20,890	(937)
Charges to Appropriations (Outflow):				
Capital outlay	20,870	20,870	20,869	1
Total Charges to Appropriations	20,870	20,870	20,869	1
Budgetary Fund Balance, June 30	\$ 957	\$ 957	\$ 21	\$ (936)

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A LOCAL TRANSIT ASSISTANCE
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 829,886	\$ 829,886	\$ 829,886	\$ -
Resources (Inflows):				
Intergovernmental	578,867	578,867	584,640	5,773
Charges for services	-	-	528	528
Use of money and property	-	-	6,562	6,562
Miscellaneous	-	-	34,356	34,356
Amounts Available for Appropriations	1,408,753	1,408,753	1,455,972	47,219
Charges to Appropriations (Outflow):				
Recreation and community services	734,878	734,878	546,718	188,160
Capital outlay	-	200,000	-	200,000
Total Charges to Appropriations	734,878	934,878	546,718	388,160
Budgetary Fund Balance, June 30	\$ 673,875	\$ 473,875	\$ 909,254	\$ 435,379

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C LOCAL TRANSIT ASSISTANCE
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,520,959	\$ 2,520,959	\$ 2,520,959	\$ -
Resources (Inflows):				
Intergovernmental	480,155	480,155	486,041	5,886
Use of money and property	6,500	6,500	16,256	9,756
Amounts Available for Appropriations	3,007,614	3,007,614	3,023,256	15,642
Charges to Appropriations (Outflow):				
Public works	399,647	399,647	163,301	236,346
Capital outlay	780,000	1,785,286	756,567	1,028,719
Total Charges to Appropriations	1,179,647	2,184,933	919,868	1,265,065
Budgetary Fund Balance, June 30	\$ 1,827,967	\$ 822,681	\$ 2,103,388	\$ 1,280,707

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 STATE TRANSIT PROGRAM (LOCAL)
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 11,223	\$ 11,223	\$ 11,223	\$ -
Resources (Inflows):				
Use of money and property	-	-	78	78
Amounts Available for Appropriations	11,223	11,223	11,301	78
Charges to Appropriations (Outflow):				
Public works	-	250,500	-	250,500
Total Charges to Appropriations	-	250,500	-	250,500
Budgetary Fund Balance, June 30	\$ 11,223	\$ (239,277)	\$ 11,301	\$ 250,578

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 NARCOTICS FORFEITURE
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 56,164	\$ 56,164	\$ 56,164	\$ -
Resources (Inflows):				
Intergovernmental	500	500	2,498	1,998
Use of money and property	120	120	393	273
Amounts Available for Appropriations	56,784	56,784	59,055	2,271
Charges to Appropriations (Outflow):				
Budgetary Fund Balance, June 30	\$ 56,784	\$ 56,784	\$ 59,055	\$ 2,271

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 STATE COPS GRANT
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 709	\$ 709	\$ 709	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	106,230	6,230
Use of money and property	120	120	216	96
Amounts Available for Appropriations	100,829	100,829	107,155	6,326
Charges to Appropriations (Outflow):				
Public safety	118,777	118,777	112,319	6,458
Total Charges to Appropriations	118,777	118,777	112,319	6,458
Budgetary Fund Balance, June 30	\$ (17,948)	\$ (17,948)	\$ (5,164)	\$ 12,784

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 LAWDALE CABLE USAGE CORPORATION
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 21,316	\$ 21,316	\$ 21,316	\$ -
Resources (Inflows):				
Charges for services	33,300	33,300	38,478	5,178
Use of money and property	-	-	305	305
Miscellaneous	250	250	127	(123)
Amounts Available for Appropriations	54,866	54,866	60,226	5,360
Charges to Appropriations (Outflow):				
General government	33,300	33,300	451	32,849
Total Charges to Appropriations	33,300	33,300	451	32,849
Budgetary Fund Balance, June 30	\$ 21,566	\$ 21,566	\$ 59,775	\$ 38,209

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 HAWTHORNE BOULEVARD MAINTENANCE
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Transfers in	200,000	200,000	207,532	7,532
Amounts Available for Appropriations	200,000	200,000	207,532	7,532
Charges to Appropriations (Outflow):				
Public works	200,000	200,000	207,532	(7,532)
Total Charges to Appropriations	200,000	200,000	207,532	(7,532)
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 DEPARTMENT OF CONSERVATION GRANT
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 77,091	\$ 77,091	\$ 77,091	\$ -
Resources (Inflows):				
Intergovernmental	9,000	9,000	-	(9,000)
Amounts Available for Appropriations	86,091	86,091	77,091	(9,000)
Budgetary Fund Balance, June 30	\$ 86,091	\$ 86,091	\$ 77,091	\$ (9,000)

CITY OF LAWDALE

**BUDGETARY COMPARISON SCHEDULE
96 COUNTY SPECIFIED GRANTS
YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (27,211)	\$ (27,211)	\$ (27,211)	\$ -
Charges to Appropriations (Outflow):				
Transfers out	-	27,211	-	27,211
Total Charges to Appropriations	<u>-</u>	<u>27,211</u>	<u>-</u>	<u>27,211</u>
Budgetary Fund Balance, June 30	<u>\$ (27,211)</u>	<u>\$ (54,422)</u>	<u>\$ (27,211)</u>	<u>\$ 27,211</u>

CITY OF LAWDALE

**BUDGETARY COMPARISON SCHEDULE
JUSTICE ASSISTED GRANT
YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 6,910	\$ 6,910	\$ 6,910	\$ -
Resources (Inflows):				
Intergovernmental	15,000	15,000	9,702	(5,298)
Amounts Available for Appropriations	21,910	21,910	16,612	(5,298)
Charges to Appropriations (Outflow):				
Public safety	15,000	15,000	21,240	(6,240)
Total Charges to Appropriations	15,000	15,000	21,240	(6,240)
Budgetary Fund Balance, June 30	\$ 6,910	\$ 6,910	\$ (4,628)	\$ (11,538)

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 PARK DEVELOPMENT
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,134	\$ 8,134	\$ 8,134	\$ -
Resources (Inflows):				
Charges for services	1,000	1,000	800	(200)
Use of money and property	25	25	62	37
Amounts Available for Appropriations	9,159	9,159	8,996	(163)
Budgetary Fund Balance, June 30	\$ 9,159	\$ 9,159	\$ 8,996	\$ (163)

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 PROP 1 B
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 13	\$ 13	\$ 13	\$ -
Resources (Inflows):				
Use of money and property	140	140	43	(97)
Amounts Available for Appropriations	153	153	56	(97)
Budgetary Fund Balance, June 30	\$ 153	\$ 153	\$ 56	\$ (97)

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 PROP C25 GRANT
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12,046	\$ 12,046	\$ 12,046	\$ -
Resources (Inflows):				
Intergovernmental	-	351,884	35,626	(316,258)
Use of money and property	-	-	25	25
Amounts Available for Appropriations	12,046	363,930	47,697	(316,233)
Charges to Appropriations (Outflow):				
Capital outlay	-	351,884	74,517	277,367
Total Charges to Appropriations	-	351,884	74,517	277,367
Budgetary Fund Balance, June 30	\$ 12,046	\$ 12,046	\$ (26,820)	\$ (38,866)

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 METRO STP-L
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (31,024)	\$ (31,024)	\$ (31,024)	\$ -
Resources (Inflows):				
Use of money and property	145	145	-	(145)
Amounts Available for Appropriations	(30,879)	(30,879)	(31,024)	(145)
Charges to Appropriations (Outflow):				
Capital outlay	-	10,000	10,000	-
Total Charges to Appropriations	-	10,000	10,000	-
Budgetary Fund Balance, June 30	\$ (30,879)	\$ (40,879)	\$ (41,024)	\$ (145)

CITY OF LAWNSDALE

**BUDGETARY COMPARISON SCHEDULE
MEASURE R
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 690,836	\$ 690,836	\$ 690,836	\$ -
Resources (Inflows):				
Intergovernmental	360,120	360,120	411,150	51,030
Use of money and property	-	-	4,092	4,092
Amounts Available for Appropriations	1,050,956	1,050,956	1,106,078	55,122
Charges to Appropriations (Outflow):				
Public works	158,501	205,861	171,763	34,098
Capital outlay	795,515	852,305	763,763	88,542
Total Charges to Appropriations	954,016	1,058,166	935,526	122,640
Budgetary Fund Balance, June 30	\$ 96,940	\$ (7,210)	\$ 170,552	\$ 177,762

CITY OF LAWDALE

**BUDGETARY COMPARISON SCHEDULE
HIGHWAY SAFETY IMPROVEMENT
YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (45,157)	\$ (45,157)	\$ (45,157)	\$ -
Resources (Inflows):				
Intergovernmental	-	72,119	-	(72,119)
Amounts Available for Appropriations	(45,157)	26,962	(45,157)	(72,119)
Charges to Appropriations (Outflow):				
Public works	-	72,119	-	72,119
Total Charges to Appropriations	-	72,119	-	72,119
Budgetary Fund Balance, June 30	\$ (45,157)	\$ (45,157)	\$ (45,157)	\$ -

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 FEDERAL APPROPRIATION
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,637	\$ 18,637	\$ 18,637	\$ -
Resources (Inflows):				
Intergovernmental	-	125,742	-	(125,742)
Amounts Available for Appropriations	18,637	144,379	18,637	(125,742)
Charges to Appropriations (Outflow):				
Public works	-	125,742	-	125,742
Total Charges to Appropriations	-	125,742	-	125,742
Budgetary Fund Balance, June 30	\$ 18,637	\$ 18,637	\$ 18,637	\$ -

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 LA COUNTY PARKS MAINTENANCE GRANT
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (231,747)	\$ (231,747)	\$ (231,747)	\$ -
Resources (Inflows):				
Transfers in	-	231,750	231,750	-
Amounts Available for Appropriations	(231,747)	3	3	-
Charges to Appropriations (Outflow):				
Public works	-	-	205,309	(205,309)
Total Charges to Appropriations	-	-	205,309	(205,309)
Budgetary Fund Balance, June 30	\$ (231,747)	\$ 3	\$ (205,306)	\$ (205,309)

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 METRO TOD GRANT
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 24,188	\$ 24,188	\$ 24,188	\$ -
Resources (Inflows):				
Intergovernmental	6,300	6,300	26,208	19,908
Amounts Available for Appropriations	30,488	30,488	50,396	19,908
Charges to Appropriations (Outflow):				
Planning and community development	6,301	53,715	27,604	26,111
Total Charges to Appropriations	6,301	53,715	27,604	26,111
Budgetary Fund Balance, June 30	\$ 24,187	\$ (23,227)	\$ 22,792	\$ 46,019

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 MEASURE R GRANT
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (6,197)	\$ (6,197)	\$ (6,197)	\$ -
Resources (Inflows):				
Intergovernmental	-	475,056	4,419	(470,637)
Amounts Available for Appropriations	(6,197)	468,859	(1,778)	(470,637)
Charges to Appropriations (Outflow):				
Capital outlay	-	475,056	9,025	466,031
Total Charges to Appropriations	-	475,056	9,025	466,031
Budgetary Fund Balance, June 30	\$ (6,197)	\$ (6,197)	\$ (10,803)	\$ (4,606)

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 PROP C 25%
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (25,444)	\$ (25,444)	\$ (25,444)	\$ -
Resources (Inflows):				
Intergovernmental	-	2,172,000	67,548	(2,104,452)
Amounts Available for Appropriations	(25,444)	2,146,556	42,104	(2,104,452)
Charges to Appropriations (Outflow):				
Capital outlay	-	2,146,635	47,892	2,098,743
Total Charges to Appropriations	-	2,146,635	47,892	2,098,743
Budgetary Fund Balance, June 30	\$ (25,444)	\$ (79)	\$ (5,788)	\$ (5,709)

CITY OF LAWDALE

**BUDGETARY COMPARISON SCHEDULE
 MEASURE R GRANT TRAFFIC IMPROVEMENT
 YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (5,798)	\$ (5,798)	\$ (5,798)	\$ -
Resources (Inflows):				
Contributions	-	1,386,453	-	(1,386,453)
Amounts Available for Appropriations	(5,798)	1,380,655	(5,798)	(1,386,453)
Charges to Appropriations (Outflow):				
Capital outlay	-	1,386,453	15,563	1,370,890
Total Charges to Appropriations	-	1,386,453	15,563	1,370,890
Budgetary Fund Balance, June 30	\$ (5,798)	\$ (5,798)	\$ (21,361)	\$ (15,563)

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 DRI GRANT
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	-	50,106	50,106
Amounts Available for Appropriations	-	-	50,106	50,106
Charges to Appropriations (Outflow):				
Planning and community development	-	250,000	153,636	96,364
Total Charges to Appropriations	-	250,000	153,636	96,364
Budgetary Fund Balance, June 30	\$ -	\$ (250,000)	\$ (103,530)	\$ 146,470

CITY OF LAWDALE

**BUDGETARY COMPARISON SCHEDULE
METRO STPL EXCHANGE 2014
YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	480,437	480,437	-
Use of money and property	-	-	1,474	1,474
Amounts Available for Appropriations	<u>-</u>	<u>480,437</u>	<u>481,911</u>	<u>1,474</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ 480,437</u>	<u>\$ 481,911</u>	<u>\$ 1,474</u>

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE

Hazmat Grant (HMEP)

YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	38,824	5,616	(33,208)
Amounts Available for Appropriations	-	38,824	5,616	(33,208)
Charges to Appropriations (Outflow):				
Municipal services	-	38,824	14,932	23,892
Total Charges to Appropriations	-	38,824	14,932	23,892
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ (9,316)	\$ (9,316)

STATISTICAL SECTION

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

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These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	136
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	139
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	143
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	146
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	148

CITY OF LAWNSDALE
Net Position by Component
Last Three Fiscal Years
(accrual basis of accounting)

	2013	2014	2015
Governmental activities:			
Net investment in capital assets,	\$ 39,758,551	\$ 41,303,660	\$ 41,632,026
Restricted	5,131,368	5,971,750	25,108,842
Unrestricted	30,431,748	23,838,865	(1,881,516)
Total primary government net position	\$ 75,321,667	\$ 71,114,275	\$ 64,859,352

The City of Lawnsdale implemented GASB 34 in the fiscal year ended June 30, 2003

The City of Lawnsdale has elected to show only three years of data on this schedule.

CITY OF LAWNDALE
Changes in Net Position
Last Three Fiscal Years
(accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses:			
Governmental activities:			
General government	\$ 3,336,790	\$ 3,644,909	\$ 3,494,495
Public safety	4,744,660	4,767,707	4,984,084
Municipal services	5,446,000	4,676,472	5,109,539
Community development	1,511,370	1,378,366	1,869,744
Recreation and community services	1,840,035	1,938,500	1,839,218
Interest and fiscal charges	13,277	25,914	24,565
Total Primary Government Expenses	<u>16,892,132</u>	<u>16,431,868</u>	<u>17,321,645</u>
Program Revenues:			
Governmental activities:			
Charges for services:			
General government	522,334	536,706	1,465,754
Public safety	553,723	597,372	12,200
Planning and community development	383,194	277,134	324,518
Other activities	281,859	335,099	2,164,047
Operating grants and contributions	139,215	143,560	1,155,002
Capital grants and contributions	451,796	1,777,527	2,317,196
Total Primary Government Program Revenues	<u>2,332,121</u>	<u>3,667,398</u>	<u>7,438,717</u>
Total net revenues (expenses)	(14,560,011)	(12,764,470)	(9,882,928)
General Revenues and Other Changes in Net Position:			
Governmental activities:			
Taxes:			
Property tax, levied for general purpose	2,123,835	1,207,732	1,257,326
Property tax, Redevelopment Agency tax increment			
Transient occupancy taxes	490,448	507,149	580,084
Franchise tax	494,445	577,720	600,595
Sales tax	4,632,826	4,937,756	3,885,762
Motor vehicle in lieu tax	2,797,818	2,853,843	2,967,075
Utility users tax	2,048,093	2,060,637	2,000,513
Investment income	116,388	99,903	110,233
Other	652,451	1,088,816	708,890
Total Primary Government	<u>13,356,304</u>	<u>13,333,556</u>	<u>12,110,478</u>
Change in Net Position	(1,203,707)	569,086	2,227,550
Restatement of Net Position	(4,839,999)	(4,776,478)	(7,217,828)
Primary Government Changes in Net Position	<u>\$ (7,247,413)</u>	<u>\$ (3,638,306)</u>	<u>\$ (2,762,728)</u>

The City of Lawndale has elected to show only three years of data on this schedule.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund:			
Nonspendable	\$ 3,032,263	\$ 927,304	\$ 11,504,529
Restricted	7,374	7,718	8,463
Committed	3,013,240	3,013,384	2,810,000
Assigned	222,555	153,496	245,962
Unassigned	15,426,052	14,214,377	2,857,327
Total General Fund	<u>\$ 21,701,484</u>	<u>\$ 18,316,279</u>	<u>\$ 17,426,281</u>
All other governmental funds:			
Special revenue funds			
Nonspendable	\$ -	\$ 487,083	\$ -
Restricted	4,912,033	5,259,292	4,304,127
Committed	10,624,274	7,495,609	
Assigned	-	-	-
Unassigned	(518,309)	(553,245)	(701,781)
Capital projects funds			
Unassigned	-	-	-
Debt Services			
Restricted	-	-	-
Total All Other Governmental Funds	<u>\$ 15,017,998</u>	<u>\$ 12,688,739</u>	<u>\$ 3,602,346</u>

CITY OF LAWNSDALE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	City			Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	Less: 150		
2006	\$ 1,617,734,962	\$ 25,639,912	\$ 10,873,740	\$ 1,654,248,772	1.000%
2007	1,773,312,259	29,473,330	9,614,916	1,812,400,505	1.000%
2008	1,792,280,469	29,734,952	9,614,916	1,831,630,500	1.000%
2009	1,880,433,599	31,553,224	10,085,159	1,922,071,982	1.000%
2010	1,831,477,610	28,979,163	9,253,280	1,869,710,218	1.000%
2011	1,784,384,720	28,152,145	9,365,903	1,812,536,865	1.000%
2012	1,786,937,201	28,336,944	8,453,239	1,823,727,384	1.000%
2013	1,808,651,374	31,655,954	9,468,954	1,849,776,282	1.000%
2014	1,846,823,697	32,531,368	9,136,873	1,888,491,938	1.000%
2015	1,920,865,673	33,753,426	6,138,948	1,960,758,047	1.000%

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Los Angeles County Assessor's Office

CITY OF LAWNSDALE
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Two Fiscal Years

	2014	2015
City direct rates:		
City basic rate:	1.00000	1.00000
Overlapping rates:		
Elementary Schools	0.15448	0.14954
High Schools	0.04369	0.08365
Community College	0.01750	0.01742
Metro Water District	0.00350	0.00350
Total Direct Rate	Long-term liabilities	1.25411

The City of Lawndale has elected to show only two years of data on this schedule.

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the elementary schools, high schools, community college, districts and/or County of Los Angeles.

Source: Los Angeles County Assessor's Office

CITY OF LAWNSDALE
Principal Property Tax Payers
Current Year and Ten Years Ago

<u>Taxpayer</u>	<u>2015</u>		<u>2005</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
Lawndale Market Place LLC	\$ \$ 12,051,107	0.62%	\$ 10,390,428	0.81%
Lawndale LLC	7,505,202	0.38%		
Baytower Corporate Center	7,057,644	0.36%	5,020,604	0.39%
Fariba Tabibi	6,908,687	0.35%		
Rich Lawndale LLC	6,686,004	0.34%		
Larch Associaates LLC	6,600,000	0.34%		
SBP Enterprises LLC	6,206,321	0.32%	5,224,463	0.41%
XJ Grand Hotel LLC	5,954,215	0.30%	4,897,248	0.38%
Northern BLVD Realty Corp	5,750,000	0.29%	4,635,497	0.36%
Satnaam Investments Inc	5,593,407	0.29%		
Ahmad Farrabian Trust			6,470,963	0.50%
Stratford Rental LLC			4,093,799	0.32%
Younan and Linda Safar			3,650,000	0.28%
Rosecrans Group LLC			3,632,950	0.28%
Redondo Townhomes LLC			3,613,301	0.28%
Totals	<u>\$ 70,312,587</u>	<u>3.59%</u>	<u>\$ 51,629,253</u>	<u>4.01%</u>

The amounts shown above include assessed value data for both the City and the Lawndale Successor Agency.

Source: HdL Coren & Cone

CITY OF LAWNSDALE
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	150 of Levy		Amount	Percent of Levy
2006	\$ 763,620	\$ 733,412	96.04%	\$ (30,208)	N/A	N/A
2007	840,552	967,088	115.05%	126,536	N/A	N/A
2008	909,030	991,339	109.05%	82,309	N/A	N/A
2009	1,033,020	1,052,038	101.84%	19,018	N/A	N/A
2010	911,615	511,174	56.07%	(400,441)	N/A	N/A
2011	914,661	860,018	94.03%	(54,643)	N/A	N/A
2012	890,901	899,405	100.95%	8,504	N/A	N/A
2013	1,043,000	2,123,835	203.63%	1,080,835	N/A	N/A
2014	1,088,510	1,153,313	105.95%	64,803	N/A	N/A
2015	1,081,129	1,202,303	111.21%	121,174	N/A	N/A

Source: Los Angeles County Auditor Controller's Office

CITY OF LAWNSDALE
Ratios of Outstanding Debt by Type
Last Five Fiscal Years

Fiscal Year Ended June 30	Governmental Activities		Total Governmental 150	Percentage of Personal Income	Debt Per Capita ¹
	Notes Payable	Capital Leases			
2010	\$ 23,097,438	\$ -	\$ 23,097,438	N/A	\$ 687
2011	23,015,265	-	23,015,265	N/A	700
2012	769,485	-	769,485	N/A	23
2013	737,646	-	737,646	N/A	22
2014	704,740	-	704,740	N/A	21
2015	670,732	-	670,732	N/A	20

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ These ratios are calculated using personal income for the prior calendar year.

CITY OF LAWNSDALE
Direct and Overlapping Debt
June 30, 2015

City Assessed Valuation		\$ 1,413,948,187	
	<u>Percentage Applicable¹</u>	<u>Outstanding Debt 6/30/15</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Direct² and Overlapping Tax and Assessment Debt:</u>			
SA Tax Allocation Bonds	100.000%	\$ 19,555,000	\$ 19,555,000
City Infrastructure Loan	100.000%	670,731	670,731
SA Infrastructure Loan	100.000%	1,440,689	1,440,689
Centinela Vly Union HS Dist 2002 Ref Bd Ser A	23.688%	13,610,000	3,223,937
Centinela Vly Union HS Dist 2004 Ref Ser A	23.688%	29,255,000	6,929,924
Centinela Vly Union HS Dist DS 2010, 12 Ser B	23.688%	71,975,324	17,049,515
Centinela Vly Union HSD DS 2008, Series A	23.688%	21,654,438	5,129,503
Centinela Vly Union HS Dist 2010,11 Series A	23.688%	23,844,344	5,648,248
Centinela Vly Union HS Dist 2008 2013 Series B	23.688%	75,000,000	17,766,000
El Camino Com Col Dist 2012 Ref Bonds	2.203%	41,490,000	914,025
El Camino Com Col Dist 2005 Ref Bonds	2.203%	26,018,159	573,180
El Camino Com Col Dist 2002 Ser 2006B	2.203%	79,950,000	1,761,299
El Camino Com Col Dist 2002 Ser 2012C	2.203%	180,631,166	3,979,305
Hawthorne USD DS 1997 2005 Series E	0.605%	3,886,177	23,511
Hawthorne S.D. DS 1997 Series B	0.605%	2,702,480	16,350
Hawthorne SD DS 1997 Series C	0.605%	2,614,844	15,820
Hawthorne SD DS 1997 Series 2004 D	0.605%	592,605	3,585
Hawthorne SD 2004/ 2005 Series A	0.605%	6,136,919	37,128
Hawthorne S.D DS 2004 Series 2005B	0.605%	8,666,599	52,433
Hawthorne S.D 2004 Series C 2008	0.605%	6,107,639	36,951
Hawthorne S.D DS 2008, 2009 Series A	0.605%	12,621,770	76,362
Hawthorne S.D DS 2008, 2012 Series B	0.605%	5,465,000	33,063
Lawndale Elem Sch Dist 2010 Refunding Bonds	59.566%	10,955,000	6,525,455
Lawndale Elem Sch Dist 1998 Ser C Debt Svc	59.566%	3,000,000	1,786,980
Lawndale Elem Sch Dist 1998 Ser B Debt Svc	59.566%	4,895,000	2,915,756
Metropolitan Water District	0.145%	53,296,395	77,280
Total Direct and Overlapping Debt		\$ 706,035,279	\$ 96,242,030

Notes:
¹

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

² The City has no direct debt.

CITY OF LAWNDALE
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed valuation	\$ 1,654,248,614	\$ 1,812,400,505	\$ 1,831,630,337	\$ 1,922,071,982	\$ 1,869,710,053	1,812,536,865	1,823,727,384	1,840,307,328	1,879,355,065	1,954,619,099
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	248,137,292	271,860,076	274,744,551	288,310,797	280,456,508	271,880,530	273,559,108	276,046,099	281,903,260	293,192,865
Total net debt applicable to limit: General obligation bonds										
Legal debt margin	\$ 248,137,292	\$ 271,860,076	\$ 274,744,551	\$ 288,310,797	\$ 280,456,508	271,880,530	273,559,108	276,046,099	281,903,260	293,192,865
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

..... market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

CITY OF LAWNSDALE
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate ¹ (3)
2005	33,220	\$ 510,755	\$ 15,375	5.3%
2006	33,215	539,351	16,238	4.7%
2007	33,247	558,946	16,812	5.0%
2008	33,293	564,134	16,945	7.4%
2009	33,469	553,218	16,529	11.5%
2010	33,641	596,119	17,720	12.5%
2011	32,887	616,796	18,755	12.2%
2012	32,907	616,961	18,749	9.2%
2013	33,058	617,121	18,667	10.1%
2014	33,228	592,356	17,827	7.6%
2015	33,242	586,954	17,657	7.9%

Sources:

- (1) State Department of Finance
- (2) Office of Economic Development (data shown is for Los Angeles County)
- (3) State of California Employment Development Department

**CITY OF LAWNSDALE
Principal Employers**

Employer	2015	Percent of Total Employment	2005	Percent of Total 150
	Number of Employees		Number of Employees	
City of Lawndale	99	3.38%	61	N/A
El Super # 3	90	3.08%	N/A	N/A
Trio Films	75		N/A	N/A
VCA Advanced Veterinary Care Cen	66	2.26%	N/A	N/A
Valu Plus Food Warehouse	65	2.22%	N/A	N/A
La Vida Medical Group Inc	64	2.19%	N/A	N/A
Advanced Veterinary Care Center	57	1.95%	N/A	N/A
McDonalds of California	56	1.91%	N/A	N/A
Boston Market Corporation	51	1.74%	N/A	N/A
Big Saver Foods	50	1.71%	N/A	N/A
Ralphs Grocery Company	48	1.64%	N/A	N/A

Total Employment as used above represents the total employment of all employers located within City limits.

The City does not have data for 2005.

Source: State Department of Commerce
City of Lawndale

CITY OF LAWNSDALE
Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	34	37	38	41	41	41	38	38	38	38
Public safety	14	12	14	14	13	13	12	15	15	15
Community development	6	6	7	7	7	7	6	6	6	6
Culture and leisure	31	42	43	43	44	44	44	40	40	40
Total	<u>85</u>	<u>97</u>	<u>102</u>	<u>105</u>	<u>105</u>	<u>105</u>	<u>100</u>	<u>99</u>	<u>99</u>	<u>99</u>

CITY OF LAWNSDALE
Operating Indicators
by Function
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Arrests	748	751	749	790	1,166	1,373	1,270	953	1,072	1013
Parking citations issued	16,627	16,378	19,190	19,190	15,432	13,661	13,784	14,116	13,584	14,647
Parks and recreation:										
Number of recreation classes	8	15	15	15	15	15	15	15	15	15
Number of facility rentals	4	4	4	4	4	4	4	4	4	4

Source: City of Lawndale

CITY OF LAWNSDALE
 Capital Asset Statistics
 by Function
 Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Public works:										
Streets (miles)	67	67	67	67	67	67	67	67	67	67
Parks and recreation:										
Parks	4	4	4	5	5	5	5	5	5	5
Community centers	1	1	1	1	1	1	1	1	1	1

Source: City of Lawndale