



# Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

## City of Cudahy, California Financial Statements Year Ended June 30, 2013

**(This page intentionally left blank)**

	<b>PAGE</b>
<b>FINANCIAL SECTION</b>	
<b>Report of Independent Auditors</b>	1 - 2
<b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Assets	4
Statement of Activities	5
<b>Fund Financial Statements:</b>	
Description of Major Funds	6
Balance Sheet	8-9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	10
Statement of Revenues, Expenditures, and Changes in Fund Balances	12-13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Description of Fiduciary Funds	15
Statement of Fiduciary Net Assets – Fiduciary Funds	16
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	17
Balance Sheet – Agency Funds	18
<b>Notes to the Financial Statements</b>	19-41
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>Budgetary Comparison Schedule</b>	
General Fund	42
CDBG Fund	43
Cal Home Fund	44
County Park Bond Fund	45
Schedule of Funding Progress - Public Employees Retirement System	46

	<b>PAGE</b>
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
<b>Nonmajor Governmental Funds</b>	
Description of Nonmajor Special Revenue Funds	47-48
Combining Balance Sheet	50-53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	54-57
<b>Budgetary Comparison Schedules – Special Revenue Funds</b>	
State Gas Tax	58
Prop 1B Local Street Improvements	59
Proposition C	59
Proposition A	60
Measure R	61
AQMD	61
Recycling Conservation Grant	62
Emergency Preparedness	63
COPS	63
State Clark Clara PH 3	64
TDA – Transportation Development	65
Street Lighting	65
Federal Aid STPL	66
LLEBG	67
FEMA Grant	67



# Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

## Report of Independent Auditors

**The Honorable Mayor and Members of the City Council  
City of Cudahy, California**

### Reports

We were engaged to audit the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Cudahy, California as of and for the year ended June 30, 2013, 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 an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Basis for Disclaimer of Opinion

During the course of our audit, we were informed that the California State Controller's Office (SCO) conducted audits of various City funds from July 1, 2007 through June 30, 2012, and reviewed the asset transfer of Cudahy Redevelopment Agency for the period from January 1, 2011 through January 31, 2012. As a result of their audits and review the SCO determined that the City has unallowable transfers totaling \$22,744,864. Of this amount, \$20,978,178 was transferred to another entity which has been determined to be a component unit of the City. We were not engaged to audit this component unit and at the date of our report, it has not been audited. The SCO believes these funds need to be returned to the City. It is unknown if the component unit has sufficient funds to repay these funds. If sufficient funds do not exist, the impact to the City is not known.

In addition, the City's general ledger accounts were not sufficiently reconciled to underlying subsidiary ledgers or lack sufficient corroborating evidence about the amounts at which cash, receivables, investments, capital assets, liabilities, revenues and expenditures, and net position amounts as required by GASB 54 as well as details for the implementation of GASB 65, legal confirmations were not received other than from the City Attorney, and we were unable to obtain written management representations and, failed in our attempts to speak with a particular Council member. Consequently, we were unable to obtain sufficient audit evidence about the amounts at

which cash, investments and fixed assets balances at June 30, 2013, and the lack of legal confirmations, suitable written management representations, and support for amounts due from component unit accounts recorded in the statements of Governmental Activities and Fiduciary Activities, each major fund, the aggregate non-major fund information and the related notes to the City of Cudahy, California's financial statements for the year ended June 30, 2013.

### **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis of Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, and the schedules of funding progress and employer contributions for other post-employment benefit plans on pages 42 through 46, and pages 37-38, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic part of the basic financial statements, is required by 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 methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

#### *Other Information*

Our engagement to audit was for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining non-major fund financial statements on pages 50-57, are presented for the purposes of additional analysis and are not a required part of the basis financial statements.

The combining non-major fund financial statements 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. Because of the significance of the matters described previously, it is inappropriate to and we do not express an opinion on the supplemental information.

**San Diego, California**

**June 23, 2014**

  
**Sonnenberg & Company, CPAs**

**(This page intentionally left blank.)**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 6,681,633
Receivables, net	1,642,531
Due from other governments	232,107
Due from Private Purpose Trust Fund	524,916
Capital assets, net	17,381,858
<b>Total Assets</b>	<b>26,463,045</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Total Deferred Outflows of Resources	-
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	728,149
Due to other governments	529,244
Noncurrent liabilities:	
Due within one year	
Due in more than one year	314,408
<b>Total Liabilities</b>	<b>1,571,801</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Total Deferred Inflows of Resources	-
<b>NET POSITION</b>	
Net Investment in Capital Assets	17,381,858
Restricted	2,061,797
Unrestricted	5,447,589
<b>Total Net Position \$</b>	<b>24,891,244</b>

*See notes to financial statements.*

**City of Cudahy  
Statement of Activities  
Year ended June 30, 2013**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense)</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Revenue and Changes in Net Position</b>
					<b>Governmental Activities</b>
<b>Governmental activities:</b>					
General Government	\$ 3,608,956	\$ 264,242	\$ 225,000	\$ 2,965	\$ (3,116,749)
Public Safety	3,745,686	241,589	102,318	-	(3,401,779)
Community Services	1,541,575	39,350	2	-	(1,502,223)
Public Services	277,881	74,790	1,468,140	586,746	1,851,795
Community Development	801,619	257,085	166,050	-	(378,484)
<b>Total Governmental Activities</b>	<b>\$ 9,975,717</b>	<b>\$ 877,056</b>	<b>\$ 1,961,510</b>	<b>\$ 589,711</b>	<b>\$ (6,547,440)</b>
<b>General revenues:</b>					
Property Taxes					519,247
Sales and Use Taxes					1,238,277
Franchise and Transfer Taxes					208,568
Transient Occupancy Tax					49,576
Motor vehicle In Lieu Tax					2,098,678
Utility Users Tax					1,033,483
Investment Income					15,191
Other Revenue					72,112
<b>Total General Revenues</b>					<b>5,235,132</b>
Change in Net Position					(1,312,308)
<b>Net position, Beginning of Year</b>					<b>26,203,552</b>
<b>Net Position, End of Year</b>					<b>\$ 24,891,244</b>

*See notes to financial statements.*

(This page intentionally left blank.)

General Fund	Accounts for all general revenues of the City not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City.
CDBG	Accounts for expenses of the Community Development Block Grant received through the County of Los Angeles.
Cal Home	Accounts for transactions funded by the Cal Home program.
County Park Bond Fund	Accounts for projects and grants funded by the County Park Bond Act.

	<u>Special Revenue</u>	
	<u>General</u>	<u>CDBG</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>ASSETS:</b>		
Cash and Investments	\$ 4,652,027	\$
Receivables:		
Accounts	668,648	83,232
Grants		
Loans	120,000	338,653
Interest	2,225	50,860
Due from Other Funds	386,752	
Due from the Private-Purpose Trust Fund	524,916	
Due from Other Governments	232,107	
Total Assets	<u>6,586,675</u>	<u>472,745</u>
Deferred Outflows of Resources	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 6,586,675</u>	<u>\$ 472,745</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 605,498	\$ 14,599
Deposits payable	10,000	
Due to governments	-	358,244
Due to other funds	45,654	96,959
Unearned revenue	320,000	95,797
Total Liabilities	<u>981,152</u>	<u>565,599</u>
Deferred Inflows of Resources	-	-
Fund balances:		
Restricted		-
Unassigned	5,605,523	(92,854)
Total fund balances	<u>5,605,523</u>	<u>(92,854)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,586,675</u>	<u>\$ 472,745</u>

*See notes to financial statements*

<u>Special Revenue</u>		<u>Other Governmental Funds</u>	<u>Totals</u>
<u>Cal Home</u>	<u>County Park Bond</u>		
\$ 140,592	\$ -	\$ 1,889,014	\$ 6,681,633
		76,285	828,165
	275,256	6,460	281,716
171,000			629,653
47,145		2,767	102,997
		45,654	432,406
			524,916
			232,107
<u>358,737</u>	<u>275,256</u>	<u>2,020,180</u>	<u>9,713,593</u>
-	-	-	-
<u>\$ 358,737</u>	<u>\$ 275,256</u>	<u>\$ 2,020,180</u>	<u>\$ 9,713,593</u>
\$ -	\$ -	\$ 98,052	\$ 718,149
		-	10,000
171,000		-	529,244
	276,906	12,887	432,406
47,145		-	462,942
<u>218,145</u>	<u>276,906</u>	<u>110,939</u>	<u>2,152,741</u>
-	-	-	-
140,592	-	1,921,205	2,061,797
-	(1,650)	(11,964)	5,499,055
140,592	(1,650)	1,909,241	7,560,852
<u>\$ 358,737</u>	<u>\$ 275,256</u>	<u>\$ 2,020,180</u>	<u>\$ 9,713,593</u>

See notes to financial statements

**City of Cudahy**  
**Reconciliation of the Balance Sheet**  
**Of Governmental Funds to the Statement of Net Position**  
**June 30, 2013**

---

Fund Balances of Governmental Funds	\$ 7,560,852
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 in governmental fund activity.	17,381,858
In governmental funds, other long-term assets that are available to pay for current period expenditures and, therefore are deferred in the funds	262,942
Long-term liabilities are not due and payable in the current period and are not reported in the Funds.	
Compensated Absences	(88,694)
OPEB Obligation	<u>(225,714)</u>
Net Position of Governmental Activities	<u>\$ 24,891,244</u>

*See notes to financial statements*

(This page intentionally left blank.)

	<u>Special Revenue</u>	
<b>Revenues</b>	<u>General</u>	<u>CDBG</u>
Taxes	\$ 2,929,265	\$
Licenses and Permits	336,111	
Intergovernmental	2,109,265	129,296
Charges for Services	54,477	
Fines, Forfeitures and Penalties	241,589	
Investment Income (Loss)	556	
Other Revenue	459,024	
Total Revenues	<u>6,130,287</u>	<u>129,296</u>
<b>Expenditures</b>		
Current:		
General Government	2,920,910	
Public Safety	3,467,830	
Community Services	533,931	
Public Services		
Community Development	434,286	258,969
Capital Outlays		
Total Expenditures	<u>7,356,957</u>	<u>258,969</u>
Excess (Deficiency) of		
Revenues over Expenditures	<u>(1,226,670)</u>	<u>(129,673)</u>
<b>Other Financing Sources (Uses)</b>		
Transfers in		133,564
Transfers out	(189,854)	
Total Other Financing Sources (Uses)	<u>(189,854)</u>	<u>133,564</u>
Net Change in Fund Balances	(1,416,524)	3,891
Fund balances, Beginning of Year	7,022,047	(96,745)
Fund balances (deficit), End of Year	<u>\$ 5,605,523</u>	<u>\$ (92,854)</u>

*See notes to financial statements*

City of Cudahy  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2013**

<u>Special Revenue</u>			
Cal Home	County Park Bond	Other Governmental Funds	Totals
\$	\$	\$ 810,794	\$ 3,740,059
			336,111
		1,444,223	3,682,784
			54,477
1,023		14,723	241,589
		(2,019)	16,302
<u>1,023</u>	<u>-</u>	<u>2,267,721</u>	<u>8,528,327</u>
			2,920,910
		213,643	3,681,473
		919,072	1,453,003
		277,881	277,881
16,288	1,650	90,426	801,619
		403,106	403,106
<u>16,288</u>	<u>1,650</u>	<u>1,904,128</u>	<u>9,537,992</u>
<u>(15,265)</u>	<u>(1,650)</u>	<u>363,593</u>	<u>(1,009,665)</u>
		56,290	189,854
		-	(189,854)
-	-	<u>56,290</u>	<u>-</u>
<u>(15,265)</u>	<u>(1,650)</u>	<u>419,883</u>	<u>(1,009,665)</u>
155,857	-	1,489,358	8,570,517
<u>\$ 140,592</u>	<u>\$ (1,650)</u>	<u>\$ 1,909,241</u>	<u>\$ 7,560,852</u>

City of Cudahy  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
Of Governmental Funds to the Statement of Activities**  
**Governmental Funds**  
**Year Ended June 30, 2013**

---

Net Change in Fund Balance - Governmental Funds \$ (1,009,665)

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

Governmental funds report capital outlay as an expenditures in the full amount as current financial resources are used. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful life as depreciation expense.

Capital outlay	\$	403,106	
Wite-off of fixed assets		(130,033)	
Depreciation		<u>(716,775)</u>	(443,702)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 135,082

Governmental funds report activity of long-term liabilities as revenues and expenditures, but they are included as increases and reductions on the long-term liabilities in the Statement of Net Position.

OPEB Obligation (108,028)

In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This represents the change in compensated absences during the year.

114,005

Change in Net Position of Governmental Activities \$ (1,312,308)

*See notes to financial statements*

**Agency Funds**

Accounts for the **assets** held by the City as an agent for individuals, private organizations or other government units and/or other funds.

**Private-Purpose Trust Fund**

A fiduciary fund type used by the City to report trust arrangements under which the principal and income benefit other governments. This fund reports the **assets, liabilities, and activities** of the Successor Agency.

	Agency Funds	Private-Purpose Trust Fund	(Unaudited) Note 17 Cudahy Economic Development Corp
<b>Assets</b>			
Cash and cash equivalents	\$ 119,960	\$ 2,016,580	\$ -
Restricted cash and cash equivalents		3,629,442	-
Loans receivables		2,228,902	-
Accounts receivable	41,433		
Interest receivable		28	
Total assets	\$ 161,393	7,874,952	-
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Total Deferred Outflows of Resources		50,012	-
<b>Liabilities</b>			
Accounts payable	\$ 161,393	96,644	-
Accrued Liabilities		1,705	-
Accrued Interest Payable		358,711	-
Due to the City of Cudahy		524,916	-
Bonds Payable		21,445,945	-
Note Payable		1,409,928	-
County Deferrals		864,654	-
Total liabilities	\$ 161,393	24,702,503	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Total Deferred Inflows of Resources		-	-
<b>NET POSITION HELD IN TRUST</b>		\$ (16,777,539)	\$ -

*See notes to financial statements*

City of Cudahy  
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds  
June 30, 2013

	Private-Purpose Trust Fund	(Unaudited) Note 17 Cudahy Economic Development Corp
<b>Additions</b>		
Contributions:		
Redevelopment Agency Property Tax Trust Fund	\$ 2,704,075	
Total Contributions	2,704,075	
Interest and Investment Revenue		
Use of money and property	112,984	
Total Use of Money and Property	112,984	
Total Additions	2,817,059	
<b>Deductions</b>		
Obligation Retirements:		
Interest on Bonds Payable	1,471,213	
Total Interest on Bonds Payable	1,471,213	
Administrative Expenses:		
Administrative Expenses	126,364	
Total Administrative Expenses	126,364	
Total Deductions	1,597,577	
Change in Net Position	1,219,482	
Net Position Held in Trust - Beginning of Year	(17,997,021)	
Net Position Held in Trust - Ending	\$ (16,777,539)	\$

*See notes to financial statements*

	<u>Cudahy Youth Foundation</u>	<u>Refuse Assessment</u>	<u>Totals</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 161,091	\$ (41,131)	\$ 119,960
Receivables	<u>211</u>	<u>41,222</u>	<u>41,433</u>
Total assets	<u>\$ 161,302</u>	<u>\$ 91</u>	<u>\$ 161,393</u>
<b>Liabilities</b>			
Accounts payable	<u>\$ 161,302</u>	<u>\$ 91</u>	<u>\$ 161,393</u>
Total liabilities	<u>\$ 161,302</u>	<u>\$ -</u>	<u>\$ 161,393</u>

*See notes to financial statements*

**(This page intentionally left blank.)**

**NOTE 1      REPORTING ENTITY**

The City is a municipal corporation governed by an elected five-member council. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The City's component unit is considered a fiduciary component unit.

**Component unit**

The City has a component unit which is the Cudahy Economic Development Corporation. The component unit has not had its audit completed as of the date of our report by another auditing firm. See note 17 for details of this component unit.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

*Government-wide and fund financial statements*

The statement of net position and statement of activities (i.e., the government-wide financial statements) display information on all of the non-fiduciary activities of the primary government (the City) and its blended component units. Eliminations have been made to minimize the effect of interfund activity.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

When both restricted and unrestricted net assets are available for use, the City's policy is to use restricted resources first, then the unrestricted resources as they are needed.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Government-wide and fund financial statements (continued)*

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities or attaining certain objectives in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

*Measurement focus, basis of accounting, and financial statement presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recognized when the liabilities are incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers taxes and assessments associated with the current fiscal period to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**The City reports the following major governmental funds:**

The *General Fund* accounts for all the general revenue of the City not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City.

*CDBG Fund* accounts expenses of the Community Development Block Grant received through the City of Los Angeles.

*County Park Bond Fund* accounts for projects and grants funded by the County Park Bond Act.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Measurement focus, basis of accounting, and financial statement presentation  
(continued)*

**Additionally, the City reports the following nonmajor fund types:**

**Other governmental funds**

Special revenue funds account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes.

**Fiduciary funds**

Agency funds are used to account for the assets held by the City as an agent for individuals, private organizations or other government units and/or other funds.

Private-Purpose Trust Fund is a fiduciary fund type used by the City to report trust arrangements under which the principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Successor Agency.

***Budgetary control and accounting***

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current **assets** and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) as changes in net assets.

All governmental fund types and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes and sales taxes to be available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due.

Revenues considered susceptible to accrual are property taxes, sales taxes, utility taxes, admission tax, interest revenue and grant revenues. All other revenues are not considered susceptible to accrual by the City.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Budgetary control and accounting (continued)***

The City at times reports unearned revenue in its financial statements. Unearned revenues arise when potential revenue does not meet the "available" criterion for recognition in the current period. Unearned revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Budgets are adopted on a basis consistent with GAAP. The City Council approves the budget submitted each year by the City Manager prior to the beginning of the new fiscal year. Supplemental appropriations are approved by the Council and City Manager when required during the period. Annual budget amendments are approved by Council. In most cases, expenditures may not exceed appropriations at the department level, which is the legal level of control. Annual appropriated budgets are adopted for the general and special revenue funds.

Capital projects are budgeted through the capital projects fund. Appropriations for capital projects are long-term in nature and budget comparisons on an annual basis would not be meaningful.

***Financial statement elements***

**Investments**

Investments are recorded at fair value. The estimated fair value of all investments is the quoted market price. Interest income earned on pooled cash and investments is allocated to the various funds based on their monthly average cash balances.

**Property taxes**

Assessed values are levied on an annual basis by the Los Angeles County Assessor as of July 1. Taxes become a lien on real property on January 1 and are payable in two installments on November 1 and February 1. They become delinquent if not paid by December 10 and April 10, respectively.

**Receivables and payables**

Property, sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year-end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available. At June 30, 2013, the City had an allowance for doubtful accounts of \$200,000 in its statement of net position.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interfund transactions**

Interfund transactions are reflected as loans, services provided reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balance outstanding in the governmental activities is reported in the government-wide financial statements as "internal balance". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources. There were no internal balances reported at June 30, 2013.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**Restricted assets**

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

**Capital assets**

Capital assets, which include lands, buildings, improvements, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are recorded at the lower of actual historical cost or fair value (as of the date donated for contributed assets).

The City has analyzed its capital assets for potential impairment. The City does not believe that any capital assets are impaired at June 30, 2013.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	40 years
Parks and park improvements	40 years
Infrastructure	10 to 40 years
Vehicles, furniture and equipment	3 to 5 years

It is the City's policy to capitalize all land, building, improvements, equipment and infrastructure assets, except assets costing less than \$5,000, and to capitalize infrastructure assets costing \$50,000 or more. In the government-wide financial statements, costs of assets sold or retired (and related amounts of accumulated

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Financial statement elements (continued)*

**Capital assets (continued)**

depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the statement of activities. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale.

**Compensated absences**

City employees receive up to 160 hours per year, depending upon their length of service.

In the fund financial statements, the City accounts for compensated absences (unpaid vacation and sick leave) as expenditures in the year paid, as it is the City's policy to liquidate any unpaid vacation or compensatory pay from future resources, rather than from currently available expendable resources.

All unpaid vacation pay is accrued when earned in the government-wide and fiduciary fund financial statements.

**Unearned revenues**

Unearned revenues in governmental funds arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the City receives resources before it has a legal claim to them (e.g., when grant monies are received prior to the incurrence of qualifying expenditures).

**Long-term obligations**

In the fiduciary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred

**Use of estimates**

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

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Financial statement elements (continued)*

**Fund Balances**

The City implemented Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund-type Definitions*. This statement defines fund balance as the difference between the assets and liabilities reported in the City's governmental funds. There are generally limitations on the purpose for which all or a portion of the resources of a governmental fund may be used. The force behind these limitations can vary significantly, depending upon their source. Consequently, the fund balance reported in the annual financial statements is categorized into five components whereby each component identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.

The five components of fund balance are as follows:

- **Nonspendable:** Resources that are 1) not in spendable form, such as inventories, prepaid expenses and long-term advances to other funds.
- **Restricted:** Resources that are subject to externally enforceable legal restrictions; these restrictions would be either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** Resources that are constrained to specific purposes by a formal action of the City Council such as an ordinance or resolution. The constraint remains binding unless removed in the same formal manner by the City Council. Council action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.
- **Assigned:** Resources that are constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed.
- **Unassigned:** Within the General Fund, the residual resources, either positive or negative, in excess of what can be properly classified in one of the other four fund balance categories. Within all other governmental funds, the negative residual resources in excess of what can be properly classified as nonspendable, restricted, or committed.

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net Investment in capital assets* - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance of this category.
- *Restricted net position* - This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - This category represents the City's net position, which are not restricted for any project or other purpose.

**NOTE 4      STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Fund balances at June 30, 2013 consisted of the following:

Major funds:			
Restricted for special purposes	\$	140,592	
Unassigned		5,511,019	
	Total major	<u>5,651,611</u>	
Nonmajor funds:			
Restricted for special purposes		1,921,205	
Unassigned		<u>(11,964)</u>	
	Total nonmajor	<u>1,909,241</u>	
	Total \$	<u><u>7,560,852</u></u>	

*Deficit fund balances*

The following funds have deficit unassigned fund balances at June 30, 2013. Management expects to eliminate the deficits with subsequent revenue in the funds or transfers from the General Fund:

Major funds:			
CDBG	\$	92,854	
County Park Bond Fund	\$	1,650	
Nonmajor funds:			
FEMA Grant	\$	11,964	

*Expenditures in excess of appropriations*

Expenditures for the year ended June 30, 2013 exceeded the appropriations by the following amounts in the following funds:

Major funds:			
General	\$	796,760	
Cal Home	\$	16,288	
County Park Bond Fund	\$	1,650	
Nonmajor funds:			
Prop 1B Local Street Improvements	\$	12,323	
Proposition C	\$	12,172	
Measure R	\$	289,926	
COPS	\$	22,924	
TDA - Transportation Development	\$	15,370	
Street Lighting	\$	1,581	
LLEBG	\$	11,907	
FEMA	\$	6,739	

**NOTE 5 CASH AND INVESTMENTS**

To maximize returns, the City follows the practice of pooling cash and investments of all its funds, except for cash and investments required to be held by a trustee or fiscal agents. Interest income earned on pooled cash and investments is allocated to the various funds based on their monthly average cash balances. The carrying amount of deposits and investments as of June 30, 2013 is summarized, as follows:

Cash and investments are classified as follows:

Statement of Net Position:

Governmental Activities:

Cash and Investments - Unrestricted	\$	6,681,633
-------------------------------------	----	-----------

Fiduciary Activities:

Statement of Fiduciary Net Position:

Cash and Investments - Unrestricted		2,136,540
Cash and Investments with Fiscal Agent		<u>3,629,442</u>

Total Cash and Investments	\$	<u>12,447,615</u>
----------------------------	----	-------------------

Cash and investments consist of the following

Petty Cash	\$	-
Deposits with Financial Institutions		3,424,531
Investments		<u>9,023,084</u>
Total	\$	<u>12,447,615</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 (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the

City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
US Treasury Bills, Bonds and Notes	5 years	40%	N/A
US Government Sponsored Enterprise	5 years	40%	N/A
Banker's Acceptance Notes	180 days	30%	15%
Commercial Paper	270 days	20%	N/A
Certificates of Deposit	5 years	N/A	N/A
Repurchase Agreements	1 year	N/A	N/A
Local Agency Investment Fund (LAIF)	N/A	N/A	\$40,000,000

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

N/A - Not applicable

**NOTE 5 CASH AND INVESTMENTS (CONTINUED)**

**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Investments authorized for funds held by bond trustee include, U.S. Treasury Obligations, U.S. Government Sponsored Enterprise Securities, Certificates of Deposits, Commercial Paper, Local Agency Bonds, Banker's Acceptance, Money Market Mutual Funds, Investment Contracts and Repurchase Agreements. There were no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment, except for the maturity of Banker's Acceptance which is limited to one year.

**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 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	More than 60 Months
Local Agency Investment Fund	\$ 5,393,642	\$ 5,393,642	\$ -	\$ -	\$ -
Held by Bond Trustee:					
Money Market Funds	2,125,442	2,125,442			
Life Insurance Investment Agreement	1,504,000				1,504,000
<b>Total</b>	<b>\$ 9,023,084</b>	<b>\$ 7,519,084</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,504,000</b>

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as reported by Standard & Poor's, as of year-end for each investment type:

Investment Type	Total as of June 30, 2013	Minimum Legal Rating	Minimum	
			AAA	Not Rated
LAIF	5,393,642	N/A	-	5,393,642
Held By Bond Trustee:				
Money Market Mutual Funds	2,125,442	N/A	2,125,442	-
Life Insurance Investment Agreement	1,504,000	N/A	-	1,504,000
<b>Total</b>	<b>9,023,084</b>		<b>2,125,442</b>	<b>6,897,642</b>

N/A - Not Applicable

**NOTE 5 CASH AND INVESTMENTS (CONTINUED)**

**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.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments. As of June 30, 2013, the City's deposits with financial institutions were in excess of Federal Depository insurance limits which are held in collateralized accounts. The City had no investments that are held by the safekeeping department of the broker-dealer (counterparty) used by the City to buy the securities.

**Investment in Local Agency Investment Fund**

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.

As of June 30, 2013, the City's investments in the State Treasurer's Investment Pool (LAIF) were approximately \$6 million. The management of LAIF has indicated that as of June 30, 2012, the estimated fair value of the pool, including accrued interest, was approximately \$58 billion. LAIF's (and the City's) exposure to risk (credit, market, or legal) is not currently available.

**Life Insurance Contracts Held by Bond Trustee**

The life insurance contracts held by BNY Mellon, the Bond Trustee, are based on an investment agreement with Transamerica Life; this investment is not a publicly traded asset, and there is no CUSIP. BNY Mellon has valued the investment at \$1.00 per share, so the market value is the cost. The funds are considered to be liquid; however BNY Mellon is reporting them with a maturity date of 2027. Under the circumstances stated in the agreement, the funds can be withdrawn by BNY Mellon if the funds are needed to make the required payments to the bondholders, or if the City decides to refund the bond issues. Therefore, the investment note above is inconsistent with the

**NOTE 5 CASH AND INVESTMENTS (CONTINUED)**

details provided in the investment reports provided to the City from BNY Mellon regarding maturity dates and the types of investments held.

**NOTE 6 RECEIVABLES**

*Notes Receivable*

Notes receivable as of June 30, 2013 are as follows:

Private-Purpose Trust Fund	\$	2,228,902
Governmental Funds		629,653

**Private-Purpose Trust Fund**

Notes receivable represents loans made for assistance in rehabilitating property for affordable housing, plus accrued interest.

		<u>Balance</u>
a) In November 1995 and May 1997, the Agency loaned \$220,000 and \$60,000, respectively, to Elizabeth West & East L.P. The note is collateralized by a deed of trust on 5225-27 Elizabeth Street. The note bears compounding interest at 6.55% and all principal and accrued interest is due in November 2025.	\$	873,906
b) In June 1998, February 2000, and September 2000, the Agency loaned \$150,000, \$140,000 and \$210,000, respectively, to 5159 Clara Street LLP for a total loan of \$500,000. The note is collateralized by a deed of trust on 5159 Clara Street. The note bears simple interest at 1% and all principal and accrued interest are due in May 2026.		568,233
c) During the year ended June 30, 2000, the Agency agreed to loan \$650,000 to Live Oak LLP, of which \$590,000 had been advanced through June 30, 2003. The note is collateralized by a deed of trust on 5203 Live Oak. The note bears interest at 2.5% and all unpaid principal and interest are due in August 2029.		<u>786,763</u>
Total – Private-Purpose Trust Fund	\$	<u>2,228,902</u>

**Governmental Fund – General Fund**

During the year ended June 30, 2013, the City entered into a loan with a local company due to a legal settlement. The note requires monthly payments of \$2,000 for 60 months. In addition, interest shall be paid at an annual rate of 3% on the unpaid principal balance and shall be payable as a balloon payment with the final payment. It is collateralized as an "allowed priority tax claim."

\$ 120,000

**NOTE 6 RECEIVABLES (CONTINUED)**

**Cal Home and CDBG Loans**

The City made loans receivable for its Cal Home and CDBG programs. The loans are collateralized by deeds of trust in favor of the City. The notes vary as to terms and conditions. Total notes receivable, including accrued interest at June 30, 2013 amounted to \$607,658. The notes have varying interest rates up to 3% and due dates from 5 years to unspecified.

	\$ <u>509,653</u>
Total – Governmental Funds	\$ <u><u>629,653</u></u>

**NOTE 7 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Increases	Decreases	Adjustments	Balance June 30, 2013
Capital assets, not depreciated					
Land	\$ 1,429,600	\$	\$	\$ 15,370	\$ 1,444,970
Construction-in-progress	385,765	403,106	509,455	(209,403)	70,013
	1,815,365	403,106	509,455	(194,033)	1,514,983
Capital assets, depreciated					
Structures and improvements	10,707,667				10,707,667
Infrastructure	47,837,122	509,455			48,346,577
Vehicles	748,638		165,177	64,000	647,461
Furniture & equipment	312,243				312,243
Total	59,605,670	509,455	165,177	64,000	60,013,948
Less accumulated depreciation:					
Structures and improvements	3,948,850	214,153			4,163,003
Infrastructure	38,798,079	401,749			39,199,828
Vehicles	570,291		165,177		405,114
Furniture & equipment	278,255	100,873			379,128
Total	43,595,475	716,775	165,177	-	44,147,073
Net	16,010,195	(207,320)	-	64,000	15,866,875
Governmental activities capital assets, net	\$ 17,825,560	\$ 195,786	\$ 509,455	\$ (130,033)	\$ 17,381,858

**NOTE 7 CAPITAL ASSETS (CONTINUED)**

Depreciation expense (net) was charged to functions of the governmental activities as follows:

General government	\$ 563,990
Public services	64,213
Community services	88,572
Total depreciation expense-governmental activities	\$ 716,775

**NOTE 8 LONG-TERM DEBT**

*Changes in long-term liabilities*

Long-term liability activity of the government-wide financial statements for the year ended June 30, 2013 follows:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Compensated absences	\$ 202,699	-	(114,005)	88,694	-
OPEB	117,686	108,028		225,714	-
Total	\$ 320,385	108,028	(114,005)	314,408	-

Long-term liability activity of the fiduciary fund for the year ended June 30, 2013 follows:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Note payable	\$ 1,409,928			1,409,928	-
Tax alloc. refund bonds	22,705,000		(675,000)	22,030,000	715,000
Less deferred amounts:					
For issuance discount	(633,633)	49,578		(584,055)	-
County deferrals	817,049	47,605		864,654	-
Total	\$ 24,298,344	97,183	(675,000)	23,720,527	715,000

**Deferred Outflows of Resources**

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Fiduciary funds-					
Deferred amounts from					
refunding of debt	\$ 59,387	-	(9,375)	50,012	-
Total	\$ 59,387	-	(9,375)	50,012	-

**Notes Payable – Private-Purpose Trust Fund**

In 1986-1987, the Agency borrowed a total of \$1,000,000 from a financial institution for costs associated with a development project (Parcel A). Payments are due in annual installments equal to the incremental difference between sales tax revenue from Parcel A as of the 1984-1985 tax year and sales tax revenues for each subsequent fiscal year. Sales tax incremental revenue from Parcel A is insufficient to make loan payments. The note is carried at \$1,409,928.

**Note 8            LONG-TERM DEBT (CONTINUED)**

On August 1, 2003, the City issued, at a discount of \$480,116, Tax Allocation Refunding Bonds series 2003A, 2003B, and 2003C amounting to \$3,680,000, \$3,255,000, and \$6,680,000, respectively. The 2003A Bonds were issued to provide funds to the City to promote the supply of low and moderate income housing within the Project Area of the former redevelopment agency. The 2003B and 2003C Bonds were issued for the purpose of refunding the City's previously issued \$7,245,000 Cudahy Redevelopment Project Tax Allocation Refunding Bonds, Series 1994A and Series 1994B. The 2003A and 2003B Bonds are secured on a parity basis with the City's outstanding \$1,425,000 Tax Allocation Refunding Bonds Series 1999. The 2003C Bonds are secured on a basis subordinate to the 1999 Bonds, 2003A and 2003B Bonds. The Bonds are payable from and secured by pledged tax revenues to be derived from the Project Area.

On April 13, 2011, the Agency issued, at a discount of \$404,854, Tax Allocation Refunding Bonds Series 2011A (Housing Projects) and 2011B (Redevelopment Projects) amounting to \$2,285,000, and \$8,920,000 respectively. The 2011A Bonds were issued to finance various housing projects to the Agency to promote the supply of low and moderate income housing within the Project Area. The 2011B Bonds were issued to finance various infrastructure improvements within the Project Area. The 2011A Bonds are payable from and both are secured by the housing revenues and 2011B Bonds are payable from and secured by the pledged tax revenues on parity with the former redevelopment agency, City-Wide Redevelopment Project, Tax Allocation Refunding Bonds, and Series 2003C outstanding in the amount of \$6,595,000. The 2011A Bonds is subordinate to the lien of the owners of the former redevelopment agency, City-Wide Redevelopment Project, Tax Allocation Refunding Bonds, Series 2003A, outstanding principal amount of \$3,385,000. The 2011B Bonds is subordinate to the lien of the owners of the former redevelopment agency, City-Wide Redevelopment Project Tax Allocation Refunding Bonds Series 1999, outstanding in the amount of \$1,425,000 and the Cudahy Community Development Commission, City-Wide Redevelopment Project, Tax Allocation Refunding Bonds, Series 2003B, outstanding in the principal amount of \$1,185,000.

**Tax Allocation Refunding Bonds**

At June 30, 2013, bonded indebtedness consisted of the following Tax Allocation Refunding Bonds:

	Date <u>Issued</u>	Final <u>Maturity</u>	<u>Interest Rate</u>	Amount <u>Issued</u>	<u>Outstanding</u>
Series 2011 A	04/13/11	10/01/27	5%-7.75%	\$ 2,285,000	2,190,000
Series 2011 B	04/13/11	10/01/27	5%-7.75%	8,920,000	8,165,000
Series 2003 A	08/01/03	10/01/27	5.70%-5.75%	3,680,000	3,385,000
Series 2003 B (Taxable)	08/01/03	10/01/13	5.05%-6.40%	3,255,000	420,000
Series 2003 C	08/01/03	10/01/27	6.50%	6,680,000	6,445,000
Series 1999 (Taxable)	10/15/99	10/01/26	8.95%	1,425,000	1,425,000
				<u>\$ 26,245,000</u>	<u>22,030,000</u>

**NOTE 8      LONG-TERM DEBT (CONTINUED) – FIDUCIARY FUNDS**

Interest is payable semi-annually. Principal redemptions begin October 2005, October 2008, October 2009, October 2021, October 2011, and October 2011 for the Series 2003 A, Series 2003 B, Series 2003 C and the Series 1999, Series 2011 A, and Series 2011 B, respectively.

Annual requirements to amortize outstanding bonded debt, including interest payments, are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$ 715,000	\$ 1,239,128	\$ 1,954,128
2015	1,210,000	1,383,461	2,593,461
2016	1,265,000	1,330,786	2,595,786
2017	1,225,000	1,260,273	2,485,273
2018	1,155,000	1,179,346	2,334,346
2019-2023	6,915,000	4,679,320	11,594,320
2024-2028	9,545,000	1,897,095	11,442,095
2029		7,044	7,044
<b>Total</b>	<b>\$ 22,030,000</b>	<b>\$ 12,969,409</b>	<b>\$ 34,999,409</b>

**Pledged Future Revenues**

The City pledged future tax revenues associated with its bond issuances for Series 1999, 2003 and 2011. This comprises all of the debt issued in the tax allocation refunding debt in this note above. These debt issuances and pledged tax revenues are reported in the fiduciary funds. The pledged tax revenues are to be used solely for the repayment of principal and interest on the bonds until they are paid in full through 2029 and are not available for other purposes during the duration that the bonds are outstanding which is are pledged for the respective bonds. The pledged tax revenues totaled \$2,704,075 for the year ended June 30, 2013. The principal and interest payments on the bonds that had the pledged tax revenues for the year ended June 30, 2013 were approximately \$675,000 and \$1,450,000, respectively. The total principal and interest remaining is approximately \$35,000,000, with annual payments expected to require 86% of pledged tax revenues.

**County Deferrals**

The City, Agency and County entered into agreements whereby the County will defer tax increment generated within the project area to meet the Agency's debt service obligations. The outstanding balance accrues interest of five percent (5%) compounded annually and shall be repaid with the property tax revenues received by the Agency in excess of its debt service payment requirements. The County Deferral is recorded as tax revenue when earned and debt in the fiduciary funds.

**NOTE 9 INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables balances are as follows:

	Due From Other Funds	Due To Other Funds
Major Funds:		
General Fund	\$ 386,752	45,654
CDBG Fund	-	96,959
County Park Bond Fund	-	276,906
Nonmajor Funds	45,654	12,887
	\$ 432,406	432,406

As of June 30, 2013, the General Fund, CDBG Fund, County Park Bond Fund and Nonmajor Funds owed \$45,654, \$96,959, \$276,906 and \$12,887, respectively to a Nonmajor Fund and the General fund.

**NOTE 10 INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2013 are as follows:

	Transfers Out
	General Fund
Transfers In	
CDBG Fund	\$ 133,564
Non-major	56,290
Total	\$ 189,854

Interfund transfers were principally used to cover excess cost of the CDBG program.

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

**Lawsuits**

Legal claims and lawsuits arise from time to time in the normal course of business, which, in the opinion of management, will have no material effect on the City's financial position.

**Grant Audit Contingencies**

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, would be immaterial.

**NOTE 12 RETIREMENT PLAN**

**Plan Description**

The City of Cudahy's defined benefit pension plan, Miscellaneous Plan of the City of Cudahy, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous Plan of the City of Cudahy is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. These benefit provisions and all other requirements are established by State statutes within the Public Employees' Retirement Law. The City of Cudahy selects optional benefit provisions from the benefits available by contract with CalPERS and adopts those benefits through ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from its executive office: 400 P Street, Sacramento, CA 95814.

**Funding Policy**

Active plan members in the Miscellaneous Plan of the City of Cudahy are required to contribute 8% of their annual covered salary. On October 16, 2011, the City amended the plan to change it to 7% for employees who are hired after amendment date. The required employer contribution rate is 7% of the annual covered payroll. The City makes the contributions required of City personnel on their behalf and for their account. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the 2012/13 fiscal year is 20.27% of annual covered payroll. The contribution rate is established, and may be amended, by CalPERS.

**Annual Pension Contribution**

For fiscal year 2012-2013, the City's annual pension cost of \$275,544 was equal to the City's required and actual contributions.

The Miscellaneous Plan of the City of Cudahy's excess assets is being amortized as a level percentage of projected payroll. The actuarial cost method was entry age normal cost method, the asset valuation method was a 15 year smoothed market, the remaining amortization period at June 30, 2013 was 19 years, and the actuarial assumptions were as follows:

<i>Three-Year Trend Information For PERS</i>			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	\$ 328,479	100%	\$ -
6/30/12	276,053	100%	-
6/30/13	275,544	100%	-

**NOTE 13      POST EMPLOYMENT BENEFITS**

**Plan Description**

Integrated medical/prescription drug coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA). Employees may choose from a variety of HMO and PPO options. The City pays 100% of the cost of PEMHCA coverage for active employees, including coverage for spouse and dependent children. The City also pays a 0.36% of premium administrative charge for all active employees. The City offers the same medical plans to its retirees as to its active employees, with the exception that once a retiree becomes eligible for Medicare (that is, reaches age 65), he or she must join a Medicare HMO or a Medicare Supplement plan under PEMHCA. Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by qualifying disability retirement status. Benefits are paid for the lifetime of the retiree and, if applicable, the surviving spouse of the retiree. The City's contribution on behalf of all eligible retirees is the same as it is for active employees (100% of the cost of coverage for retiree, spouse and dependent children). The City has elected the equal contribution method, where the contribution will remain the same annually.

**Funding Policy**

The contribution requirements of the City are established and may be amended by the City Council. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2012-13, the City contributed \$108,414 to the plan, which was 100% of the total current premiums.

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual other OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement 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) not to exceed thirty years. 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:

June 30, 2013	
Annual required contribution	\$ 218,214
Interest on net OPEB obligation	5,884
Adjustment to annual required contribution	<u>(7,656)</u>
Annual OPEB cost (expense)	216,442
Contributions made	<u>(108,414)</u>
Increase in net OPEB obligation	108,028
Net OPEB obligation – beginning of year	<u>117,686</u>
Net OPEB obligation – end of year	<u>\$ 225,714</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the preceding year were as follows:

June 30, 2012	\$218,214, 46.1%, \$117,686
June 30, 2013	\$216,442, 50.1%, \$225,714

GASB 45 was implemented for the year ended June 30, 2012.

**NOTE 14      DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan assets are under the participants control and are principally invested in demand deposits and mutual funds and are for the exclusive benefit of the participants and their beneficiaries. At June 30, 2013, the amount held by trustee for employees is \$144,004.

**NOTE 15      INSURANCE PROGRAM**

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

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 91 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 coverages. The Authority's pool 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.

**Self-insurance programs 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 follows: the first \$30,000 of each occurrence is charged directly to the member; costs from \$30,001 to \$750,000 are pooled based on a member's share of costs under \$30,000; costs from \$750,001 to \$5,000,000 are pooled based on payroll. Costs of covered claims above \$5,000,000 are currently paid by reinsurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate.

Worker's Compensation - The City also participates in the worker's 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 Cudahy is charged for the first \$25,000 of each claim. Costs are pooled above that level to \$50,000. Costs from \$50,001 to \$100,000 per claim are pooled based on the member's losses under its retention level. Costs between \$100,001 and \$2,000,000 per claim are pooled based on payroll. Costs between \$2,000,000 and \$50,000,000 are paid by excess insurance purchased by the Authority. Costs in excess of \$50,000,000 are pooled by the members based on payroll.

**NOTE 15      INSURANCE PROGRAM (Continued)**

**Purchased insurance**

Property Insurance - The City of Cudahy participates in the all-risk property protection program of the Authority. Several insurance companies underwrite this insurance protection. The City is currently insured according to a schedule of covered property submitted by the City to the Authority. Total all-risk property insurance coverage is \$11.3 million. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Fidelity Bonds - The City of Cudahy purchases blanket fidelity bond 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 retroactive adjustments.

Environmental Liability Insurance - The City of Cudahy does not participate in the pollution legal liability and remediation legal liability insurance, which is available through the Authority.

**Adequacy of protection**

During the past three fiscal years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage.

**NOTE 16      NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS**

**GASB No. 67** - *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25.* The provisions are effective for financial statements for periods beginning after June 15, 2013.

**GASB No. 68** - *Accounting and Financial Reporting for Pension Plans - an amendment of GASB Statement No. 27.* The provisions are effective for financial statements for periods beginning after June 15, 2014.

**GASB No. 69** - *Government Combinations and Disposal of Government Operations.* The provisions are effective for financial statements for periods beginning after December 15, 2013.

**GASB No. 70** - *Accounting and Financial Reporting for Nonexchange Financial Guarantees.* The provisions are effective for financial statements for periods beginning after June 15, 2013.

**GASB No. 71** - *Pension Transition for Contributions Made Subsequent to the Measurement Date.* The provisions are effective for financial statements for periods beginning after June 15, 2014.

**NOTE 17      SUBSEQUENT EVENTS**

- 1) The Agency and the Cudahy Economic Development Corporation (the "Corporation"), a California non-profit public benefit corporation, and a component unit of the City, entered into a Project Funding Agreement dated as of March 1, 2011 (the "Agreement") relating to approximately \$21,000,000 in capital improvement projects.

On April 15, 2014, the California State Controller issued its findings regarding these transferred assets. The California State Controller found that \$20,978,178 of the transferred assets were unallowable and need to be transferred back to the Successor Agency. The Corporation has not been audited and those books are not maintained by the City. It is not possible to determine whether the Corporation has the ability to repay these funds to the Successor Agency. If not, the City would potentially be required to fund the difference from its General Fund. The City is working with the State Controller's Office to resolve these findings. In addition, the Cudahy Economic Development Corporation hired another accounting firm to audit its books. This audit is not yet completed.

- 2) The City Council voted to withdraw from the California Joint Powers Insurance in 2014. The City is required to submit for withdrawal of the plan. To date, the City is still covered by the California Joint Powers Insurance.
- 3) The City Council in 2014 has agreed to become the Successor Agency for the low/mod housing program. This is pending final approval by regulatory agencies.
- 4) Subsequent to year end, the 2003B Taxable Allocation Bonds have been paid in full.

City of Cudahy  
 Budgetary Comparison Schedule  
 General Fund  
 Year ended June 30, 2013

<b>REVENUES</b>	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
Taxes	\$ 3,389,000	2,929,265	(459,735)
Licenses and Permits	459,761	336,111	(123,650)
Intergovernmental	2,150,000	2,109,265	(40,735)
Charges for Services	39,300	54,477	15,177
Fines, Forfeitures and Penalties	182,606	241,589	58,983
Investment Income (Loss)	30,000	556	(29,444)
Other Revenue	408,000	459,024	51,024
<b>Total revenues</b>	<u>6,658,667</u>	<u>6,130,287</u>	<u>(528,380)</u>
<b>EXPENDITURES</b>			
Current:			
General Government	2,071,034	2,920,910	(849,876)
Public Safety	3,770,576	3,467,830	302,746
Community Services	893,654	533,931	359,723
Community development	353,313	434,286	(80,973)
<b>Total expenditures</b>	<u>7,088,577</u>	<u>7,356,957</u>	<u>(268,380)</u>
Excess(deficiency) of revenues over expenditures	(429,910)	(1,226,670)	(796,760)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In			
Transfers Out		(189,854)	(189,854)
Net change in fund balance	(429,910)	(1,416,524)	(986,614)
<b>Fund balances, Beginning</b>	7,022,047	7,022,047	-
<b>Fund balances, Ending</b>	<u>\$ 6,592,137</u>	<u>5,605,523</u>	<u>(986,614)</u>

City of Cudahy  
 Budgetary Comparison Schedule  
 CDBG  
 Year ended June 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues</b>			
Taxes	\$ -	-	-
Licenses and permits	-	-	-
Intergovernmental	452,627	129,296	(323,331)
Charges for services	-	-	-
Fines, forfeitures and penalties	-	-	-
Use of money and property	-	-	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>452,627</u>	<u>129,296</u>	<u>(323,331)</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Community services	-	-	-
Public services	-	-	-
Community development	398,317	258,969	139,348
<b>Total expenditures</b>	<u>398,317</u>	<u>258,969</u>	<u>139,348</u>
 Excess (deficiency) of revenues over expenditures	 <u>54,310</u>	 <u>(129,673)</u>	 <u>(183,983)</u>
 <b>Other financing sources (uses)</b>			
Transfer in	-	133,564	133,564
Transfer out	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>133,564</u>	<u>133,564</u>
 Net change in fund balances	 54,310	 3,891	 (50,419)
 <b>Fund balances, Beginning</b>	 (96,745)	 (96,745)	 -
<b>Fund balances, Ending</b>	<u>\$ (42,435)</u>	<u>(92,854)</u>	<u>(50,419)</u>

City of Cudahy  
 Budgetary Comparison Schedule  
 Cal Home Fund  
 Year Ended June 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues</b>			
Taxes	\$ -	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines, forfeitures and penalties	-	-	-
Use of money and property	-	1,023	1,023
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>1,023</u>	<u>1,023</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Community services	-	-	-
Public services	-	-	-
Community development	-	16,288	(16,288)
<b>Total expenditures</b>	<u>-</u>	<u>16,288</u>	<u>(16,288)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(15,265)</u>	<u>(15,265)</u>
<b>Other financing sources (uses)</b>			
Transfer in	-	-	-
Transfer out	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(15,265)	(15,265)
<b>Fund balances, Beginning</b>	<u>155,857</u>	<u>155,857</u>	<u>-</u>
<b>Fund balances, Ending</b>	<u>\$ 155,857</u>	<u>140,592</u>	<u>(15,265)</u>

City of Cudahy  
 Budgetary Comparison Schedule  
 County Park Bond Fund  
 Year Ended June 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues</b>			
Taxes	\$ -	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines, forfeitures and penalties	-	-	-
Use of money and property	-	-	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Community development	-	1,650	(1,650)
<b>Total expenditures</b>	<u>-</u>	<u>1,650</u>	<u>(1,650)</u>
 Excess (deficiency) of revenues over expenditures	 <u>-</u>	 <u>(1,650)</u>	 <u>(1,650)</u>
<b>Other financing sources (uses)</b>			
Transfer in	-	-	-
Transfer out	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balances	 -	 (1,650)	 (1,650)
<b>Fund balances, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, Ending</b>	<u>\$ -</u>	<u>(1,650)</u>	<u>(1,650)</u>

**Schedule Of Funding Progress For PERS (\$ Amount in Thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll [(B-A)/C]
6/30/2010	\$ N/A	\$	\$ NA	N/A	\$ N/A	N/A
6/30/2011	7,613	9,385	(1,773)	81.1%	1,105	160.4%
6/30/2012	7,890	9,652	(1,762)	81.7%	892	197.5%

N/A – Plan specific information is not available.

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to be expended for specific purposes.

<b>State Gas Tax</b>	Accounts for maintenance and capital projects associated with motor vehicle travel. Financing is provided by the City's share of the State gasoline taxes.
<b>Prop 1B Local Street Improvements</b>	Prop 1B came from bond proceeds issued to fund maintenance and improvement of local streets and roads.
<b>Proposition C</b>	Accounts for financial transactions in accordance with Proposition C of the Local Transit Assistance Act.
<b>Proposition A</b>	Accounts for receipts and expenditures of projects from a voter approved sales tax override for public transportation purposes.
<b>Measure R</b>	Measure R is funded with ½ percent sales tax revenues approved by Los Angeles voters to fund local street projects in LA County.
<b>AQMD</b>	To account for the additional vehicle registration fees received from Southern California Air Quality Management District in accordance with AB 2766, as authorized by the –California Clean Air Act of 1988.
<b>Recycling Conservation Grant</b>	To account for revenue and expenditure pertaining to recycling and disposal of used oil.
<b>Emergency Preparedness</b>	Grant funds received to provide for an emergency operations center. Crucial in the city's ability to respond to emergency situations and catastrophic events.
<b>COPS</b>	To account for financial transactions in accordance with grant requirements from the California Office of Criminal Justice.
<b>State Park Clara Ph 3</b>	Funding for this grant was from Urban Parks Act of 2001 Grant Program (UPA) through the Department of Park and Recreation, Office of Grants and Local Services for Clara Park Expansion .
<b>TDA – Transportation Development</b>	To account for transactions funded by the TDA program.
<b>Street Lighting</b>	To account for revenues and costs associated with the City's street lighting program.
<b>Federal Aid STPL</b>	Federally funded Project through the California Department of Transportation (CalTrans) for resurfacing and maintenance of streets.

**SPECIAL REVENUE FUNDS (CONTINUED)**

**LLEBG**

To account for financial transactions in accordance with the Local Law Enforcement Block Grant.

**FEMA Grant**

Funds are administered by the Federal Emergency Management Agency for the development of a Hazard Mitigation Plan (HMP) to develop a plan on how the city will respond in case of a natural disaster or act of terrorism.

## **SUPPLEMENTARY INFORMATION**

•••

City of Cudahy  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013

	Special Revenue			
	State Gas Tax	Prop 1B Local Street Improvements	Proposition C	Proposition A
<b>Assets and Deferred Outflows of Resources</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 679,102	\$ 471,382	\$ 28,005	\$ 388,717
Accounts receivable	57,580			
Grants receivable				
Prepays				
Interest receivable	1,035	537	73	4,460
Due from other funds	32,550			690
Total Assets	<u>770,267</u>	<u>471,919</u>	<u>28,078</u>	<u>393,867</u>
<b>Deferred Outflows of Resources</b>				
	-	-	-	-
<b>Total Assets and Deferred Outflows</b>	<u>\$ 770,267</u>	<u>\$ 471,919</u>	<u>\$ 28,078</u>	<u>\$ 393,867</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 27,921	\$ 4,273	\$ 20,649	\$ 16,220
Due to other funds	-			
Total liabilities	<u>27,921</u>	<u>4,273</u>	<u>20,649</u>	<u>16,220</u>
<b>Deferred Inflows of Resources</b>				
	-	-	-	-
<b>Fund balances (deficits):</b>				
<b>Restricted:</b>				
Special revenue funds	742,346	467,646	7,429	377,647
Unassigned				
Total fund balances (deficit)	<u>742,346</u>	<u>467,646</u>	<u>7,429</u>	<u>377,647</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 770,267</u>	<u>\$ 471,919</u>	<u>\$ 28,078</u>	<u>\$ 393,867</u>

		Special Revenue			
<u>Measure R</u>	<u>AQMD</u>	<u>Recycling Conservation Grants</u>	<u>Emergency Preparedness</u>	<u>COPS</u>	
\$ 174,895	\$ 17,342	\$ 14,143	\$	\$	
	7,547	6,698			
256	17	17			
<u>175,151</u>	<u>24,906</u>	<u>20,858</u>	<u>-</u>	<u>-</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>\$ 175,151</u>	<u>\$ 24,906</u>	<u>\$ 20,858</u>	<u>\$ -</u>	<u>\$ -</u>	
\$	\$ 483	\$	\$	\$	
<u>-</u>	<u>483</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
175,151	24,423	20,858	-	-	
<u>175,151</u>	<u>24,423</u>	<u>20,858</u>	<u>-</u>	<u>-</u>	
<u>\$ 175,151</u>	<u>\$ 24,906</u>	<u>\$ 20,858</u>	<u>\$ -</u>	<u>\$ -</u>	

City of Cudahy  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013

	Special Revenue			
	State Park Clara Ph 3	TDA - Transportation Development	Street Lighting	Federal Aid STPL
<b>Assets and Deferred Outflows of Resources</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 282	\$ 407	\$ 86,841	\$ -
Accounts receivable				
Grants receivable				
Notes receivable				
Interest receivable			107	
Due from other funds				
Total Assets	<u>282</u>	<u>407</u>	<u>86,948</u>	<u>-</u>
<b>Deferred Outflows of Resources</b>				
	-	-	-	-
<b>Total Assets and Deferred Outflows</b>	<u>\$ 282</u>	<u>\$ 407</u>	<u>\$ 86,948</u>	<u>\$ -</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	9,865	-
Due to other funds				
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 9,865</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
	-	-	-	-
<b>Fund balances (deficits)</b>				
<b>Restricted:</b>				
Special revenue funds	282	407	77,083	-
Unassigned				
Total fund balances (deficit)	<u>282</u>	<u>407</u>	<u>77,083</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 282</u>	<u>\$ 407</u>	<u>\$ 86,948</u>	<u>\$ -</u>

City of Cudahy  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013

Special Revenue		Totals Nonmajor Governmental Funds
LLEBG	FEMA Grant	
\$ 27,898	\$	\$ 1,889,014
		71,825
	6,460	6,460
		4,460
35		2,767
13,104		45,654
41,037	\$ 6,460	2,020,180
-	-	-
\$ 41,037	\$ 6,460	\$ 2,020,180
13,104	\$ 5,537	98,052
	12,887	12,887
13,104	18,424	110,939
-	-	-
27,933		1,921,205
	(11,964)	(11,964)
27,933	(11,964)	1,909,241
\$ 41,037	\$ 6,460	\$ 2,020,180

City of Cudahy  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
Year ended June 30, 2013

	Special Revenue			
	State Gas Tax	Prop 1B Local Street Improvements	Proposition C	Proposition A
<b>Revenues:</b>				
Taxes	\$	\$	\$ 334,237	\$ 402,212
Intergovernmental	670,140	387,092		
Use of money and property	4,928	2,873	104	4,049
Miscellaneous			31,218	18,379
<b>Total revenues</b>	<u>675,068</u>	<u>389,965</u>	<u>365,559</u>	<u>424,640</u>
<b>Expenditures:</b>				
Current:				
Public safety	5,073			
Community development		1,500		
Community services	416,741			403,681
Public services			263,914	
Capital outlays	30,343	10,823	38,910	-
<b>Total expenditures</b>	<u>452,157</u>	<u>12,323</u>	<u>302,824</u>	<u>403,681</u>
Excess (deficiency) of revenues over expenditures	<u>222,911</u>	<u>377,642</u>	<u>62,735</u>	<u>20,959</u>
<b>Other financing sources (uses):</b>				
Transfers in				
Transfers out				
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	222,911	377,642	62,735	20,959
Fund balances, Beginning	519,435	90,004	(55,306)	356,688
Fund balances, Ending	<u>\$ 742,346</u>	<u>467,646</u>	<u>7,429</u>	<u>377,647</u>

City of Cudahy  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
 Year ended June 30, 2013

	Special Revenue			
	Measure R	AQMD	Recycling Conservation Grants	Emergency Preparedness
\$ 174,895	\$ 17,342	\$ 14,143	\$	
	7,547	6,698		
256	17	17		
<u>175,151</u>	<u>24,906</u>	<u>20,858</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
<u>\$ 175,151</u>	<u>\$ 24,906</u>	<u>\$ 20,858</u>	<u>\$ -</u>	<u>\$ -</u>
\$	\$ 483	\$	\$	\$
<u>-</u>	<u>483</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
175,151	24,423	20,858	-	-
<u>175,151</u>	<u>24,423</u>	<u>20,858</u>	<u>-</u>	<u>-</u>
<u>\$ 175,151</u>	<u>\$ 24,906</u>	<u>\$ 20,858</u>	<u>\$ -</u>	<u>\$ -</u>

City of Cudahy  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year ended June 30, 2013**

	Special Revenue			
	State Park Clara Ph 3	TDA - Transportation Development	Street Lighting	Federal Aid STPL
<b>Revenues:</b>				
Taxes	\$	\$	\$ 74,345	\$
Intergovernmental				
Use of money and property	2	373	445	
Miscellaneous		(51,733)		
<b>Total revenues</b>	<u>2</u>	<u>(51,360)</u>	<u>74,790</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Community development				(4,900)
Community services			98,581	
Public services				
Capital Outlays	-	15,370	-	(1,103)
<b>Total expenditures</b>	<u>-</u>	<u>15,370</u>	<u>98,581</u>	<u>(6,003)</u>
Excess (deficiency) of revenues over expenditures	<u>2</u>	<u>(66,730)</u>	<u>(23,791)</u>	<u>6,003</u>
<b>Other financing sources (uses):</b>				
Transfers in				14,449
Transfers out				
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,449</u>
Net Change in Fund balance	2	(66,730)	(23,791)	20,452
<b>Fund balances, Beginning</b>	<u>280</u>	<u>67,137</u>	<u>100,874</u>	<u>(20,452)</u>
<b>Fund balances, Ending</b>	<u>\$ 282</u>	<u>\$ 407</u>	<u>\$ 77,083</u>	<u>\$ -</u>

**City of Cudahy**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year ended June 30, 2013**

	<u>Special Revenue</u>		Totals Nonmajor Governmental Funds
	<u>LLEBG</u>	<u>FEMA Grant</u>	
<b>Revenues:</b>			
Taxes	\$	\$	\$ 810,794
Intergovernmental	1,552		1,444,223
Use of money and property	542		14,723
Miscellaneous			(2,019)
<b>Total revenues</b>	<u>2,094</u>	<u>-</u>	<u>2,267,721</u>
<b>Expenditures:</b>			
Current:			
Public safety	78,907	6,739	213,643
Community development			90,426
Community services			919,072
Public services			277,881
Capital Outlays	-	-	403,106
<b>Total expenditures</b>	<u>78,907</u>	<u>6,739</u>	<u>1,904,128</u>
Excess (deficiency) of revenues over expenditures	<u>(76,813)</u>	<u>(6,739)</u>	<u>363,593</u>
<b>Other financing sources (uses):</b>			
Transfers in	13,853	-	56,290
Transfers out	-	-	-
<b>Other financing sources (uses)</b>	<u>13,853</u>	<u>-</u>	<u>56,290</u>
Net change in fund balance	(62,960)	(6,739)	419,883
<b>Fund balances, Beginning</b>	<u>90,893</u>	<u>(5,225)</u>	<u>1,489,358</u>
<b>Fund balances, Ending</b>	<u>\$ 27,933</u>	<u>\$ (11,964)</u>	<u>\$ 1,909,241</u>

City of Cudahy  
 Budget Comparison Schedule  
 Nonmajor Governmental Funds  
 Year ended June 30, 2013

	<b>State Gas Tax</b>		
	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>Revenues</b>			
Taxes	\$ -	-	-
Intergovernmental	496,000	670,140	174,140
Use of money and property	-	4,928	4,928
Miscellaneous	-	-	-
<b>Total Revenues</b>	<u>496,000</u>	<u>675,068</u>	<u>179,068</u>
<b>Expenditures</b>			
Current:			
Public safety	-	5,073	(5,073)
Community development	105,000	-	105,000
Community services	527,277	416,741	110,536
Public services	-	30,343	(30,343)
Capital Outlays	-	-	-
<b>Total Expenditures</b>	<u>632,277</u>	<u>452,157</u>	<u>180,120</u>
Excess (deficiency) of revenues over expenditures	<u>(136,277)</u>	<u>222,911</u>	<u>359,188</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(136,277)	222,911	359,188
<b>Fund balances, Beginning</b>	<u>519,435</u>	<u>519,435</u>	<u>-</u>
<b>Fund balances, Ending</b>	<u>\$ 383,158</u>	<u>742,346</u>	<u>359,188</u>

City of Cudahy  
 Budget Comparison Schedule  
 Nonmajor Governmental Funds  
 Year ended June 30, 2013

Prop 1B Local Street Improvements			Proposition C		
Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
\$ -	-	-	279,057	334,237	55,180
384,592	387,092	2,500	-	-	-
-	2,873	2,873	-	104	104
-	-	-	30,000	31,218	1,218
<u>384,592</u>	<u>389,965</u>	<u>5,373</u>	<u>309,057</u>	<u>365,559</u>	<u>56,502</u>
-	-	-	-	-	-
-	1,500	(1,500)	20,000	-	20,000
-	-	-	270,652	263,914	6,738
-	10,823	(10,823)	-	38,910	(38,910)
-	12,323	(12,323)	290,652	302,824	(12,172)
<u>384,592</u>	<u>377,642</u>	<u>(6,950)</u>	<u>18,405</u>	<u>62,735</u>	<u>44,330</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>384,592</u>	<u>377,642</u>	<u>(6,950)</u>	<u>18,405</u>	<u>62,735</u>	<u>44,330</u>
90,004	90,004	-	(55,306)	(55,306)	-
<u>\$ 474,596</u>	<u>467,646</u>	<u>(6,950)</u>	<u>(36,901)</u>	<u>7,429</u>	<u>44,330</u>

City of Cudahy  
 Budget Comparison Schedule  
 Nonmajor Governmental Funds  
 Year ended June 30, 2013

	<b>Proposition A</b>		
	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>Revenues</b>			
Taxes	372,594	402,212	29,618
Intergovernmental	-	-	-
Use of money and property	1,000	4,049	3,049
Miscellaneous		18,379	18,379
<b>Total revenues</b>	<b>373,594</b>	<b>424,640</b>	<b>51,046</b>
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
Community development	-	-	-
Community services	539,866	403,681	136,185
Public services	-	-	-
Capital Outlays	-	-	-
<b>Total expenditures</b>	<b>539,866</b>	<b>403,681</b>	<b>136,185</b>
Excess (deficiency) of revenues over expenditures	(166,272)	20,959	187,231
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(166,272)	20,959	187,231
<b>Fund balances, Beginning</b>	<b>356,688</b>	<b>356,688</b>	<b>-</b>
<b>Fund balances, Ending</b>	<b>190,416</b>	<b>377,647</b>	<b>187,231</b>

City of Cudahy  
 Budget Comparison Schedule  
 Nonmajor Governmental Funds  
 Year ended June 30, 2013

Measure R			AQMD		
Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
-	-	-	-	-	-
231,799	249,918	18,119	26,000	28,823	2,823
1,000	1,096	96	-	93	93
-	-	-	-	-	-
<u>232,799</u>	<u>251,014</u>	<u>18,215</u>	<u>26,000</u>	<u>28,916</u>	<u>2,916</u>
-	-	-	-	-	-
-	73,553	(73,553)	26,000	20,273	5,727
92,390	-	92,390	-	69	(69)
-	-	-	-	-	-
-	308,763	(308,763)	-	-	-
<u>92,390</u>	<u>382,316</u>	<u>(289,926)</u>	<u>26,000</u>	<u>20,342</u>	<u>5,658</u>
-	-	-	-	-	-
<u>140,409</u>	<u>(131,302)</u>	<u>(271,711)</u>	<u>-</u>	<u>8,574</u>	<u>8,574</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>140,409</u>	<u>(131,302)</u>	<u>(271,711)</u>	<u>-</u>	<u>8,574</u>	<u>8,574</u>
306,453	306,453	-	15,849	15,849	-
<u>446,862</u>	<u>175,151</u>	<u>(271,711)</u>	<u>15,849</u>	<u>24,423</u>	<u>8,574</u>

City of Cudahy  
 Budget Comparison Schedule  
 Nonmajor Governmental Funds  
 Year ended June 30, 2013

	<u>Recycling Conservation Grant</u>		
	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Revenues</b>			
Taxes	-	-	-
Intergovernmental	7,100	6,698	(402)
Use of money and property	-	-	-
Miscellaneous	-	117	117
<b>Total revenues</b>	<u>7,100</u>	<u>6,815</u>	<u>(285)</u>
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
Community development	-	-	-
Community services	-	-	-
Public services	-	-	-
Capital Outlays	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>7,100</u>	<u>6,815</u>	<u>(285)</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,100	6,815	(285)
<b>Fund balances, Beginning</b>	<u>14,043</u>	<u>14,043</u>	<u>-</u>
<b>Fund balances, Ending</b>	<u>21,143</u>	<u>20,858</u>	<u>(285)</u>

City of Cudahy  
 Budget Comparison Schedule  
 Nonmajor Governmental Funds  
 Year ended June 30, 2013

Emergency Preparedness			COPS		
Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
\$ -	-	-	-	-	-
65,000	-	(65,000)	100,000	100,000	-
-	-	-	-	218	218
<u>65,000</u>	<u>-</u>	<u>(65,000)</u>	<u>100,000</u>	<u>100,218</u>	<u>218</u>
-	-	-	100,000	122,924	(22,924)
-	-	-	-	-	-
65,000	13,967	51,033	-	-	-
<u>65,000</u>	<u>13,967</u>	<u>51,033</u>	<u>100,000</u>	<u>122,924</u>	<u>(22,924)</u>
-	(13,967)	(13,967)	-	(22,706)	(22,706)
-	27,988	27,988	-	-	-
-	-	-	-	-	-
-	27,988	27,988	-	-	-
-	14,021	14,021	-	(22,706)	(22,706)
(14,021)	(14,021)	-	22,706	22,706	-
<u>(14,021)</u>	<u>-</u>	<u>14,021</u>	<u>22,706</u>	<u>-</u>	<u>(22,706)</u>

City of Cudahy  
 Budget Comparison Schedule  
 Nonmajor Governmental Funds  
 Year ended June 30, 2013

<b>State Clark Clara Ph 3</b>			
	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>Revenues</b>			
Taxes	-	-	-
Intergovernmental	-	-	-
Use of money and property	-	2	2
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>2</u>	<u>2</u>
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
Community development	-	-	-
Community services	-	-	-
Public services	-	-	-
Capital Outlays	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>2</u>	<u>2</u>
<b>Other financing sources (uses)</b>			
Transfers in		-	-
Transfers out	-	-	-
<b>Net other financing sources (u</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	2	2
<b>Fund balances, Beginning</b>	<u>280</u>	<u>280</u>	<u>-</u>
<b>Fund balances, Ending</b>	<u>280</u>	<u>282</u>	<u>2</u>

City of Cudahy  
 Budget Comparison Schedule  
 Nonmajor Governmental Funds  
 Year ended June 30, 2013

<u>TDA - Transportation Development</u>			<u>Street Lighting</u>		
<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
\$ -	-	-	95,000	74,345	(20,655)
67,000	-	(67,000)	-	-	-
-	373	373	-	445	445
-	(51,733)	(51,733)	-	-	-
<u>67,000</u>	<u>(51,360)</u>	<u>(118,360)</u>	<u>95,000</u>	<u>74,790</u>	<u>(20,210)</u>
-	-	-	-	-	-
-	-	-	97,000	98,581	(1,581)
-	-	-	-	-	-
-	15,370	15,370	-	-	-
<u>-</u>	<u>15,370</u>	<u>15,370</u>	<u>97,000</u>	<u>98,581</u>	<u>(1,581)</u>
-	-	-	-	-	-
<u>67,000</u>	<u>(66,730)</u>	<u>(133,730)</u>	<u>(2,000)</u>	<u>(23,791)</u>	<u>(21,791)</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>67,000</u>	<u>(66,730)</u>	<u>(133,730)</u>	<u>(2,000)</u>	<u>(23,791)</u>	<u>(21,791)</u>
67,137	67,137	-	100,874	100,874	-
<u>\$ 134,137</u>	<u>407</u>	<u>(133,730)</u>	<u>98,874</u>	<u>77,083</u>	<u>(21,791)</u>

City of Cudahy  
 Budget Comparison Schedule  
 Nonmajor Governmental Funds  
 Year ended June 30, 2013

<b>Federal Aid STPL</b>			
	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>Revenues</b>			
Taxes	\$ -	-	-
Intergovernmental	-	-	-
Use of money and property	-	-	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
Community development	-	(4,900)	4,900
Community services	-	-	-
Public services	-	-	-
Capital Outlays	-	(1,103)	1,103
<b>Total expenditures</b>	<u>-</u>	<u>(6,003)</u>	<u>6,003</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>6,003</u>	<u>6,003</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	14,449	14,449
Transfers out	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>14,449</u>	<u>14,449</u>
Net change in fund balances	-	20,452	20,452
<b>Fund balances, Beginning</b>	<u>(20,452)</u>	<u>(20,452)</u>	<u>-</u>
<b>Fund balances, Ending</b>	<u>\$ (20,452)</u>	<u>-</u>	<u>20,452</u>

City of Cudahy  
 Budget Comparison Schedule  
 Nonmajor Governmental Funds  
 Year ended June 30, 2013

LLEBG			FEMA Grant		
Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
\$ -	-	-	-	-	-
-	1,552	1,552	-	-	-
-	542	542	-	-	-
-	-	-	-	-	-
-	2,094	2,094	-	-	-
67,000	78,907	(11,907)	-	6,739	(6,739)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
67,000	78,907	(11,907)	-	6,739	(6,739)
(67,000)	(76,813)	(9,813)	-	(6,739)	(6,739)
-	13,853	13,853	-	-	-
-	-	-	-	-	-
-	13,853	13,853	-	-	-
(67,000)	(62,960)	4,040	-	(6,739)	(6,739)
90,893	90,893	-	(5,225)	(5,225)	-
\$ 23,893	27,933	4,040	(5,225)	(11,964)	(6,739)

**(This page intentionally left blank.)**