



# Sonnenberg & Company, CPAs

A Professional Corporation

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Leonard C. Sonnenberg, CPA

## City of Cudahy, California Financial Statements Year Ended June 30, 2012

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## Report of Independent Auditors

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

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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cudahy's management.

During the course of our audit, we were informed that the California State Controller's Office (SCO) conducted audits for the years from July 1, 2007 through June 30, 2012 for various funds of the City. The SCO also 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 found that the City under - reported its gas tax fund totaling \$32,550 as well as determining that the City had 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. The SCO believes these funds need to be returned to the City. We were not engaged to audit this component unit and at the date of our report, an audit has not been completed and therefore it is unknown whether sufficient funds exist to repay this amount. If sufficient funds do not exist, the impact to the City is not known.

The City's records did not contain the necessary information for us to audit transactions including cash, investments, transfers, capital assets, and the cut-off of its Redevelopment Agency balances for the seven months ending January 31, 2012. The lack of support for transfers did not allow us to audit the calculation of the extraordinary gain or loss in the governmental funds, government-wide fund financial statements, or in the private-purpose trust fund in the fiduciary fund statement of changes in fiduciary net assets.

GASB 54 was not fully implemented by the City. This GASB standard requires additional disclosures and presentation of fund balances and net assets for the year ended June 30, 2012.

We were unable to obtain a written management representation letter from the City for the year ended June 30, 2012.

Because of the significance of the matters described in the preceding four paragraphs, we have been unable 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.

As discussed in Note 17, the California Supreme Court has upheld legislative bill ABX 1 26 which dissolves California redevelopment agencies (Agency) and establishes mechanisms for paying existing Agency debts and liquidating Agency assets. By operation of law, the Cudahy Community Development Commission was dissolved on February 1, 2012 and its assets were transferred to the City, which it currently intends to be the successor agency. That process is not yet fully approved.

The management's discussion and analysis, the budgetary comparison information, and the public employees retirement system schedule of funding progress, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. Because of the significance of the matters described above, 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 the supplementary information in relation to the basic financial statements taken as a whole.

**San Diego, California**  
**June 23, 2014**

  
**Sonnenberg & Company, CPAs**

This section of the City's Annual Financial Report provides a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the City's financial statements beginning on page 12.

### Financial Highlights

The following are some key financial highlights for the fiscal year:

- ❖ The City's assets exceeded its liabilities at the close of the most recent fiscal year by \$26,203,552 (net assets). Unrestricted net assets amounted to \$6,637,773, at June 30, 2012.
- ❖ As of June 30, 2012, the City's governmental funds reported combined fund balances of \$8,570,517.
- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,022,047 or 93% of total General Fund expenditures.
- ❖ In the General Fund, expenditures exceeded revenues by \$635,238 before other financing sources and extraordinary item. The actual excess of expenditures over revenues was less than indicated in the budget.
- ❖ The City's total long-term liabilities decreased by \$23.795 million, or 92%, during the fiscal year ended June 30, 2012 due to the extraordinary item of the termination of the RDA funds in accordance with state statute.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components:

- 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

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

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues. The *governmental activities* of the City include general government, public safety, community services, public services, community development, pass through to other agencies, administrative, and debt service

The government-wide financial statements include not only the City itself (known as the primary government), but also the Cudahy Development Commission, through January 31, 2012 when it was legally terminated and the Cudahy Financing Authority. The City is financially accountable for these entities and financial information for these blended component units is reported within the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 12 of this report.

The Cudahy Economic Development Corporation is a component unit of the City and is unaudited. See Report of Independent Auditors for disclaimer of opinion.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into two categories: governmental funds and fiduciary funds.

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

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

The City maintains over 30 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Cudahy Economic Development Corporation (unaudited), CDBG, Cal Home, Redevelopment Agency Debt Service, and County Park Bond Funds, each of which are considered to be major funds. Data from the other 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *non-major governmental funds supplementary information* section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate its compliance with this budget.

The governmental fund financial statements can be found beginning on page 16 of this report.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs.

The fiduciary fund financial statements can be found on page 24 of this report.

**Notes to the Basic Financial Statements.** The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 27 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *certain required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and a comparison of budgeted to actual results for the general fund. *Required supplementary information* can be found beginning on page 51 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following *the required supplementary information*. Combining and individual fund statements and schedules can be found beginning on page 62 of this report.

**Government-wide Financial Analysis**

A comparative analysis of government-wide data is being included in this report.

**Statement of Net Assets  
June 30, 2012 and 2011**

	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
<b>Assets:</b>		
Current and other assets	10,443,616	16,347,172
Capital assets	17,825,560	18,011,629
<b>Total assets</b>	<b>28,269,176</b>	<b>34,358,801</b>
<b>Liabilities:</b>		
Current and other liabilities	1,764,358	2,818,241
Long-term liabilities	320,385	23,825,651
<b>Total liabilities</b>	<b>2,084,743</b>	<b>26,643,892</b>
<b>Net assets:</b>		
Invested in capital assets	17,825,560	18,011,629
Restricted	1,740,219	4,407,593
Unrestricted	6,637,773	(14,704,313)
<b>Total net assets</b>	<b>\$ 26,203,552</b>	<b>\$ 7,714,909</b>

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City of Cudahy, assets exceeded liabilities by \$26,203,134 at June 30, 2012.

The largest portion of the City's net assets \$17,825,560 reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.). The City uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending.

A portion of the City's net assets \$1,569,219 represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, if any, may be used to meet the government's ongoing obligations to citizens and creditors.

**Governmental Activities.** Governmental activities increased the City's net assets by \$18,901,740 (270%) for fiscal year 2011/2012 and decreased the City's net assets by \$20,699,906 (72.8%) for fiscal year 2010/2011.

Key elements of the increase in net assets for fiscal year 2011/2012 are as follows:

- ❖ Operating grants and contributions increased by about \$0.45 million.
- ❖ Charges for services decreased by \$0.13 million.
- ❖ Capital grants and contributions decreased by \$.66 million.
- ❖ Property taxes decreased by \$ 2.3 million.
- ❖ Utility users taxes increased by \$.54 million.
- ❖ Extraordinary gain increased by \$19.6 million.
- ❖ Total overall expenditures were also lower this year by \$21.7 million.

A comparative Statement of Activities is presented below on the next page.

Statement of Activities  
Fiscal Year Ended June 30, 2012

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Revenues		
Program revenues		
Charges for services	980,461	990,564
Operating contributions and grants	2,299,614	1,840,440
Capital contributions and grants	326,008	990,157
General revenues		
Property taxes	1,647,357	3,968,143
Sales taxes	1,257,795	1,139,437
Franchise and transfer taxes	348,478	191,348
Transient Occupancy taxes	53,230	65,868
Motor vehicle taxes	2,142,135	1,966,387
Utility users taxes	1,895,628	1,354,108
Unrestricted investments income	21,051	189,909
Miscellaneous	97,001	62,936
Extraordinary gain/(loss)	19,655,073	-
Total revenues	<u>30,723,831</u>	<u>12,759,297</u>
Expenditures		
General government	3,103,293	2,731,941
Public safety	3,873,460	3,560,143
Community services	1,847,347	1,238,465
Public services	361,366	714,451
Community development	1,505,651	24,404,609
Interest on long-term debt	1,003,114	809,594
Total expenditures	<u>11,694,231</u>	<u>33,459,203</u>
Change in net assets	<u>19,029,600</u>	<u>(20,699,906)</u>
Net assets, beginning of year	7,714,909	28,414,815
Prior period adjustments	<u>(540,957)</u>	<u>-</u>
Net assets, end of year	<u>\$ 26,203,552</u>	<u>\$ 7,714,909</u>

### Financial Analysis of the City's Funds

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

**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements. *Unreserved fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,570,517. The City's governmental funds have \$6,830,298 in their unassigned fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay for special projects.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$7,022,047. As a measure of General Fund liquidity, it may be useful to compare the total fund balance to total fund expenditures. General fund balance represents 89% of total general fund expenditures of \$7,536,153.

The fund balance of the City's General Fund decreased by \$508,589 during the current fiscal year. Actual revenues exceeded budgeted revenues by \$0.7 million mainly because of favorable variance for taxes, grants and fees, and services as the City becomes more aggressive in collecting these revenues.

### Capital Asset and Debt Administration

**Capital Assets.** The City's net investment in capital assets for its governmental activities amounts to \$17,825,560 as of June 30, 2012. This investment in capital assets includes land, buildings, improvements other than building, infrastructure (roads, sidewalks, streetlights, etc.), and machinery and equipment.

City of Cudahy  
 Capital Assets (Net of Accumulated Depreciation)  
 June 30, 2012 and 2011

	Governmental Activities	
	2012	2011
Land	\$ 1,429,600	\$ 1,429,600
Structures and improvements	10,707,667	10,707,667
Infrastructure	47,837,122	47,358,958
Vehicles, furniture and equipment	1,060,881	969,799
Construction in progress	385,765	70,739
Total Capital assets	61,421,035	60,536,763
Less depreciation	-43,595,475	-42,525,134
Total net assets	\$ 17,825,560	\$ 18,011,629

**City of Cudahy  
Management's Discussion and Analysis  
Year ended June 30, 2012**

Additional information on the City's capital assets can be found in Note 7 to the basic financial statements on page 40 of this report.

**Debt Administration.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$22,705,000 representing tax allocation bonds issued for redevelopment projects. This balance is included in the fiduciary fund statements as the successor agency.

City of Cudahy  
Outstanding Debt  
June 30, 2012 and 2011

	2012	2011
Bonded Indebtedness	\$ 22,705,000	\$ 23,795,000
Tax Allocation refunding bonds		
Other long-term debt:		
Compensated absences and OPEB	320,385	167,029
County deferrals	817,048	269,945
Note payable	1,409,928	1,409,928
Deferred amounts:		
For issuance	(633,633)	(682,489)
On refunding	(59,387)	(68,782)
Total indebtedness	\$ 24,559,341	\$ 24,890,631

Of the total indebtedness at June 30, 2012, compensated absences of \$202,699 and the OPEB obligation of \$117,686 relate to governmental activities. The remaining indebtedness of \$24,238,956 related to the successor agency which is included as a fiduciary fund.

On August 1, 2003, the Cudahy Community Development Commission (CDC or Agency) issued, at discount, \$3,680,000 series 2003A, \$3,255,000 series 2003B, and \$6,680,000 series 2003C Tax Allocation Bonds. Out of the proceeds of approximately \$13,000,000, \$3,100,000 will be used to promote the supply of low and moderate income housing within the Project Area while the remaining proceeds were used to refund the Agency's previously issued Tax Allocation Bonds series 1994A and 1994B. These issuances have been transferred to the Successor Agency in the Fiduciary funds of the CAFR on February 1, 2012.

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. These issuances have been transferred to the Successor Agency in the Fiduciary funds of the CAFR on February 1, 2012.

**Economic Factors and Next Year's Budget**

The City of Cudahy has set the stage to be a model for urban revival is currently undergoing an urban renaissance, attracting developers and businesses seeking to make a long term investment in the City. The City has acquired several parcels of land along the commercial corridor to develop them into revenue generating projects, create new jobs and attract reputable retailers while fostering affordable housing opportunities.

**Request for Information**

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information in this report or request for additional financial information should be addressed to the Director of Finance, City of Cudahy, CA.

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City of Cudahy  
Statement of Net Assets  
Year ended June 30, 2012

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		<u>Governmental Activities</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$	8,132,661
Receivables, net		1,598,571
Due from Private Purpose Trust Fund		524,916
Prepays		187,468
Capital assets, net		<u>17,825,560</u>
<b>Total assets</b>		<u><b>28,269,176</b></u>
<b>LIABILITIES</b>		
Accounts payable and other current liabilities		1,200,733
Due to other governments		563,625
Noncurrent liabilities:		
Due within one year		
Due in more than one year		<u>320,385</u>
<b>Total liabilities</b>		<u><b>2,084,743</b></u>
<b>NET ASSETS</b>		
Invested in capital assets		17,825,560
Restricted		1,740,219
Unrestricted		<u>6,637,773</u>
<b>Total net assets \$</b>		<u><b>26,203,552</b></u>

*See notes to financial statements*

City of Cudahy  
Statement of Activities  
Year ended June 30, 2012

<b>Functions/Programs</b>	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating	Capital	Governmental Activities
			Grants and Contributions	Grants and Contributions	
<b>Governmental activities:</b>					
General government	\$ 3,103,293	\$ 430,036	\$ 187,500	\$ -	\$ (2,485,757)
Public safety	3,873,460	177,968	168,074	22,979	(3,504,439)
Community services	1,847,347	41,289	286	-	(1,805,772)
Public services	361,366	82,952	1,451,785	303,029	1,476,400
Community development	1,505,651	248,216	491,969	-	(765,466)
Interest	1,003,114	-	-	-	(1,003,114)
Total governmental activities	\$ 11,694,231	\$ 980,461	\$ 2,299,614	\$ 326,008	\$ (8,088,148)
<b>General revenues:</b>					
Property taxes					1,647,357
Sales taxes					1,257,795
Franchise and transfer taxes					348,478
Transient occupancy tax					53,230
Motor vehicle taxes					2,142,135
Utility user's tax					1,895,628
Unrestricted investment earnings					21,051
Miscellaneous					97,001
Total general revenues					7,462,675
Change in net assets before extraordinary item					(625,473)
<b>Extraordinary Item</b>					
Dissolution of Redevelopment Agency (See Note 17)					19,655,073
Change in net assets					19,029,600
<b>Net assets, beginning of year</b>					7,714,909
Prior period adjustments					(540,957)
<b>Net assets, end of year, restated</b>					7,173,952
<b>Net assets, end of year</b>					\$ 26,203,552

*See notes to financial statements*

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General Fund	Accounts for all the 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.
Redevelopment Agency Debt Service	Accounts for the accumulation of resources for, and payment of, interest and principal on redevelopment agency long-term debt, including tax allocation bonds and long-term notes payable. This fund was transferred to the Private Purpose Trust fund on February 1, 2012.
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</b>			
Cash and cash equivalents	\$	6,270,414	\$
Receivables:			
Accounts		174,362	
Taxes		332,103	
Grants			79,599
Loans			373,035
Interest		3,682	84,355
Prepays		187,468	
Due from other funds		486,246	
Due from the Private-Purpose Trust Fund		524,916	
<b>Total assets</b>	<b>\$</b>	<b>7,979,191</b>	<b>536,989</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	\$	899,088	55,629
Due to governments		-	392,625
Due to other funds		58,056	101,125
Unearned revenue		-	84,355
<b>Total liabilities</b>		<b>957,144</b>	<b>633,734</b>
<b>Fund balances</b>			
Restricted		-	-
Unassigned		7,022,047	(96,745)
<b>Total fund balances</b>		<b>7,022,047</b>	<b>(96,745)</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>7,979,191</b>	<b>\$ 536,989</b>

*See notes to financial statements*

City of Cudahy  
Balance Sheet  
Governmental Funds  
June 30, 2012

<u>Special Revenue</u>					
<u>Cal Home</u>	<u>County Park Bond</u>	<u>Redevelopment Agency Debt Service</u>	<u>Other Governmental Funds</u>	<u>Totals</u>	
\$ 155,780	\$	\$	\$ 1,706,467	\$	8,132,661
			31,146		205,508
	275,256		48,582		332,103
171,000					403,437
43,582			988		544,035
					132,607
			53,978		187,468
					540,224
					524,916
<u>370,362</u>	<u>275,256</u>	<u>-</u>	<u>1,841,161</u>		<u>11,002,959</u>
			246,016		1,200,733
171,000		-	-		563,625
	275,256		105,787		540,224
43,505			-		127,860
<u>214,505</u>	<u>275,256</u>	<u>-</u>	<u>351,803</u>		<u>2,432,442</u>
155,857	-		1,584,362		1,740,219
-	-		(95,004)		6,830,298
<u>155,857</u>	<u>-</u>	<u>-</u>	<u>1,489,358</u>		<u>8,570,517</u>
<u>\$ 370,362</u>	<u>\$ 275,256</u>	<u>\$ -</u>	<u>\$ 1,841,161</u>	<u>\$</u>	<u>\$ 11,002,959</u>

See notes to financial statements.

**City of Cudahy**  
**Reconciliation of the Balance Sheet**  
**Of Governmental Funds to the Statement of Net Assets**  
**June 30, 2012**

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

Total fund balances	\$ 8,570,517
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 61,421,035	
Less accumulated depreciation	<u>(43,595,475)</u>	17,825,560

In governmental funds, other long-term assets that are available to pay for current period expenditures and, therefore are deferred in the funds.	127,860
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:

Compensated absences	(202,699)	
OPEB Obligation	<u>(117,686)</u>	<u>(320,385)</u>

Net assets of governmental activities	\$ <u>26,203,552</u>
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*See notes to financial statements*

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	<u>Special Revenue</u>	
<b>Revenues</b>	<u>General</u>	<u>CDBG</u>
Taxes	\$ 3,717,138	\$
Licenses and permits	364,233	
Intergovernmental	2,142,135	449,651
Charges for services	55,996	
Fines, forfeitures and penalties	177,968	
Use of money and property	14,340	
Miscellaneous	429,105	
<b>Total revenues</b>	<u>6,900,915</u>	<u>449,651</u>
<b>Expenditures</b>		
Current:		
General government	2,743,833	
Public safety	3,602,877	
Community services	834,284	
Public services		
Community development	355,159	474,484
Debt service:		
Principal payments		
Interest and fiscal charges		
<b>Total expenditures</b>	<u>7,536,153</u>	<u>474,484</u>
Excess (deficiency) of revenues over expenditures	<u>(635,238)</u>	<u>(24,833)</u>
<b>Other financing sources (uses)</b>		
Transfers in	184,705	
Transfers out	(58,056)	
<b>Net other financing sources (uses)</b>	<u>126,649</u>	<u>-</u>
Net change before Extraordinary Item	(508,589)	(24,833)
Gain/(Loss) on Extraordinary Item		
Total Change in Net Assets	(508,589)	(24,833)
Fund balances-beginning, as previously reported	7,567,550	
Prior year restatements	(36,914)	(71,912)
<b>Fund balances, Beginning</b>	<u>7,530,636</u>	<u>(71,912)</u>
<b>Fund balances (deficit), Ending</b>	<u>\$ 7,022,047</u>	<u>\$ (96,745)</u>

*See notes to financial statements*

**City of Cudahy**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year ended June 30, 2012**

Special Revenue		Redevelopment Agency Debt Service	Other Governmental Funds	Totals
Cal Home	County Park Bond			
\$	\$	\$ 1,531,032	\$ 1,116,075	\$ 6,364,245
40			949,536	364,233
				3,541,362
				55,996
351		4,318	6,797	177,968
			22,961	25,806
391	-	1,535,350	2,095,369	452,066
				10,981,676
				2,743,833
			193,567	3,796,444
			998,035	1,832,319
			413,439	413,439
			676,008	1,505,651
		1,000,000	90,000	1,090,000
		651,366	77,542	728,908
-	-	1,651,366	2,448,591	12,110,594
391	-	(116,016)	(353,222)	(1,128,918)
			58,056	242,761
			(184,705)	(242,761)
			(126,649)	-
391	-	(116,016)	(479,871)	(1,128,918)
		(2,280,926)	(798,307)	(3,079,233)
391	-	(2,396,942)	(1,278,178)	(4,208,151)
155,466		2,382,568	2,797,605	12,903,189
		14,374	(30,069)	(124,521)
155,466	-	2,396,942	2,767,536	12,778,668
\$ 155,857	\$ -	\$ -	\$ 1,489,358	\$ 8,570,517

See Notes to Financial Statements

City of Cudahy  
**Reconciliation of the Balance Sheet  
Of Governmental Funds to the Statement of Net Assets**  
**June 30, 2012**

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

Net change in fund balance- governmental funds \$ (4,208,151)

Governmental funds report capital asset acquisitions as expenditures. In the statement of activities, however, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital asset acquisitions	\$ 500,010	
Depreciation expense	<u>(746,085)</u>	(246,075)

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

County deferral is reported as revenue in governmental funds and contributes to the change in fund balance. In the government-wide financial statements, obtaining debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities (31,755)

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but are deferred and amortized throughout the period during which the related debt is outstanding in the statement of net assets. Repayment of debt principal is an expenditure in governmental funds, but prepayment reduces long-term liabilities in the statement of net assets.

Debt transfers to Fiduciary Fund(See note 17)	22,734,306	
Principal payments	1,090,000	
Increase in compensated absences	(35,670)	
OPEB Obligation	(117,686)	

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 118,837

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on long-term debt	(215,975)	
Amortization of bond discount and issuance cost	<u>(58,231)</u>	<u>(274,206)</u>

Change in net assets of governmental activities \$ 19,029,600

*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 upon the dissolution of the redevelopment agencies in California. This fund received the former redevelopment agency funds from the City on February 1, 2012.

City of Cudahy  
Statement of Fiduciary Net Assets – Fiduciary Funds  
June 30, 2012

	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund</u>	<b>(Note 18) (Unaudited) Cudahy Economic Development Corp</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 6,365	\$ 1,533,845	\$
Restricted cash and cash equivalents		3,519,930	
Receivables	20,298	2,153,891	
Total assets	<u>\$ 26,663</u>	<u>\$ 7,207,666</u>	<u>                    </u>
<b>Liabilities</b>			
Accounts payable	\$ 26,663	66,835	
Accrued Liabilities		1,703	
Accrued Interest Payable		372,276	
Due to the City of Cudahy		524,916	
Noncurrent Liabilities:			
Due within one year		675,000	
Due in more than one year		23,563,957	
Total liabilities	<u>\$ 26,663</u>	<u>25,204,687</u>	<u>                    </u>
<b>Net Assets (Net Deficit)</b>		<b>\$ (17,997,021)</b>	<b>\$</b>

See notes to financial statements.

City of Cudahy  
**Statement of Changes in Fiduciary Net Assets – Fiduciary Funds**  
**June 30, 2012**

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	<u>Private-Purpose Trust Fund</u>	<b>(Note 18)</b> <b>(Unaudited)</b> <u>Cudahy Economic Development Corp</u>
<b>Additions</b>		
Contributions:		
Redevelopment Agency Property Tax Trust Fund	\$ 1,363,376	\$
Interest Income	<u>75,011</u>	
Total Contributions	1,438,387	
<b>Deductions</b>		
Payments Made:		
Payments to Other Governments	<u>5,301</u>	
Total Payments to Other Governments	5,301	
Obligation Retirements:		
Interest on Bonds Payable	<u>915,155</u>	
Total Interest on Bonds Payable	915,155	
Administrative Expenses:		
Administrative Expenses	<u>68,866</u>	
Total Administrative Expenses	<u>68,866</u>	
Total Deductions	<u>989,322</u>	
Changes in Net Assets Before Extraordinary Items	449,065	
Assets of Cudahy Community Development Commission	4,073,062	
Liabilities of Cudahy Community Development Commission	<u>(22,519,148)</u>	
Total Extraordinary Items	(18,446,086)	
Change in Net Assets	(17,997,021)	
Net Assets Held in Trust - Beginning	<u>-</u>	
Net Assets Held in Trust - Ending	<u>\$ (17,997,021)</u>	<u>\$</u>

See notes to financial statements.

City of Cudahy  
Agency Funds  
Balance Sheet  
June 30, 2012

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	<u>Cudahy Youth Foundation</u>	<u>Refuse Assessment</u>	<u>Totals</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 6,342	\$ 23	\$ 6,365
Receivables	<u>5</u>	<u>20,293</u>	<u>20,298</u>
Total assets	\$ <u>6,347</u>	\$ <u>20,316</u>	\$ <u>26,663</u>
<b>Liabilities</b>			
Accounts payable	\$ <u>6,347</u>	\$ <u>20,316</u>	\$ <u>26,663</u>
Total liabilities	\$ <u>6,347</u>	\$ <u>20,316</u>	\$ <u>26,663</u>

See notes to financial statements.

**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. In accordance with GASB Statement No. 39, all of the City's component units are considered blended component units. Although legally separate entities, they are, in substance, part of the City's operations and therefore, data from these units are combined with data of the primary government. Each blended component unit has a June 30 year-end.

**Blended component unit**

Blended component units are the Cudahy Community Development Commission, formerly known as Cudahy Redevelopment Agency (Agency). They were governed by a board comprised of the City Council until the dissolution of the redevelopment agencies in California. Upon dissolution, this fund was transferred to the private-purpose trust fund on February 1, 2012.

The City also has a component unit which is the Cudahy Economic Development Corporation. See note 18.

**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 assets 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 unrestricted resources as 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 when 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. However, debt service expenditures, as well as 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.

*Cal Home Fund* accounts for transactions funded by the Cal Home program.

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

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

The *Redevelopment Agency Debt Service Fund* accounts for the accumulation of resources for and payment of, interest and principal on redevelopment agency long-term debt, including tax allocation bonds and long-term notes payable through January 31, 2012.

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

**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.

*RDA Bond Issue 2011* accounts for the accumulation of resources for and payment of, interest and principal on redevelopment agency long-term debt, including tax allocation bonds and long-term notes payable. Financing was provided by the Cudahy Redevelopment Agency through January 31, 2012 until it was dissolved.

*Low/Moderate Housing Fund* accounts for the financial transactions of low/moderate income housing within the redevelopment project area through January 31, 2012 until it was dissolved.

*Capital Projects Fund* accounts for the financing and construction activities in the redevelopment project area of Cudahy. Financing was provided by the Cudahy Redevelopment Agency through January 31, 2012 until dissolution.

**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 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 which became effective on February 1, 2012 due to the dissolution of redevelopment agencies in California.

The *Cudahy Economic Development Corporation* accounts for transactions funded by former redevelopment funds. This component unit was not audited. See note 18.

*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

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

*Budgetary control and accounting (continued)*

assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (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 (when 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.

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. Budgets are adopted for debt service funds relating to redevelopment project areas when required by State law. All unencumbered appropriations lapse at the fiscal year-end. Encumbered appropriations are carried forward to the following fiscal year.

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.

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

*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.

**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. 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).

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

*Financial statement elements (continued)*

**Capital assets (continued)**

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 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 from ten to twenty days vacation each 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 government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. 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 reported as deferred charges and amortized over the life of the related debt using the straight-line method. These items were transferred to Fiduciary Funds as of February 1, 2012.

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

*Financial statement elements (continued)*

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**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.

**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.

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

*Financial statement elements (continued)*

- 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.

**NOTE 3      NET ASSETS/ FUND BALANCES**

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

- *Invested in capital assets, net of related debt* - 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 assets* – 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 assets* – This category represents the City's net assets, which are not restricted for any project or other purpose.

**NOTE 4      STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Fund balances at June 30, 2012 consisted of the following:

Major funds:

Restricted for community development purposes	\$ 155,857
Unassigned	<u>6,925,302</u>
Total Major	<u>7,081,159</u>

Nonmajor funds:

Restricted for special purposes	\$ 1,584,362
Unassigned	<u>(95,004)</u>
Total nonmajor	<u>1,489,358</u>

Total	\$ <u>8,570,517</u>
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**NOTE 4      STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

*Deficit fund balances*

The following funds have deficit unassigned fund balances at June 30, 2012. Management expects to eliminate the deficits with subsequent revenue in the funds or transfers from the General Fund:

Major funds:

CDBG	\$      96,745
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Nonmajor funds:

Proposition C	\$      55,306
Emergency Preparedness	\$      14,021
Federal Aid STPL	\$      20,452
FEMA Grant	\$      5,225

*Expenditures in excess of appropriations*

Expenditures for the year ended June 30, 2012 exceeded the appropriations by the following amounts in the following funds:

General	\$ 1,123,439
CDBG	\$    121,156
Debt Service	\$ 1,651,366

Nonmajor funds:

State Gas Tax	\$    141,813
Traffic Congestion	\$      21,428
Prop 1B Local Street Improvements	\$      2,885
Proposition C	\$    112,803
Measure R	\$    233,248
AQMD	\$      21,897
Recycling Conservation Grant	\$      4,084
Emergency Preparedness	\$     36,846
COPS	\$    169,150
State Park Clara Ph 3	\$      4,500
State Park Robert Z'berg Grant	\$      4,078
Street Lighting	\$     11,222
Federal Aid STPL	\$    210,390
LLEBG	\$      5,425
FEMA	\$      5,225
RDA Bond Issue 2011	\$    167,542
Low/Moderate Housing	\$        181
Capital Projects Fund	\$    122,014

**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, 2012 is summarized, as follows:

Cash on hand	\$	-
Deposits with financial institutions		3,299,210
Investments		<u>9,893,591</u>
Total	\$	<u>13,192,801</u>
Statement of net assets classification:		
Cash and investments	\$	8,132,661
Cash and investments with fiscal agents		<u>-</u>
Total	\$	<u>8,132,661</u>
Statement of fiduciary net assets classification:		
Cash and investments	\$	1,540,210
Cash and investments with fiscal agents		<u>3,519,930</u>
Total	\$	<u>5,060,140</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
U.S. Government sponsored Enterprise	5 years	40%	N/A
Banker's Acceptances Notes	180 days	30%	15%
Commercial Paper	270 days	20%	N/A
Certificates of Deposits	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 trustees 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	\$ 6,373,661	\$ 6,373,661	\$ -	\$ -	\$ -
Held by Bond Trustee:					
Money Market Funds	2,015,930	2,015,930			
Life Insurance Investment Agreement	1,504,000				1,504,000
<b>Total</b>	<b>\$ 9,893,591</b>	<b>\$ 8,389,591</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:

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

<u>Investment Type</u>	<u>Total as of June 30, 2012</u>	<u>Minimum Legal Rating</u>	<u>AAA</u>	<u>Not Rated</u>
LAIF	\$ 6,373,661	N/A	\$	\$ 6,373,661
Held By Bond Trustee:				
Money Market Mutual Funds	2,015,930	N/A	2,015,930	
Life Insurance Investment Agreement	<u>1,504,000</u>	<u>N/A</u>		<u>1,504,000</u>
Total	<u>\$ 9,893,591</u>		<u>\$ 2,015,930</u>	<u>\$ 7,877,661</u>

**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.

On July 21, 2010, the Dodd-Frank financial regulatory reform legislation was signed into law making all noninterest-bearing transaction accounts fully insured without limit effective December 31, 2011 until January 1, 2013 and made the standard maximum deposit insurance amount of \$250,000 permanent. The \$250,000 per depositor is in addition to the full insurance on noninterest-bearing transaction accounts.

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, 2012, 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

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

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, 2012, 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 \$66.5 billion. LAIF's (and the City's) exposure to risk (credit, market, or legal) is not currently available.

**Life Insurance Contract 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 CUISIP. BNY Mellon has valued the investment \$1.00 per share, so the market value is at cost. The funded are considered to be liquid. 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 schedule for this investment does not report the maturity date as stated to be in 2027.

**NOTE 6 RECEIVABLES**

*Notes Receivable*

Notes receivable including interest, as of June 30, 2012 are as follows:

*Private-Purpose Trust Fund	\$	2,153,891
Governmental Fund – CDBG and Cal Home Loans		671,972

\* This amount was transferred to the Private-Purpose Trust Fund on February 1, 2012 upon the dissolution of the Cudahy Community Development Commission.

**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.	\$	818,646
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 deed of trust on 5159 Clara Street. The note bears simple interest at 1%. All principal and accrued interest are due in May 2026.		563,233

**NOTE 6 RECEIVABLES (CONTINUED)**

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 simple interest are due in August 2029.

		<u>772,012</u>
Total – Private-Purpose Trust Fund	\$	<u>2,153,891</u>

The City believes that these amounts are fully collectible.

**Governmental Fund – CDBG Loans**

The City made loans receivable for its low and moderate-income housing improvement program from Community Development Block Grant funding to lend monies for housing improvements and notes 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, 2012 amounted to \$671,972. The notes have varying interest rates, typically 3% and due dates between 5 to 10 years, typically. Two have no interest and do not have a specified payment due date.

**NOTE 7 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012 was as follows:

	Balance June 30, 2011	Incr	Decr	Adjust	Balance June 30, 2012
Capital assets, not depreciated					
Land	\$ 1,429,600	\$	\$	\$	\$ 1,429,600
Construction-in-progress	70,739	495,932	592,949	412,043	385,765
	<u>1,500,339</u>	<u>495,932</u>	<u>592,949</u>	<u>412,043</u>	<u>1,815,365</u>
Capital assets, depreciated					
Structures and improvements	10,707,667				10,707,667
Infrastructure	47,358,958	592,948		114,784	47,837,122
Vehicles, furn, & equip	969,799	4,078		87,004	1,060,881
Total	<u>59,036,424</u>	<u>597,026</u>	<u>-</u>	<u>201,788</u>	<u>59,605,670</u>
Less accumulated depreciation					
Structures and improvements	3,734,697	214,153			3,948,850
Infrastructure	38,235,419	443,859		118,801	38,798,079
Vehicles, furn, & equip	555,018	88,073		205,455	848,546
Total	<u>42,525,134</u>	<u>746,085</u>	<u>-</u>	<u>324,256</u>	<u>43,595,475</u>
Net	<u>16,511,290</u>	<u>(149,059)</u>	<u>-</u>	<u>(122,468)</u>	<u>16,010,195</u>
Governmental activities capital assets, net	<u>\$ 18,011,629</u>	<u>\$ 346,873</u>	<u>\$ 592,949</u>	<u>\$ 289,575</u>	<u>\$ 17,825,560</u>

**NOTE 7 CAPITAL ASSETS (Continued)**

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

General government	\$	206,104
Public services		539,981
Total depreciation expense-governmental activities	\$	<u>746,085</u>

Included in the capital asset schedule is a prior period adjustment to balances totaling \$64,515.

**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, 2012 follows:

	Balance June 30, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2012</u>	Due Within <u>One Year</u>
Note payable	\$ 1,409,928	-	1,409,928	-	-
Compensated absences	167,129	35,570	-	202,699	-
OPEB	-	117,686	-	117,686	-
Tax allocation refunding bonds	23,795,000	-	23,795,000*	-	-
Less deferred amounts:					
For issuance discount	(682,489)	-	(682,489)	-	-
On refunding	(68,762)	-	(68,762)	-	-
County deferrals	**746,387	70,662	817,049	-	-
Total	<u>\$ 25,367,193</u>	<u>223,918</u>	<u>25,270,726</u>	<u>320,385</u>	<u>-</u>

\* The amount transferred to the fiduciary fund was \$22,705,000. Payments made during the year were \$1,090,000.

\*\* During the year, management determined that a County Deferral was not recorded in the prior year. As a result, a prior period adjustment was required to record the County Deferral of \$476,442 and to reduce fund balance by that same amount for the year ended June 30, 2011.

Long-term liability activity of the fiduciary fund for the year ended June 30, 2012 follows:

	Balance June 30, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2012</u>	Due Within <u>One Year</u>
Note payable	\$ -	1,409,928	-	1,409,928	-
Tax allocation refund bonds	-	22,705,000	-	22,705,000	675,000
Less deferred amounts:					
For issuance discount	-	48,856	(682,489)	(633,633)	-
On refunding	-	9,375	(68,762)	(59,387)	-
County deferrals	-	817,049	-	817,049	-
Total	<u>\$ -</u>	<u>24,990,208</u>	<u>(751,251)</u>	<u>24,238,957</u>	<u>675,000</u>

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

**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.

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. 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 secured by the housing revenues and 2011B Bonds are payable from and both are secured by the pledged tax revenues on parity with the Cudahy Community Development Commission, 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 Cudahy Community Development Commission, 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 Cudahy 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 – Private Purpose Trust Fund**

At June 30, 2012, bonded indebtedness consisted of the following Tax Allocation Refunding Bonds:

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

	Date	Final	Interest Rate	Amount	
	Issued	Maturity		Issued	Outstanding
Series 2011 A	04/13/11	10/01/27	5%-7.75%	\$ 2,285,000	2,195,000
Series 2011 B	04/13/11	10/01/27	5%-7.75%	8,920,000	8,365,000
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	815,000
Series 2003 C	08/01/03	10/01/27	6.50%	6,680,000	6,520,000
Series 1999 (Taxable)	10/15/99	10/01/26	8.95%	1,425,000	1,425,000
				<u>\$ 26,245,000</u>	<u>22,705,000</u>

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

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

Year ending June 30	Principal	Interest	Total
2013	\$ 675,000	1,349,158	2,024,158
2014	1,170,000	1,437,065	2,607,065
2015	1,145,000	1,363,260	2,508,260
2016	1,085,000	1,303,135	2,388,135
2017	770,000	1,244,830	2,014,830
2018-2022	3,810,000	5,038,848	8,848,848
2023-2027	6,655,000	3,992,115	10,647,115
2028-2029	7,395,000	671,650	8,066,650
Total	<u>\$ 22,705,000</u>	<u>16,400,060</u>	<u>39,105,060</u>

**County Deferrals – Private Purpose Trust Fund**

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 governmental fund tax revenue when received and converted to debt in the government-wide financial statements through January 31, 2012. Upon dissolution of the RDA on February 1, 2012, these amounts were transferred to the fiduciary funds.

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

**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 approximately \$2,700,000 for the year ended June 30, 2012. The principal and interest payments on the bonds that had the pledged tax revenues for the year ended June 30, 2012 were approximately \$1,090,000 and \$1,644,000, respectively. Total principal and interest remaining is approximately \$39,000,000, with annual payments expected to require 1006% of pledged tax revenues.

**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	\$ 486,246	58,056
CDBG Fund	-	101,125
County Park Bond Fund	-	275,256
Nonmajor Funds	53,978	105,787
	\$ 540,224	540,244

As of June 30, 2012, the General Fund, CDBG Fund, County Park Bond Fund and Nonmajor Funds owed \$58,056, \$101,125, \$275,256 and \$105,787, respectively to a Nonmajor fund and the General fund.

**NOTE 10 INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2012 are as follows:

	Transfers Out		Totals
	General Fund	Nonmajor Governmental Fund	
Transfers In			
General	\$ -	\$ 184,705	\$ 184,705
Nonmajor Fund	58,056	-	58,056
Total	\$ 58,056	\$ 184,705	\$ 242,761

Interfund transfers were principally used to cover excess cost of park projects, aid to cities, and to refund the gas tax fund.

**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 Plan 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 hired after amendment date. The required employer contribution rate is 7% of the annual covered payroll. The City makes contributions required of City personnel on their behalf and for their account. The City is required to contribute actuarially determined remaining amounts necessary to fund 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 2011/12 fiscal year was 19.499% of annual covered payroll. The contribution rate is established and may be amended by CalPERS.

**Annual Pension Contribution**

For fiscal year 2011-2012, the City's annual pension cost of \$276,053 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 on a closed basis. The remaining amortization period at June 30, 2012 was 20 years.

**NOTE 12 RETIREMENT PLAN (CONTINUED)**

*Three-Year Trend Information For PERS*

Fiscal Year	Annual Pension Cost (APC)	Percent of APC Contributed	Net Pension Obligation
6/30/10	\$ 340,637	100%	\$ -
6/30/11	328,479	100%	-
6/30/12	276,053	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 (at 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 at 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 \$100,528 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, amount actually contributed to the Plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 218,214
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>218,214</u>
Contributions made	<u>(100,528)</u>
Increase in net OPEB obligation	117,686
Net OPEB obligation – beginning of year	-
Net OPEB obligation – end of year	<u>\$ 117,686</u>

**NOTE 13      POST EMPLOYMENT BENEFITS (CONTINUED)**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2012, respectively were as follows:

June 30, 2012    \$218,214, 46.1%, \$117,686

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 held in trust for the exclusive benefit of the participants and their beneficiaries. At June 30, 2012, the amount held by trustee for employees is \$124,240.

**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

**NOTE 15      INSURANCE PROGRAM (CONTINUED)**

\$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.

**Purchased insurance**

Property Insurance - The City 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. There was a significant reduction with the Environmental Liability Insurance as it was not renewed in the current year.

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

GASB No. 60 - *Accounting and Financial Reporting for Service Concession Arrangements*. These provisions are effective for financial statements for periods beginning after December 15, 2011.

GASB No. 61 - *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*. The provisions are effective for financial statements for periods beginning after June 15, 2012.

GASB No. 62 - *Codification of Accounting and Financial Reporting Guidance*. The provisions are effective for financial statements for periods beginning after December 15, 2011.

GASB No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The provisions are effective for financial statements for periods beginning after December 15, 2011.

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

**GASB No. 65** – *Items Previously Reported as Liabilities*. The provisions are effective for financial statements for periods beginning after December 15, 2012.

**GASB No. 66** – *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*. The provisions are effective for financial statements for periods beginning after December 15, 2012.

**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.

**NOTE 17      REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 that provided for the dissolution of all redevelopment agencies in the State of California. As a result of this occurrence, the Cudahy Community Development Commission ceased to operate as of February 1, 2012. The City did not elect to become the Successor Agency of the Redevelopment Agency on February 1, 2012 and has transferred the assets into a Private-Purpose Trust Fund which is included as a fiduciary fund. The amounts transferred from the governmental funds to fiduciary funds are reported as extraordinary items.

**NOTE 18      Actions Taken by the City and 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 finding 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.

- 2) The City Council has 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.

**NOTE 19      PRIOR PERIOD ADJUSTMENTS**

During the year, management determined that its fund balances and assets required the following prior period adjustments to the governmental funds:

Decrease in fund balance and assets of the General Fund totaling \$36,914.

Decrease in fund balance and assets of CDBG totaling \$71,912.

Increase in fund balance and assets of Debt Service totaling \$14,374.

Decrease in fund balance and assets in Proposition C totaling \$61,833

Increase in fund balance and assets in Recycling Conservation Grant totaling \$2,198.

Decrease in fund balance and assets in Emergency Preparedness totaling \$54.

Increase in fund balance and assets in Street Lighting totaling \$2,359.

Increase in fund balance and assets in LLEBG totaling \$28,397.

Decrease in fund balance and assets in ARRA totaling \$354.

Decrease in fund balance and assets in Capital Projects totaling \$782.

During the year, management determined that its fund balances and assets required the following prior period adjustments to the government-wide financial statements:

Decrease in net fixed assets and net assets of \$64,515.

Increase in the county deferral and decrease in net assets of \$476,442.

Increase net assets and decrease agency funds totaling \$127,860. The City determined that the funds would be governmental funds and therefore they were inappropriately reported as agency funds in prior years.

Increase notes receivable by \$163,863 and extraordinary transfer in to the Fiduciary Fund as the City determined that it had been incorrectly calculating the amount of interest it is earning on the note receivable.

**City of Cudahy**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year ended June 30, 2012**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 2,205,000	3,717,138	1,512,138
Licenses and permits	509,720	364,233	(145,487)
Intergovernmental	2,275,000	2,142,135	(132,865)
Charges for services	78,412	55,996	(22,416)
Fines, forfeitures and penalties	490,000	177,968	(312,032)
Use of money and property	40,000	14,340	(25,660)
Miscellaneous	545,000	429,105	(115,895)
<b>Total revenues</b>	<u>6,143,132</u>	<u>6,900,915</u>	<u>757,783</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,886,144	2,743,833	(857,689)
Public safety	3,558,071	3,602,877	(44,806)
Community services	906,494	834,284	72,210
Community development	62,005	355,159	(293,154)
Debt service:			
Principal payment	-	-	-
Interest and charges	-	-	-
<b>Total expenditures</b>	<u>6,412,714</u>	<u>7,536,153</u>	<u>(1,123,439)</u>
Excess(deficiency) of revenues over expenditures	(269,582)	(635,238)	(365,656)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In - Extraordinary		184,705	184,705
Transfers Out	-	(58,056)	(58,056)
Net change before extraordinary item	(269,582)	(450,533)	(239,007)
<b>Extraordinary Item</b>			
Extraordinary Gain/(Loss)			-
Net change in fund balance	(269,582)	(450,533)	(180,951)
Prior Year Restatements		(36,914)	(36,914)
<b>Fund balances, Beginning</b>	<u>7,567,550</u>	<u>7,567,550</u>	<u>-</u>
<b>Fund balances, Ending</b>	<u>\$ 7,297,968</u>	<u>7,080,103</u>	<u>(217,865)</u>

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City of Cudahy  
 Budgetary Comparison Schedule  
 CDBG  
 Year ended June 30, 2012

	CDBG		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues</b>			
Taxes	\$ -	-	-
Licenses and permits	-	-	-
Intergovernmental	575,982	449,651	(126,331)
Charges for services	-	-	-
Fines, forfeitures and penalties	-	-	-
Use of money and property	-	-	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>575,982</b>	<b>449,651</b>	<b>(126,331)</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Community services	-	-	-
Public services	-	-	-
Community development	353,328	474,484	(121,156)
Contributions for project development	-	-	-
Pass-through to other agencies	-	-	-
Debt service:			
Bond issue costs	-	-	-
Principal payments	-	-	-
Interest and charges	-	-	-
<b>Total expenditures</b>	<b>353,328</b>	<b>474,484</b>	<b>(121,156)</b>
Excess (deficiency) of revenues over expenditures	222,654	(24,833)	(247,487)
<b>Other financing sources (uses)</b>			
Transfer in	-	-	-
Transfer out	-	-	-
Issuance of bonds	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	222,654	(24,833)	(247,487)
Fund balances, Beginning	-	(71,912)	(71,912)
<b>Fund balances, Ending</b>	<b>\$ 222,654</b>	<b>(96,745)</b>	<b>(319,399)</b>

City of Cudahy  
 Budgetary Comparison Schedule  
 Cal Home Fund  
 Year ended June 30, 2012

	Cal Home		Variance with Final Budget- Positive (Negative)
	Original and Final Budgeted Amounts	Actual Amounts	
Taxes	\$ -	-	-
Licenses and permits		-	-
Intergovernmental		40	40
Charges for services		-	-
Fines, forfeitures and penalties		-	-
Use of money and property		351	351
Miscellaneous		-	-
<b>Total revenues</b>	<u>-</u>	<u>391</u>	<u>391</u>
<b>EXPENDITURES</b>			
Current:			
General government		-	-
Public safety		-	-
Community services		-	-
Public services		-	-
Community development		-	-
Debt service:			
Principal payment	-	-	-
Interest and charges	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures	-	391	391
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In - Extraordinary		-	-
Transfers Out	-	-	-
Net change before extraordinary item	-	391	391
<b>Extraordinary Item</b>			
Extraordinary Gain/(Loss)		-	-
Net change in fund balance	-	391	391
Prior Year Restatements		-	-
<b>Fund balances, Beginning</b>		155,466	(155,466)
<b>Fund balances, Ending</b>	<u>\$ -</u>	<u>155,857</u>	<u>(155,075)</u>

City of Cudahy  
 Budgetary Comparison Schedule  
 Redevelopment Agency Debt Service Fund  
 Year ended June 30, 2012

<b>Redevelopment Agency Debt Service</b>			
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>Revenues</b>			
Taxes	\$ -	1,531,032	1,531,032
Intergovernmental	-	-	-
Use of money and property	-	4,318	4,318
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>1,535,350</b>	<b>1,535,350</b>
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
Community development	-	-	-
Community services	-	-	-
Public services	-	-	-
Debt service:			
Principal payments	-	1,000,000	(1,000,000)
Interest and fiscal charges	-	651,366	(651,366)
<b>Total expenditures</b>	<b>-</b>	<b>1,651,366</b>	<b>(1,651,366)</b>
Excess (deficiency) of revenues over expenditures	-	(116,016)	(116,016)
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out - Extraordinary	-	(2,280,926)	(2,280,926)
Issuance of bonds	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>(2,280,926)</b>	<b>(2,280,926)</b>
Net change in fund balances	-	(2,396,942)	(2,396,942)
<b>Fund balances, Beginning</b>	<b>-</b>	<b>2,396,942</b>	<b>2,396,942</b>
<b>Prior Period Adjustments</b>			
<b>Fund balances, Ending</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

City of Cudahy  
 Budgetary Comparison Schedule  
 County Park Bond Fund  
 Year ended June 30, 2012

	<b>County Park Bond Fund</b>		
	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<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>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Community services	-	-	-
Public services	-	-	-
Community development	-	-	-
Contributions for project development	-	-	-
Pass-through to other agencies	-	-	-
Debt service:			
Bond issue costs	-	-	-
Principal payments	-	-	-
Interest and charges	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	-	-	-
<b>Other financing sources (uses)</b>			
Transfer in	-	-	-
Transfer out	-	-	-
Issuance of bonds	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	-	-
<b>Fund balances, Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances, Ending</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

City of Cudahy  
California Public Retirement System  
Schedule of Funding Progress  
Year ended June 30, 2012

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

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial 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	\$ N/A	\$ N/A	N/A	\$ N/A	N/A
6/30/2011	7,613	9,385	(1,772)	81.1%	1,105	160.4%
6/30/2012	7,890	9,652	(1,762)	81.7%	1,762	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>Drug Asset Seizure</b>	To account for revenues and expenditures associated with the City's asset seizure monies.
<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>ISTEA</b>	To account for financial transactions in accordance with the Intermodal Surface Transportation Efficiency Act.
<b>Aid to Cities</b>	To account for revenues and projects funded by the State as Aid to Cities.
<b>Traffic Congestion Relief</b>	This fund was created to monitor the use of funds provided by the State of California for street and highway pavement maintenance, rehabilitation and reconstruction of necessary associated facilities such as drainage and traffic control devices.
<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>Used Oil Recycling</b>	To account for funds received to develop and promote alternatives to the illegal disposal of used oil.
<b>Recycling Conservation Grant</b>	To account for revenue and expenditure pertaining to recycling and disposal of used oil.

**SPECIAL REVENUE FUNDS (CONTINUED)**

<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>CLEEP</b>	To account for transactions funded by the California Law Enforcement Equipment Program.
<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>State Park Robert Z'berg Grant</b>	Grant is to provide safe open and accessible local park and recreational facilities
<b>TDA – Transportation Development</b>	To account for transactions funded by the TDA program.
<b>Cal Home</b>	To account for transactions funded by the Cal Home program.
<b>Street Lighting</b>	To account for revenues and costs associated with the City's street lighting program.
<b>Quimby Act</b>	To account for monies received through the implementation of a development fee for the acquisition and development of new parks.
<b>Federal Aid STPL</b>	Federally funded Project through the California Department of Transportation (CalTrans) for resurfacing and maintenance of streets.
<b>LLEBG</b>	To account for financial transactions in accordance with the Local Law Enforcement Block Grant.
<b>FEMA Grant</b>	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.

**SPECIAL REVENUE FUNDS (CONTINUED)**

**DEBT SERVICE FUND**

**RDA Bond Issue 2011**

Funds used to account for the accumulation of resources for and payment of, interest and principal on redevelopment agency long term debt, including 2011 tax allocation bond and long-term notes payable. This was transferred to the Private-Purpose Trust Fund on February 1, 2012.

**Redevelopment Agency  
Low/Moderate Housing**

Accounts for the financial transactions of low/moderate income housing within the redevelopment project area. Twenty percent of all taxes which are allocated to the Redevelopment Agency pursuant to Section 33670 are recorded here. This was transferred to the Private-Purpose Trust Fund on February 1, 2012.

**CAPITAL PROJECTS FUND**

**Redevelopment Agency  
Capital Projects Fund**

Accounts for the accumulation of resources for, and payment of, interest and principal on redevelopment agency long-term debt, including tax allocation bonds and long-term notes payable. This was transferred to the Private-Purpose Trust Fund on February 1, 2012.

**SUPPLEMENTARY INFORMATION**

City of Cudahy  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012

	Special Revenue Funds			
	Drug Asset Seizure	State Gas Tax	ISTEA	Aid to Cities
<b>ASSETS</b>				
Cash and cash equivalents	\$ 754	\$ 518,484	\$ 16,937	\$ 35,117
Accounts receivable				
Grants receivable				
Notes receivable				
Interest receivable		240	9	18
Due from other funds		32,550		
<b>Total assets</b>	<b>\$ 754</b>	<b>\$ 551,274</b>	<b>\$ 16,946</b>	<b>\$ 35,135</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$	\$ 31,839	\$	\$
Due to other funds	754	-	16,946	35,135
Deferred revenue		-		
<b>Total liabilities</b>	<b>754</b>	<b>31,839</b>	<b>16,946</b>	<b>35,135</b>
<b>Fund balances (deficits)</b>				
<b>Restricted:</b>				
Special revenue funds	-	519,435	-	-
Unassigned				
<b>Total fund balances (deficit)</b>	<b>-</b>	<b>519,435</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 754</b>	<b>\$ 551,274</b>	<b>\$ 16,946</b>	<b>\$ 35,135</b>

**City of Cudahy**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2012**

Special Revenue Funds					
Traffic Congestion Relief	Prop 1B Local Street Improvements	Proposition C	Proposition A	Measure R	
\$	\$ 90,583	\$ 1,176	\$ 357,507	\$	372,306
			4,460		23,082
	46		193		207
\$	\$	\$	\$	\$	\$
<u>21,428</u>	<u>90,629</u>	<u>1,176</u>	<u>362,160</u>	<u>395,595</u>	
\$	\$	\$	\$	\$	\$
17,820	625	56,482	5,472	89,142	
3,608					
-					
<u>21,428</u>	<u>625</u>	<u>56,482</u>	<u>5,472</u>	<u>89,142</u>	
	90,004		356,688	306,453	
-		(55,306)			
<u>-</u>	<u>90,004</u>	<u>(55,306)</u>	<u>356,688</u>	<u>306,453</u>	
\$	\$	\$	\$	\$	\$
<u>21,428</u>	<u>90,629</u>	<u>1,176</u>	<u>362,160</u>	<u>395,595</u>	

City of Cudahy  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012

	Special Revenue Funds			
	AQMD	Used Oil Recycling	Recycling Conservation Grant	Emergency Preparedness
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,452	\$ 705	\$ 7,324	
Accounts receivable				
Grants receivable	7,393		6,714	28,015
Notes receivable				
Interest receivable	4		5	
Due from other funds				
<b>Total assets</b>	<b>\$ 15,849</b>	<b>\$ 705</b>	<b>\$ 14,043</b>	<b>\$ 28,015</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable		\$	\$	\$ 883
Due to other funds		705		41,153
Deferred revenue				
<b>Total liabilities</b>	<b>\$ -</b>	<b>705</b>	<b>-</b>	<b>42,036</b>
<b>Fund balances (deficits)</b>				
Restricted:				
Special revenue funds	15,849	-	14,043	
Unassigned				(14,021)
<b>Total fund balances (deficit)</b>	<b>15,849</b>	<b>-</b>	<b>14,043</b>	<b>(14,021)</b>
<b>Total liabilities and fund balance</b>	<b>\$ 15,849</b>	<b>\$ 705</b>	<b>\$ 14,043</b>	<b>\$ 28,015</b>

City of Cudahy  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

Special Revenue Funds				
COPS	CLEEP	State Park Clara Ph 3	State Park Robert Z'berg Grant	TDA -Transportation Development
\$ 22,693	\$ 57	\$ 236	\$	\$ 67,104
13		44		33
\$ 22,706	\$ 57	\$ 280	\$ -	\$ 67,137
\$	\$	\$	\$	\$
	57		-	
-	57	-	-	-
22,706	-	280	-	67,137
22,706	-	280	-	67,137
\$ 22,706	\$ 57	\$ 280	\$ -	\$ 67,137

City of Cudahy  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012

	Special Revenue Funds			
	Street Lighting	Quimby Act	Federal Aid STPL	LLEBG
<b>ASSETS</b>				
Cash and cash equivalents	\$ 114,380	\$	\$ 1,797	\$ 90,855
Accounts receivable	3,604			
Grants receivable				
Notes receivable				
Interest receivable	58	69	11	38
Due from other funds				
<b>Total assets</b>	<b>\$ 118,042</b>	<b>\$ 69</b>	<b>\$ 1,808</b>	<b>\$ 90,893</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 17,168	\$	\$ 22,260	\$
Due to other funds		69		
Deferred revenue	-	-	-	-
<b>Total liabilities</b>	<b>17,168</b>	<b>69</b>	<b>22,260</b>	<b>-</b>
<b>Fund balances (deficits)</b>				
<b>Restricted:</b>				
Special revenue funds	100,874			90,893
Unassigned			(20,452)	
<b>Total fund balances (deficit)</b>	<b>100,874</b>	<b>-</b>	<b>(20,452)</b>	<b>90,893</b>
<b>Total liabilities and fund balances</b>	<b>\$ 118,042</b>	<b>\$ 69</b>	<b>\$ 1,808</b>	<b>\$ 90,893</b>

**City of Cudahy**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2012**

Special Revenue Funds			Debt Service Fund		Redevelopment Agency		Totals Nonmajor Governmental Funds
ARRA	Capital Projects	FEMA Grant	RDA Bond Issue 2011	Low/Moderate Housing	Capital Projects		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,706,467
-	-	6,460	-	-	-	-	31,146
-	-	-	-	-	-	-	48,582
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	988
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>53,978</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,841,161</u>
\$ -	\$ -	\$ 4,325	\$ -	\$ -	\$ -	\$ -	246,016
-	-	7,360	-	-	-	-	105,787
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>11,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>351,803</u>
-	-	-	-	-	-	-	1,584,362
-	-	(5,225)	-	-	-	-	(95,004)
<u>-</u>	<u>-</u>	<u>(5,225)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,489,358</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,841,161</u>

City of Cudahy  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year ended June 30, 2012**

	Special Revenue Funds			
	Drug Asset Seizure	State Gas Tax	ISTEA	Aid to Cities
<b>Revenues:</b>				
Taxes	\$	\$ 315,070	\$	\$
Intergovernmental		415,088		
Use of money and property		953	39	80
Miscellaneous				
<b>Total revenues</b>	<u>-</u>	<u>731,111</u>	<u>39</u>	<u>80</u>
<b>Expenditures:</b>				
Current:				
Public safety		13,767		
Community development		55,916		
Community services		460,937		
Public services				
Debt service:				
Principal payments				
Interest and fiscal charges				
<b>Total expenditures</b>	<u>-</u>	<u>530,620</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>200,491</u>	<u>39</u>	<u>80</u>
<b>Other financing sources (uses):</b>				
Transfers in		32,550		
Transfers out	(754)		(16,946)	(35,135)
<b>Net other financing</b>	<u>(754)</u>	<u>32,550</u>	<u>(16,946)</u>	<u>(35,135)</u>
Net change before extraordinary item	(754)	233,041	(16,907)	(35,055)
<b>Extraordinary Item</b>				
Extraordinary (Loss) from Dissolution				
<b>Total Extraordinary (Loss)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(754)	233,041	(16,907)	(35,055)
<b>Fund balances, Beginning</b>	754	286,394	16,907	35,055
<b>Prior Period Adjustments</b>				
<b>Fund balances, Ending</b>	<u>\$ -</u>	<u>\$ 519,435</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, 2012**

Special Revenue Funds				
Traffic Congestion Relief	Prop 1B Local Street Improvements	Proposition C	Proposition A	Measure R
\$	\$	\$ 316,018	\$ 402,304	\$
	210	33	972	235,094
		22,961		798
-	210	339,012	403,276	235,892
21,428	2,885	14,460	413,887	233,248
		367,749		
21,428	2,885	382,209	413,887	233,248
(21,428)	(2,675)	(43,197)	(10,611)	2,644
21,428				
21,428	-	-	-	-
-	(2,675)	(43,197)	(10,611)	2,644
-	-	-	-	-
-	(2,675)	(43,197)	(10,611)	2,644
-	92,679	49,724	367,299	303,809
		(61,833)		
\$ -	\$ 90,004	\$ (55,306)	\$ 356,688	\$ 306,453

**City of Cudahy**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year ended June 30, 2012**

	Special Revenue Funds			
	AQMD	Used Oil Recycling	Recycling Conservation Grant	Emergency Preparedness
<b>Revenues:</b>				
Taxes	\$	\$	\$	\$
Intergovernmental	29,949		11,616	22,979
Use of money and property	10	6	24	
Miscellaneous				
<b>Total revenues</b>	<u>29,959</u>	<u>6</u>	<u>11,640</u>	<u>22,979</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Community development	21,368			
Community services	529			
Public services		4,760	4,084	36,846
Debt service:				
Principal payments				
Interest and fiscal charges				
<b>Total expenditures</b>	<u>21,897</u>	<u>4,760</u>	<u>4,084</u>	<u>36,846</u>
Excess (deficiency) of				
revenues over expenditures	<u>8,062</u>	<u>(4,754)</u>	<u>7,556</u>	<u>(13,867)</u>
<b>Other financing sources (uses):</b>				
Transfers in				
Transfers out		(705)		
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>(705)</u>	<u>-</u>	<u>-</u>
Net change before extraordinary item	8,062	(5,459)	7,556	(13,867)
<b>Extraordinary Item</b>				
Extraordinary (Loss) from Dissolution				
<b>Total Extraordinary (Loss)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,062	(5,459)	7,556	(13,867)
<b>Fund balances, Beginning</b>	7,787	5,459	4,289	(100)
<b>Prior Period Adjustments</b>			2,198	(54)
<b>Fund balances, Ending</b>	<u>\$ 15,849</u>	<u>\$ -</u>	<u>\$ 14,043</u>	<u>\$ (14,021)</u>

City of Cudahy  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

Special Revenue Funds				
COPS	CLEEP	State Park Clara Ph 3	State Park Robert Z'berg Grant	TDA Transportation Development
\$ 100,000				
153		280		67,001
<u>100,153</u>	<u>-</u>	<u>280</u>	<u>-</u>	<u>67,137</u>
169,150		4,500	4,078	
<u>169,150</u>	<u>-</u>	<u>4,500</u>	<u>4,078</u>	<u>-</u>
<u>(68,997)</u>	<u>-</u>	<u>(4,220)</u>	<u>(4,078)</u>	<u>67,137</u>
			4,078	
<u>-</u>	<u>(57)</u>	<u>(131,039)</u>	<u>4,078</u>	<u>-</u>
<u>(68,997)</u>	<u>(57)</u>	<u>(135,259)</u>	<u>-</u>	<u>67,137</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(68,997)</u>	<u>(57)</u>	<u>(135,259)</u>	<u>-</u>	<u>67,137</u>
91,703	57	135,539	-	-
<u>\$ 22,706</u>	<u>\$ -</u>	<u>\$ 280</u>	<u>\$ -</u>	<u>\$ 67,137</u>

City of Cudahy  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year ended June 30, 2012**

	Special Revenue Funds			
	Street Lighting	Quimby Act	Federal Aid STPL	LLEBG
<b>Revenues:</b>				
Taxes	\$ 82,683	\$	\$	\$
Intergovernmental				67,809
Use of money and property	269		328	112
Miscellaneous				
<b>Total revenues</b>	<u>82,952</u>	<u>-</u>	<u>328</u>	<u>67,921</u>
<b>Expenditures:</b>				
Current:				
Public safety				5,425
Community development			210,390	
Community services	108,222			
Public services				
Debt service:				
Principal payments				
Interest and fiscal charges				
<b>Total expenditures</b>	<u>108,222</u>	<u>-</u>	<u>210,390</u>	<u>5,425</u>
Excess (deficiency) of revenues over expenditures	<u>(25,270)</u>	<u>-</u>	<u>(210,062)</u>	<u>62,496</u>
<b>Other financing sources (uses):</b>				
Transfers in				
Transfers out		(69)		-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>(69)</u>	<u>-</u>	<u>-</u>
Net change before extraordinary item	(25,270)	(69)	(210,062)	62,496
<b>Extraordinary Item</b>				
Extraordinary (Loss) from Dissolution				
<b>Total Extraordinary (Loss)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(25,270)	(69)	(210,062)	62,496
<b>Fund balances, Beginning</b>	123,785	69	189,610	-
<b>Prior Period Adjustments</b>	2,359			28,397
<b>Fund balances, Ending</b>	<u>\$ 100,874</u>	<u>\$ -</u>	<u>\$ (20,452)</u>	<u>\$ 90,893</u>

City of Cudahy  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**June 30, 2012**

Special Revenue Funds		Debt Service Funds	Redevelopment Agency		Totals Nonmajor Governmental Funds
ARRA	FMEA Grant	RDA Bond Issue 2011	Low/Moderate Housing	Capital Projects	
-	\$	\$	\$	\$	\$ 1,116,075
-		368		2,026	949,536
-					6,797
-		368	-	2,026	22,961
-					2,095,369
-	5,225		181	122,014	193,567
-					676,008
-					998,035
-		90,000			413,439
-		77,542			90,000
-	5,225	167,542	181	122,014	77,542
-					2,448,591
-	(5,225)	(167,174)	(181)	(119,988)	(353,222)
-					58,056
-					(184,705)
-					(126,649)
-	(5,225)	(167,174)	(181)	(119,988)	(479,871)
-		(65,608)	110,473	(843,172)	(798,307)
-		(65,608)	110,473	(843,172)	(798,307)
-	(5,225)	(232,782)	110,292	(963,160)	(1,278,178)
354		232,782	(110,292)	963,942	2,797,605
(354)				(782)	(30,069)
-	\$ (5,225)	\$ -	\$ -	\$ -	\$ 1,489,358

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

<b>Drug Asset Seizure</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>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>			
Current:			
Public safety	94,000	-	(94,000)
Community development	-	-	-
Community services	-	-	-
Public services	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>94,000</b>	<b>-</b>	<b>(94,000)</b>
Excess (deficiency) of revenues over expenditures	<b>(94,000)</b>	<b>-</b>	<b>94,000</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Issuance of bonds	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(94,000)	-	94,000
<b>Fund balances, Beginning</b>	<b>754</b>	<b>754</b>	<b>-</b>
<b>Prior Period Adjustments</b>			
<b>Fund balances, Ending</b>	<b>\$ (93,246)</b>	<b>754</b>	<b>94,000</b>

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

State Gas Tax			ISTEA		
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)
-	315,070	315,070	-	-	-
326,000	415,088	89,088	-	39	39
-	953	953	-	-	-
-	-	-	-	-	-
<u>326,000</u>	<u>731,111</u>	<u>405,111</u>	<u>-</u>	<u>39</u>	<u>39</u>
-	13,767	(13,767)	-	-	-
35,000	55,916	(20,916)	-	-	-
353,807	460,937	(107,130)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>388,807</u>	<u>530,620</u>	<u>(141,813)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(62,807)</u>	<u>200,491</u>	<u>263,298</u>	<u>-</u>	<u>39</u>	<u>39</u>
-	32,550	32,550	-	-	-
-	-	-	-	(16,946)	(16,946)
-	-	-	-	-	-
<u>-</u>	<u>32,550</u>	<u>32,550</u>	<u>-</u>	<u>(16,946)</u>	<u>(16,946)</u>
<u>(62,807)</u>	<u>233,041</u>	<u>295,848</u>	<u>-</u>	<u>(16,907)</u>	<u>(16,907)</u>
286,394	286,394	-	16,907	16,907	-
<u>223,587</u>	<u>519,435</u>	<u>295,848</u>	<u>16,907</u>	<u>-</u>	<u>(16,907)</u>

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

	<u>Aid to Cities</u>		Variance with Final Budget- Positive (Negative)
	Original and Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>			
Taxes	\$ -	\$ -	-
Intergovernmental	-	-	-
Use of money and property	-	80	80
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>80</u>	<u>80</u>
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
Community development	-	-	-
Community services	-	-	-
Public services	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>80</u>	<u>80</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	(35,135)	(35,135)
Issuance of bonds	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>(35,135)</u>	<u>(35,135)</u>
Net change in fund balances	-	(35,055)	(35,055)
<b>Fund balances, Beginning</b>	35,055	35,055	-
<b>Prior Period Adjustments</b>			
<b>Fund balances, Ending</b>	<u>\$ 35,055</u>	<u>-</u>	<u>(35,055)</u>

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

Traffic Congestion Relief			Prop 1B Local Street Improvements		
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)
-	-	-	-	-	-
80,000	-	(80,000)	-	-	-
-	-	-	-	210	210
-	-	-	-	-	-
<u>80,000</u>	<u>-</u>	<u>(80,000)</u>	<u>-</u>	<u>210</u>	<u>210</u>
-	-	-	-	-	-
-	21,428	(21,428)	-	-	-
-	-	-	-	2,885	(2,885)
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>21,428</u>	<u>(21,428)</u>	<u>-</u>	<u>2,885</u>	<u>(2,885)</u>
<u>80,000</u>	<u>(21,428)</u>	<u>(101,428)</u>	<u>-</u>	<u>(2,675)</u>	<u>(2,675)</u>
-	21,428	21,428	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>21,428</u>	<u>21,428</u>	<u>-</u>	<u>-</u>	<u>-</u>
80,000	-	(80,000)	-	(2,675)	(2,675)
-	-	-	92,679	92,679	-
<u>80,000</u>	<u>-</u>	<u>(80,000)</u>	<u>92,679</u>	<u>90,004</u>	<u>(2,675)</u>

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

	<b>Proposition C</b>		
	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>Revenues</b>			
Taxes	290,000	316,018	26,018
Intergovernmental	-	-	-
Use of money and property	-	33	33
Miscellaneous	30,000	22,961	(7,039)
<b>Total revenues</b>	<b>320,000</b>	<b>339,012</b>	<b>19,012</b>
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
Community development	-	-	-
Community services	20,000	14,460	5,540
Public services	249,406	367,749	(118,343)
Debt service:			
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>269,406</b>	<b>382,209</b>	<b>(112,803)</b>
<b>Excess (deficiency) of   revenues over expenditures</b>	<b>50,594</b>	<b>(43,197)</b>	<b>(93,791)</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Issuance of bonds	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	50,594	(43,197)	(93,791)
<b>Fund balances, Beginning</b>	<b>49,724</b>	<b>49,724</b>	<b>-</b>
<b>Prior Period Adjustments</b>	<b>-</b>	<b>(61,833)</b>	<b>(61,833)</b>
<b>Fund balances, Ending</b>	<b>100,318</b>	<b>(55,306)</b>	<b>(155,624)</b>

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

Proposition A			Measure R		
Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
300,000	402,304	102,304	-	-	-
-	-	-	180,000	235,094	55,094
-	972	972	-	798	798
-	-	-	-	-	-
<u>300,000</u>	<u>403,276</u>	<u>103,276</u>	<u>180,000</u>	<u>235,892</u>	<u>55,892</u>
-	-	-	-	-	-
-	-	-	-	233,248	(233,248)
442,068	413,887	28,181	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>442,068</u>	<u>413,887</u>	<u>28,181</u>	<u>-</u>	<u>233,248</u>	<u>(233,248)</u>
<u>(142,068)</u>	<u>(10,611)</u>	<u>131,457</u>	<u>180,000</u>	<u>2,644</u>	<u>(177,356)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(142,068)</u>	<u>(10,611)</u>	<u>131,457</u>	<u>180,000</u>	<u>2,644</u>	<u>(177,356)</u>
367,299	367,299	-	303,809	303,809	-
<u>225,231</u>	<u>356,688</u>	<u>131,457</u>	<u>483,809</u>	<u>306,453</u>	<u>(177,356)</u>

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

	AQMD		Variance with Final Budget- Positive (Negative)
	Original and Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>			
Taxes	\$ -	-	-
Intergovernmental	24,000	29,949	5,949
Use of money and property	-	10	10
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>24,000</u>	<u>29,959</u>	<u>5,959</u>
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
Community development	-	21,368	(21,368)
Community services	-	529	(529)
Public services	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>21,897</u>	<u>(21,897)</u>
<b>Excess (deficiency) of revenues over expenditure</b>	<u>24,000</u>	<u>8,062</u>	<u>(15,938)</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Issuance of bonds	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	24,000	8,062	(15,938)
<b>Fund balances, Beginning</b>	7,787	7,787	
<b>Prior Period Adjustments</b>			
<b>Fund balances, Ending</b>	<u>\$ 31,787</u>	<u>15,849</u>	<u>(15,938)</u>

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

Used Oil Recycling			Recycling Conservation 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)
-	-	-	-	-	-
-	-	-	7,000	11,616	4,616
-	6	6	-	24	24
-	-	-	-	-	-
-	6	6	7,000	11,640	4,640
-	-	-	-	-	-
-	-	-	-	-	-
7,100	4,760	2,340	-	4,084	(4,084)
-	-	-	-	-	-
-	-	-	-	-	-
7,100	4,760	2,340	-	4,084	(4,084)
(7,100)	(4,754)	2,346	7,000	7,556	556
-	-	-	-	-	-
-	(705)	(705)	-	-	-
-	-	-	-	-	-
-	(705)	(705)	-	-	-
-	(5,459)	(5,459)	7,000	7,556	556
5,459	5,459	-	4,289	4,289	-
-	-	-	-	2,198	2,198
5,459	-	(5,459)	11,289	14,043	2,754

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

	<b>Emergency Preparedness</b>		
	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>Revenues</b>			
<b>Taxes</b>	\$ -	-	-
Intergovernmental	50,000	22,979	(27,021)
Use of money and property	-	-	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>50,000</b>	<b>22,979</b>	<b>(27,021)</b>
<b>Expenditures</b>			
<b>Current:</b>			
Public safety	-	-	-
Community development	-	-	-
Community services	-	-	-
Public services	-	36,846	(36,846)
<b>Debt service:</b>			
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>36,846</b>	<b>(36,846)</b>
<b>Excess (deficiency) of     revenues over expenditures</b>	<b>50,000</b>	<b>(13,867)</b>	<b>(63,867)</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Issuance of bonds	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>50,000</b>	<b>(13,867)</b>	<b>(63,867)</b>
<b>Fund balances, Beginning</b>	<b>(100)</b>	<b>(100)</b>	<b>-</b>
<b>Prior Period Adjustments</b>		<b>(54)</b>	<b>(54)</b>
<b>Fund balances, Ending</b>	<b>\$ 49,900</b>	<b>(14,021)</b>	<b>(63,921)</b>

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

COPS			CLEEP		
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)
-	-	-	-	-	-
100,000	100,000	-	-	-	-
-	153	153	-	-	-
-	-	-	-	-	-
<u>100,000</u>	<u>100,153</u>	<u>153</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	169,150	(169,150)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>169,150</u>	<u>(169,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>100,000</u>	<u>(68,997)</u>	<u>(168,997)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	(57)	(57)
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57)</u>	<u>(57)</u>
100,000	(68,997)	(168,997)	-	(57)	(57)
91,703	91,703	-	57	57	-
<u>191,703</u>	<u>22,706</u>	<u>(168,997)</u>	<u>57</u>	<u>-</u>	<u>(57)</u>

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

<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	-	280	280
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>280</u>	<u>280</u>
<b>Expenditures</b>			
<b>Current:</b>			
Public safety	-	-	-
Community development	-	4,500	(4,500)
Community services	-	-	-
Public services	-	-	-
<b>Debt service:</b>			
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>4,500</u>	<u>(4,500)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>(4,220)</u>	<u>(4,220)</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	(131,039)	(131,039)
Issuance of bonds	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>(131,039)</u>	<u>(131,039)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(135,259)</u>	<u>(135,259)</u>
<b>Fund balances, Beginning</b>	135,539	135,539	
<b>Prior Period Adjustments</b>			
<b>Fund balances, Ending</b>	<u>135,539</u>	<u>280</u>	<u>(135,259)</u>

City of Cudahy  
 Budget Comparison Schedules  
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	State Park Robert Z'berg Grant			TDA - Transportation Development		
	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)
<b>Revenues</b>						
Taxes	\$ -	-	-	-	-	-
Intergovernmental	-	-	-	67,000	67,001	1
Use of money and property	-	-	-	-	136	136
Miscellaneous	-	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,000</u>	<u>67,137</u>	<u>137</u>
<b>Expenditures</b>						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	4,078	(4,078)	-	-	-
Community services	-	-	-	-	-	-
Public services	-	-	-	-	-	-
Debt service:						
Principal payments	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>4,078</u>	<u>(4,078)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(4,078)</u>	<u>(4,078)</u>	<u>67,000</u>	<u>67,137</u>	<u>137</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	4,078	4,078	-	-	-
Transfers out	-	-	-	-	-	-
Issuance of bonds	-	-	-	-	-	-
<b>Net other financing sources (use)</b>	<u>-</u>	<u>4,078</u>	<u>4,078</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	67,000	67,137	137
Fund balances, Beginning	-	-	-	-	-	-
Prior Period Adjustments						
<b>Fund balances, Ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>67,000</u>	<u>67,137</u>	<u>137</u>

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
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	<b>Street Lighting</b>		
	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>Revenues</b>			
Taxes	95,000	82,683	(12,317)
Intergovernmental	-	-	-
Use of money and property	-	269	269
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>95,000</b>	<b>82,952</b>	<b>(12,048)</b>
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
Community development	-	-	-
Community services	97,000	108,222	(11,222)
Public services	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>97,000</b>	<b>108,222</b>	<b>(11,222)</b>
<b>Excess (deficiency) of   revenues over expenditures</b>	<b>(2,000)</b>	<b>(25,270)</b>	<b>(23,270)</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Issuance of bonds	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(2,000)	(25,270)	(23,270)
<b>Fund balances, Beginning</b>	<b>123,785</b>	<b>123,785</b>	<b>-</b>
<b>Prior Period Adjustments</b>		2,359	2,359
<b>Fund balances, Ending</b>	<b>121,785</b>	<b>100,874</b>	<b>(20,911)</b>

City of Cudahy  
 Budget Comparison Schedules  
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Quimby Act			Federal Aid STPL		
Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original and Final Budgeted Amounts	Original and Actual Amounts	Variance with Final Budget- Positive (Negative)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	328	328
-	-	-	-	-	-
-	-	-	-	328	328
-	-	-	-	-	-
-	-	-	-	210,390	(210,390)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	210,390	(210,390)
-	-	-	-	-	-
-	-	-	-	(210,062)	(210,062)
-	-	-	-	-	-
-	(69)	(69)	-	-	-
-	-	-	-	-	-
-	(69)	(69)	-	-	-
-	(69)	(69)	-	(210,062)	(210,062)
69	69	-	189,610	189,610	-
69	-	(69)	189,610	(20,452)	(210,062)

City of Cudahy  
 Budget Comparison Schedules  
 Nonmajor Governmental Funds  
 Year ended June 30, 2012

	<b>LLEBG</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	-	67,809	67,809
Use of money and property	-	112	112
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>67,921</b>	<b>67,921</b>
<b>Expenditures</b>			
Current:			
Public safety	-	5,425	(5,425)
Community development	-	-	-
Community services	-	-	-
Public services	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>5,425</b>	<b>(5,425)</b>
Excess (deficiency) of revenues over expenditures	-	62,496	62,496
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Issuance of bonds	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	62,496	62,496
<b>Fund balances, Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period Adjustments</b>		28,397	28,397
<b>Fund balances, Ending</b>	<b>\$ -</b>	<b>90,893</b>	<b>90,893</b>

City of Cudahy  
 Budget Comparison Schedules  
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FEMA Grant			RDA Bond Issue 2011		
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)
-	-	-	\$ -	-	-
-	-	-	-	-	-
-	-	-	-	368	368
-	-	-	-	-	-
-	-	-	-	368	368
-	5,225	(5,225)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	90,000	90,000
-	-	-	-	77,542	77,542
-	5,225	(5,225)	-	167,542	167,542
-	(5,225)	(5,225)	-	(167,174)	(167,174)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(65,608)	(65,608)
-	-	-	-	(65,608)	(65,608)
-	(5,225)	(5,225)	-	(232,782)	(232,782)
-	-	-	232,782	232,782	-
-	(5,225)	(5,225) \$	232,782	-	(232,782)

City of Cudahy  
 Budget Comparison Schedules  
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<u>RDA Low/Moderate Housing</u>			
	Final Budgeted	Actual	Variance with Final Budget-
Revenues	Amounts	Amounts	Positive (Negative)
<b>Taxes</b>			
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	-	181	(181)
Community services	-	-	-
Public services	-	-	-
Contributions for project development	-	-	-
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>181</u>	<u>(181)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(181)</u>	<u>(181)</u>
<b>Other financing sources (uses)</b>			
Transfers in		110,473	110,473
Transfers out	-	-	-
Issuance of bonds	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>110,473</u>	<u>-</u>
Net change in fund balances	-	110,292	(181)
<b>Fund balances, Beginning</b>	(110,292)	(110,292)	-
<b>Prior Period Adjustments</b>			
<b>Fund balances, Ending</b>	<u>\$ (110,292)</u>	<u>-</u>	<u>(181)</u>

City of Cudahy  
 Budget Comparison Schedules  
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ARRA			Redevelopment Agency Capital Projects		
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)
-	-	-	\$ -	-	-
-	-	-	-	-	-
-	-	-	-	2,026	2,026
-	-	-	-	-	-
-	-	-	-	2,026	2,026
-	-	-	-	-	-
-	-	-	-	122,014	122,014
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	122,014	122,014
-	-	-	-	-	-
-	-	-	-	(119,988)	(119,988)
-	-	-	-	-	-
-	-	-	-	(843,172)	(843,172)
-	-	-	-	-	-
-	-	-	-	(843,172)	(843,172)
-	-	-	-	-	-
-	-	-	-	(963,160)	(963,160)
354	354	-	963,942	963,942	963,160
	(354)	(354)		(782)	119,988
354	-	(354)	\$ 963,942	782	-

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