



City of Cudahy
General Purpose Financial Statements
As of and For the Year Ended June 30, 2022
with Independent Auditor's Report



THIS PAGE INTENTIONALLY LEFT BLANK

City of Cudahy
General Purpose Financial Statements
As of and For the Year Ended June 30, 2022
with Independent Auditor's Report

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION	<u>PAGE</u>
Independent Auditor’s Report	1
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements	
Description of Major Funds	7
Balance Sheet	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	9
Statement of Revenues, Expenditures and Changes in Fund Balances	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Description of Fiduciary Funds	12
Statement of Fiduciary Net Position	13
Statement of Changes in Fiduciary Net Position	14
Notes to the Financial Statements	15
Required Supplementary Information	
Budgetary Comparison Schedule	
General Fund	51
American Rescue Plan Act (ARPA)	52
Housing Authority	53
Schedule of Proportionate Share of the Net Pension Liability	54
Schedule of Pension Contributions	55
Schedule of Changes in Net OPEB Liability and Related Ratios	56
Schedule of OPEB Contributions	57
Supplementary Information	
Nonmajor Governmental Funds:	
Description of Nonmajor Special Revenue Funds	58
Combining Balance Sheet	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	64
Budgetary Comparison Schedules – Nonmajor Special Revenue Funds	
Prop 1B Local Street Improvements	68
Proposition A	69

	<u>PAGE</u>
Supplementary Information - Continued	
Proposition C	70
Measure M	71
Measure R	72
Measure W	73
Air Quality Improvement (AQMD)	74
Recycling Conservation Grants	75
Community Oriented Policing Services (COPS) Grant	76
County Park Bond	77
TDA – Transportation Development	78
Street Lighting	79
Cal HOME	80
Development Impact Fees	81
Surface Transportation Program Local (STPL)	82
Other Grants	83
State Gas Tax	84
Community Development Block Grant (CDBG)	85



655 N. Central Avenue
Suite 1550
Glendale, CA 91203

www.vasquez.cpa

213-873-1700
OFFICE

LOS ANGELES
SAN DIEGO
IRVINE
SACRAMENTO
FRESNO
PHOENIX
LAS VEGAS
MANILA, PH

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Cudahy, California (the City), as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Cudahy, California, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information on pages 51 through 57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Vasquez & Company LLP

**Glendale, California
December 21, 2022**

City of Cudahy
Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Cash and investments	\$ 14,425,698
Receivables:	
Accounts	1,139,545
Taxes	589,772
Notes, net	3,441,549
Interest	120,694
Prepaid expense	63,770
Due from other governments	2,819,103
Land held for resale	940,000
Advances to Successor Agency Private Purpose Trust Fund	524,916
Capital assets, net	<u>18,995,211</u>
Total assets	<u>43,060,258</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	430,475
Deferred outflows related to OPEB	<u>198,147</u>
Total deferred outflows of resources	<u>628,622</u>
LIABILITIES	
Accounts payable and other current liabilities	1,925,639
Due to other governments	480,070
Noncurrent liabilities:	
Due within one year	28,502
Due in more than one year	332,217
Net pension liability	2,544,002
Net OPEB liability	<u>1,848,791</u>
Total liabilities	<u>7,159,221</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	2,721,594
Deferred inflows related to OPEB	<u>532,291</u>
Total deferred inflows of resources	<u>3,253,885</u>
NET POSITION	
Net investment in capital assets	18,995,211
Restricted	10,117,328
Unrestricted	<u>4,163,235</u>
Total net position \$	<u><u>33,275,774</u></u>

See notes to financial statements.

**City of Cudahy
Statement of Activities
Year ended June 30, 2022**

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>
<u>Primary government</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
General government	\$ 4,893,340	\$ 981,017	\$ 4,072,340	\$ -	\$ 160,017
Public safety	4,232,642	960,637	3,987,745	-	715,740
Community services	3,019,007	494,218	2,051,571	-	(473,218)
Community development	2,047,667	515,849	2,141,362	-	609,544
Total primary government	\$ 14,192,656	\$ 2,951,721	\$ 12,253,018	\$ -	1,012,083
General revenues:					
Property taxes					104,361
Sales and use taxes					2,894,943
Franchise and transfer taxes					372,282
Transient occupancy tax					102,617
Business license tax					67,450
Motor vehicle in lieu tax					140,207
Utility users tax					1,208,320
Investment income					42,576
Other revenue					686,001
Total general and other revenues					5,618,757
				Change in net position	6,630,840
				Net position, beginning of year, as restated	26,644,934
				Net position, end of year	\$ 33,275,774

See notes to financial statements.

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

American Rescue Plan Act (ARPA) – accounts for funds received from the federal government to cover revenue short falls and COVID-19 related costs.

Housing Authority Special Revenue Fund - accounts for assets used for low-and-moderate income housing activities in accordance with the applicable housing-related regulations.

**City of Cudahy
Governmental Funds
Balance Sheet
June 30, 2022**

	Special Revenue				Totals
	General	ARPA	Housing Authority	Other Governmental Funds	
ASSETS					
ASSETS:					
Cash and investments	\$ 4,856,273	\$ -	\$ 842,945	\$ 8,726,480	\$ 14,425,698
Receivables:					
Accounts	252,563	-	-	731,364	983,927
Taxes	589,772	-	-	-	589,772
Grants	-	-	-	152,754	152,754
Notes, net	-	-	3,063,354	378,195	3,441,549
Interest	5,627	-	-	115,067	120,694
Other	2,864	-	-	-	2,864
Prepaid expenses	63,769	-	-	-	63,769
Due from other funds	2,961,789	-	-	-	2,961,789
Advances to Successor Agency					
Private Purpose Trust Fund	524,916	-	-	-	524,916
Due from other governments	-	2,819,103	-	-	2,819,103
Land held for resale	-	-	940,000	-	940,000
Total assets	\$ 9,257,573	\$ 2,819,103	\$ 4,846,299	\$ 10,103,860	\$ 27,026,835
LIABILITIES					
Accounts payable	\$ 1,050,293	\$ -	\$ -	\$ 590,836	\$ 1,641,129
Refuse assesment payable	259,252	-	-	-	259,252
Deposits payable	25,257	-	-	-	25,257
Due to other governments	-	-	-	480,070	480,070
Due to other funds	-	2,156,185	-	805,604	2,961,789
Total liabilities	1,334,802	2,156,185	-	1,876,510	5,367,497
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	279,773	662,918	3,063,354	-	4,006,045
FUND BALANCES					
Nonspendable					
Prepaid expense	63,769	-	-	-	63,769
Advances to Private-Purpose Trust Fund	524,916	-	-	-	524,916
Restricted					
Special revenue funds	-	-	1,782,945	8,334,383	10,117,328
Unassigned	7,054,313	-	-	(107,033)	6,947,280
Total fund balances	7,642,998	-	1,782,945	8,227,350	17,653,293
Total liabilities, deferred inflows of resources and fund balances	\$ 9,257,573	\$ 2,819,103	\$ 4,846,299	\$ 10,103,860	\$ 27,026,835

See notes to financial statements.

City of Cudahy
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2022

Fund balance of governmental funds	\$	17,653,293
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of depreciation, of governmental activities are not financial resources and are not reported in the governmental funds.		18,995,211
Deferred outflows of resources related to pensions are not considered financial resources and are not reported in the governmental funds		430,475
Deferred inflows of resources related to pensions are not available to pay for current period expenses and are not reported in the governmental funds		(2,721,594)
Deferred outflows of resources related to OPEB are not considered financial resources and are not reported in the governmental funds		198,147
Deferred inflows of resources related to OPEB are not available to pay for current period expenses and are not reported in the governmental funds		(532,291)
Unavailable revenues are not available to pay for current period expenditures and therefore are deferred in the funds and recognized as revenue in the Statement of Activities.		4,006,045
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Insurance liability	\$	(202,956)
Compensated absences		(157,763)
Net OPEB liability		(1,848,791)
Net pension liability		(2,544,002)
		(4,753,512)
Net position of governmental activities	\$	33,275,774

See notes to financial statements.

**City of Cudahy
Governmental Funds**

Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2022

Revenues	General	Special Revenue		Other Governmental Funds	Totals
		ARPA	Housing Authority		
Taxes	\$ 4,393,381	\$ -	\$ -	\$ 496,800	\$ 4,890,181
Licenses and permits	2,126,586	-	-	-	2,126,586
Intergovernmental	3,116,744	4,975,288	-	3,465,999	11,558,031
Charges for services	526,369	-	-	1,965	528,334
Fines, forfeitures and penalties	296,800	-	-	-	296,800
Use of money and property	11,071	-	-	31,505	42,576
Other revenue	533,797	-	-	258,262	792,059
Total revenues	11,004,748	4,975,288	-	4,254,531	20,234,567
Expenditures					
Current:					
General government	4,191,730	-	-	36,292	4,228,022
Public safety	4,112,642	-	-	120,000	4,232,642
Community services	615,921	-	-	1,561,640	2,177,561
Community development	1,425,535	-	-	847,331	2,272,866
Capital outlay	-	-	-	94,402	94,402
Total expenditures	10,345,828	-	-	2,659,665	13,005,493
Excess (deficiency) of revenues over expenditures	658,920	4,975,288	-	1,594,866	7,229,074
Other financing sources (uses)					
Transfers in	5,245,790	-	-	1,346,100	6,591,890
Transfers out	(712,196)	(4,975,288)	-	(1,010,464)	(6,697,948)
Net other financing sources (uses)	4,533,594	(4,975,288)	-	335,636	(106,058)
Change in fund balance	5,192,514	-	-	1,930,502	7,123,016
Fund balance, beginning of year, as previously reported	2,013,650	-	1,782,945	6,937,424	10,734,019
Prior period adjustment	436,834	-	-	(640,576)	(203,742)
Fund balance, beginning of year, as restated (Note 13)	2,450,484	-	1,782,945	6,296,848	10,530,277
Fund balance, end of year	\$ 7,642,998	\$ -	\$ 1,782,945	\$ 8,227,350	\$ 17,653,293

See notes to financial statements.

**City of Cudahy
Governmental Funds**

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year ended June 30, 2022**

Change in fund balances - governmental funds \$ 7,123,016

Amounts reported for governmental activities in the Statement of Activities differ from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:

Governmental funds report capital outlay as an expenditure. However, in the Statement of Activities, the cost of these assets is allocated over the useful lives as depreciation expense.

Capital outlay, net of dispositions	\$ 334,672	
Depreciation	<u>(774,489)</u>	(439,817)

Revenues that are measurable but not available are recorded as deferred or unavailable revenue under the modified accrual basis of accounting.		694,987
--	--	---------

In the Statement of Activities, long-term liabilities are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid).

Insurance liability	140,076	
Compensated absences	<u>(49,141)</u>	90,935

Pension and OPEB expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are, not reported in the governmental funds. In the Statement of Activities, pension and OPEB expense include, the changes in liability, deferred outflows, and inflows of resources.

Pension expense - GASB 68	(1,011,934)	
Other postemployment benefits - GASB 75	<u>173,653</u>	<u>(838,281)</u>

Change in net position of governmental activities		<u>\$ 6,630,840</u>
---	--	---------------------

See notes to financial statements.

Custodial Funds - accounts for the assets held by the City as an agent for individuals, private organizations or other government units and/or other funds. The City's custodial fund is the Cudahy Youth Foundation.

Successor Agency to the Dissolved Cudahy Community Development Commission Private-Purpose Trust Fund - this is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities and activities of the Successor Agency to the Dissolved Cudahy Community Development Commission. The Private-Purpose Trust Fund reports a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

**City of Cudahy
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022**

	<u>Custodial Fund (Cudahy Youth Foundation)</u>	<u>Successor Agency to the Dissolved Cudahy Community Development Commission Private-Purpose Trust Fund</u>
ASSETS		
Cash and cash equivalents	\$ 43,839	\$ 4,062,979
Restricted cash and investments	-	8,176
Rental and other accounts receivable, net	85	-
Capital assets, net of accumulated depreciation	-	13,160,072
Land held for development	-	2,136,097
Total assets	<u>43,924</u>	<u>19,367,324</u>
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on defeasance of debt	<u>-</u>	<u>1,015,506</u>
LIABILITIES		
Current liabilities:		
Accounts payable	-	5,235
Accrued interest payable	-	89,365
Advances from the City of Cudahy	-	524,916
Noncurrent liabilities:		
Bonds payable - due within one year	-	1,490,000
Bonds payable - due in more than one year	-	8,325,000
Other long-term liability - noncurrent	-	1,409,928
County deferrals - due in more than one year	-	1,341,362
Total liabilities	<u>-</u>	<u>13,185,806</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>-</u>	<u>-</u>
FIDUCIARY NET POSITION		
Restricted net position	<u>\$ 43,924</u>	<u>\$ 7,197,024</u>

See notes to financial statements.

**City of Cudahy
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Year ended June 30, 2022**

	<u>Custodial Fund (Cudahy Youth Foundation)</u>	<u>Successor Agency to the Dissolved Cudahy Community Development Commission Private-Purpose Trust Fund</u>
Additions		
Contributions:		
Redevelopment Agency Property Tax Trust Fund	\$ -	\$ 1,934,141
Interest and investment revenue:		
Use of money and property	195	-
Other revenue	<u>5,220</u>	<u>158,691</u>
Total revenues	<u>5,415</u>	<u>2,092,832</u>
Deductions		
Interest and fiscal charges	-	636,358
Administrative expenses	<u>3,175</u>	<u>67,349</u>
Total expenses	<u>3,175</u>	<u>703,707</u>
Change in net position before transfers	2,240	1,389,125
Other financing sources (uses):		
Transfers in	<u>-</u>	<u>106,058</u>
Change in net position	2,240	1,495,183
Net position held in trust - beginning	<u>41,684</u>	<u>5,701,841</u>
Net position held in trust - ending	<u>\$ 43,924</u>	<u>\$ 7,197,024</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 primary government and its component units, which are separate legal entities for which the City is considered to be financially accountable.

Component Units

Cudahy Economic Development Corporation (CEDC)

The CEDC was created to hold the assets of the former redevelopment agency of the City. In 2014, the State Controller's Office ordered the transfer of the assets to the Successor Agency to the former Cudahy Community Development Commission/ Redevelopment Agency (Successor Agency). In 2015, the Board of Directors of CEDC and the Oversight Board to the Successor Agency approved the asset transfer agreement. Accordingly, all properties of CEDC were transferred to the Successor Agency on October 19, 2015.

Cudahy Financing Authority (the Financing Authority)

The Financing Authority is a joint powers authority whose members are the City and the Successor Agency. The Financing Authority is duly organized and existing under a Joint Exercise of Powers agreement by and between the City and the former Redevelopment Agency, under the provisions of Chapter 5 of Division 7 of Title 1 of the California Government Code. Its purpose is to assist the City and the Successor Agency in providing financing for capital projects and improvements. The officers of the City and the Successor Agency serve as the officers of the Financing Authority.

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.

New Accounting Pronouncements

Governmental Accounting Standards Board (GASB) No. 87 – Leases

During the fiscal year ended June 30, 2022, the City implemented GASB Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this new accounting standards did not have a material impact on the City's June 30, 2022 financial statements.

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*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

Government-wide and fund financial statements

The statement of net position and statement of activities (i.e., the government-wide financial statements) display information on all of the non-fiduciary activities of the primary government (the City) and its discretely presented component units.

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Direct expenses have not been eliminated from the functional categories; indirect expenses and internal payments have been eliminated.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for certain grants which are considered available if collected within 7 months after year-end. 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:

General Fund: This fund is used to account for all financial resources of the City, except for those required to be accounted for in another fund.

American Rescue Plan Act (ARPA): This fund accounts for the ARPA funds received from the federal government to cover short falls in revenue and Covid-19 related costs.

Housing Authority Special Revenue Fund: This fund accounts for assets used for low-and-moderate income housing activities in accordance with the applicable housing-related regulations.

Additionally, the City reports the following fund types:

Other Governmental Funds

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

Fiduciary Funds

Custodial Funds

These funds are used to account for the assets held by the City in a purely custodial capacity, as an agent for individuals, private organizations or other government units and/or other funds.

Successor Agency Private-Purpose Trust Fund

Private-Purpose trust fund is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund is used to report the assets, liabilities and activities of the Successor Agency to the Dissolved Cudahy Community Development Commission. The Private-Purpose Trust Fund reports a statement of fiduciary net position and a statement of changes in fiduciary net position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Control and Accounting

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

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

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

The City at times reports unavailable revenue in its financial statements. Unavailable revenues arise when potential revenue does not meet the "available" criterion for recognition in the current period. Additionally, unearned revenues 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 unavailable and unearned 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. The City Manager may amend the budget administratively so long as the amendment does not increase the total appropriation for each fund. All other budget amendments are approved by the City Council. Expenditures may not exceed appropriations at the fund level, which is the legal level of control. Annual appropriated budgets are adopted for the general and special revenue funds.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity

Cash and Investments

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents have an original maturity date of three months or less from the date of purchase.

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.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

The City pools cash from all funds in order to increase income earned through its investment program. Investment income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Investment income is allocated on a quarterly basis based on the weighted average cash balance in each fund.

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.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future periods and are recorded under prepaid expenses in both government-wide and fund financial statements. These costs will be recognized in the period when services are received or when the City receives title to the property.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

Interfund transactions are reflected as loans, services provided reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of Interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of Interfund loans). Any residual balance outstanding in the governmental activities is reported in the government-wide financial statements as "internal balance". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

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

The City has analyzed its capital assets for potential impairment. The City does not believe that any capital assets are impaired at June 30, 2022.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and No. 65, *Items Previously Reported as Assets and Liabilities*, the City recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

Revenues earned, but not yet received, may not be available in a timely manner to pay current expenditures or obligations. Such receivables, not meeting the availability criteria necessary for accrual under modified accrual basis accounting principles, are reported as unavailable revenues for that period in the fund financial statements. In the government-wide financial statements, however, availability criteria are not considered. Instead, revenues become, and remain receivable from the point in time when revenue is earned through performance or similar recognition standards, until received. Refer to Note 12 for the list of deferred outflows and deferred inflows of resources the City has recognized as of June 30, 2022.

Compensated Absences

City employees receive up to 240 paid vacation hours per year, depending upon their length of service. In the fund financial statements, the City accounts for compensated absences (unpaid vacation and sick leave) as expenditures in the year paid, as it is the City's policy to liquidate any unpaid vacation or compensatory pay from future resources, rather than from currently available expendable resources.

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

Unearned Revenues

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Balance Reporting

Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes the following fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds:

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The City's nonspendable fund balances represent prepaid expenses and advances to the Successor Agency Private – Purpose Trust Fund.

Restricted fund balance includes resources that are subject to externally enforceable legal restrictions. It includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

The City's restricted fund balance of \$10,117,328 represents resources restricted for special projects, and programs funded by local, state and federal grants.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action or resolution of the City's highest level of decision-making authority (City Council). Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action or resolution taken to establish the commitment. The City has no committed fund balances.

Assigned fund balance consists of funds that are set aside for specific purposes by the City's highest level of decision-making authority or a body or official that has been given the authority to assign funds. The City Council delegates the authority to assign fund balance to the City Manager for purposes of reporting in the annual financial statements. The City has no assigned fund balances.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

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

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

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Fund balances at June 30, 2022 consisted of the following:

Major funds:	
Nonspendable	\$ 588,685
Restricted for special purposes	1,782,945
Unassigned	<u>7,054,313</u>
Total major	<u>9,425,943</u>
Nonmajor funds:	
Restricted for special purposes	8,334,383
Unassigned	<u>(107,033)</u>
Total nonmajor	<u>8,227,350</u>
Total	<u>\$ 17,653,293</u>

Deficit Fund Balances

The following funds have deficit fund balances at June 30, 2022. Management expects to eliminate the deficits with subsequent revenue in the funds or transfers from the General Fund:

Nonmajor funds:	
Street Lighting	\$ (107,033)

Expenditures in Excess of Appropriations

Expenditures for the year ended June 30, 2022 exceeded the appropriations by the following amounts in the following funds:

Expenditures in excess of appropriations:

Major funds:	
General Fund	
General Government	\$ (41,020)
Public Safety	(82,202)
Community development	(749,213)

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Expenditures in excess of appropriations:

Nonmajor funds:

Proposition A	
Community Services	\$ (336,749)
Measure M	
General government	(1,575)
Community development	(24,208)
Measure R	
General government	(34,717)
Community development	(72,000)
Community development	(223,200)
COPS	
Public Safety	(20,000)
TDA	
Capital outlay	(17,051)
Street Lighting	
Community services	(90,110)
Other Grants	
Capital outlay	(37,085)
Gas Tax	
Community Services	(112,722)

NOTE 4 CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 are classified in the financial statements as follows:

Governmental Activities:	
Statement of Net Position:	
Cash and investments - unrestricted	\$ 14,425,698
Fiduciary Activities:	
Statement of Fiduciary Net Position:	
Cash and cash equivalents - unrestricted	4,106,818
Cash and Investments with fiscal agent	<u>8,176</u>
Total cash and investments	<u>\$ 18,540,692</u>

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Cash and investments consist of the following:

Petty cash	\$ 11,420
Deposits with financial institutions	7,327,044
Investments	<u>11,202,228</u>
Total	<u>\$ 18,540,692</u>

Investments Authorized by the California Government Code and the City's Investment Policy

The following table identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, 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.

<u>Authorized Investment Type</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment In One Issuer</u>
Local Agency Bonds	No	N/A	N/A	N/A
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	30%	30%
Commercial Paper	No	270 days	25%	10%
Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	N/A	N/A
Reverse Repurchase Agreements	No	N/A	N/A	N/A
Medium-Term Notes	No	N/A	N/A	N/A
Mutual Funds	No	N/A	N/A	N/A
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through	No	N/A	N/A	N/A
County Pooled Investment Funds	No	N/A	N/A	N/A
Local Agency Investment Fund	Yes	N/A	None	\$65 million

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by fiscal agent are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by fiscal agent. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Local Agency Bonds	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	1 year	None	None
Commercial Paper	270 days	None	None
Negotiable Certificates of Deposit	None	None	None
Repurchase Agreements	30 days	None	None
Money Market Mutual Funds	N/A	None	None
Local Agency Investment Fund	N/A	None	None
Investment Agreements	N/A	None	None

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 is the sensitivity of its fair value to changes in market interest rates. One of the ways that the City may manage its exposure to interest rates 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 to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity in Months</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More than 60 Months</u>
Local Agency Investment Fund	\$ 11,202,228	\$ 11,202,228	\$ -	\$ -	\$ -
Total	\$ 11,202,228	\$ 11,202,228	\$ -	\$ -	\$ -

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 or the City's investment policy and the actual rating as of yearend for each investment type.

<u>Investment Type</u>	<u>Total as of June 30, 2022</u>	<u>Minimum Legal Rating</u>	<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund	\$ 11,202,228	N/A	\$ -	\$ 11,202,228
Total	\$ 11,202,228		\$ -	\$ 11,202,228

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The 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, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government 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.

As of June 30, 2022, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2022, none of the City's investments were held by the broker-dealer (counterparty) that was used by the City to purchase the securities.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool of \$11.2 million was reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF's and the City's exposure to risk (credit, market or legal) is not currently available.

Fair Value Measurement

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which became effective for the fiscal year ended June 30, 2022, the City categorizes its fair value measurement within the fair value hierarchy that is based on the valuation inputs used to measure the fair value of the investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Accordingly, the City reports its investments at fair value and recognizes unrealized gain (loss) on investments.

The City's investments in LAIF were not measured within the fair value hierarchy.

NOTE 5 RECEIVABLES

Notes Receivable

Notes receivable as of June 30, 2022 are as follows:

Governmental Funds – Housing Authority

Pursuant to the provisions of ABX1 26 and Resolution No 12-04, the City assumed all housing assets and housing functions of the former Redevelopment Commission. The housing assets transferred on February 1, 2012 to the Housing Authority included the following notes receivables which represent loans made for assistance in rehabilitating property for affordable housing, plus accrued interest. Because interest is payable at maturity and is not available to finance current operations, interest on notes receivable is not recognized in the financial statements as a current period revenue:

	<u>Balance June 30, 2022</u>
a) In November 1995 and May 1997, the Successor Agency (previously Cudahy Community Development Commission) 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.	\$ 1,439,108
b) In June 1998, February 2000, and September 2000, the Successor Agency loaned \$150,000, \$140,000 and \$210,000, respectively, to 5159 Clara Street LLP for a total loan of \$500,000. The note is collateralized by a deed of trust on 5159 Clara Street. The note bears simple interest at 1% and all principal and accrued interest are due in May 2026.	613,234
c) During the year ended June 30, 2000, the Successor 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 principal and accrued interest are due in August 2029.	1,011,012
Subtotal – Housing Authority	<u>3,063,354</u>

Governmental Fund – Other Funds

The City granted loans to qualified individual homeowners in connection with the Cal Home and CDBG programs. The loans are collateralized by deeds of trust in favor of the City. The notes vary as to terms and conditions. The notes have varying interest rates up to 3% and due dates from 5 years to unspecified.

	378,195
Subtotal – Other Funds	<u>378,195</u>
Total	<u>\$ 3,411,549</u>

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated				
Land	\$ 2,806,643	\$ -	\$ -	\$ 2,806,643
Construction-in-progress	107,069	299,692	-	406,761
	<u>2,913,712</u>	<u>299,692</u>	<u>-</u>	<u>3,213,404</u>
Capital assets, being depreciated				
Structures and improvements	12,958,447	-	-	12,958,447
Infrastructure	52,073,376	-	-	52,073,376
Vehicles	534,318	34,980	-	569,298
Furniture & equipment	323,214	-	-	323,214
Total	<u>65,889,355</u>	<u>34,980</u>	<u>-</u>	<u>65,924,335</u>
Less accumulated depreciation:				
Structures and improvements	6,110,584	269,838	-	6,380,422
Infrastructure	42,574,672	447,478	-	43,022,150
Vehicles	382,831	45,542	-	428,373
Furniture & equipment	299,952	11,631	-	311,583
Total	<u>49,368,039</u>	<u>774,489</u>	<u>-</u>	<u>50,142,528</u>
Net	<u>16,521,316</u>	<u>(739,509)</u>	<u>-</u>	<u>15,781,807</u>
Governmental activities capital assets, net	<u>\$ 19,435,028</u>	<u>\$ (439,817)</u>	<u>\$ -</u>	<u>\$ 18,995,211</u>

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

General government	\$ 195,791
Community services	576,452
Community development	<u>2,246</u>
	<u>\$ 774,489</u>

NOTE 7 LONG-TERM DEBT

Long-term liability activity of the government-wide financial statements for the year ended June 30, 2022 follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Insurance liability	\$ 343,032	\$ 25,679	\$ (165,755)	\$ 202,956	\$ -
Compensated absences	108,622	49,141	-	157,763	28,502
OPEB liability	1,659,559	429,901	(240,669)	1,848,791	-
Net pension liability	3,767,399	-	(1,223,397)	2,544,002	-
Total	<u>\$ 5,878,612</u>	<u>\$ 504,721</u>	<u>\$ (1,629,821)</u>	<u>\$ 4,753,512</u>	<u>\$ 28,502</u>

Pension and OPEB liability are to be liquidated from the City's General Fund.

NOTE 8 INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances are as follows:

	Due from Other Funds	Due to Other Funds
Major funds:		
General Fund	\$ 2,961,789	\$ -
ARPA	-	2,156,185
	<u>2,961,789</u>	<u>2,156,185</u>
Nonmajor funds:		
Other Grants	-	340,585
Street Lighting	-	94,244
Proposition A	-	90,909
Proposition C	-	97,464
Measure M	-	72,982
Measure R	-	109,420
Total funds	<u>\$ 2,961,789</u>	<u>\$ 2,961,789</u>

	Transfer In	Transfer Out
Major funds:		
General Fund	\$ 5,245,790	\$ 712,196
ARPA	-	4,975,288
Total major funds	<u>\$ 5,245,790</u>	<u>\$ 5,687,484</u>

NOTE 8 INTERFUND BALANCES AND TRANSFERS (CONTINUED)

		Transfer In		Transfer Out
Nonmajor funds:				
State Gas Tax	\$	-	\$	956,531
Road Maintenance and Rehab		956,331		-
Other Grants		166,019		-
Measure W		161,547		-
Recycling Conservation Grants		-		9
Street Lighting		51,928		45,620
CDBG		10,275		8,304
Total nonmajor funds	\$	1,346,100	\$	1,010,464
Fiduciary fund:				
Successor Agency		106,058		-
Total funds	\$	6,697,948	\$	6,697,948

NOTE 9 COMMITMENTS AND CONTINGENCIES

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City is self-insured and purchases excess insurance coverage from Municipal Insurance Cooperative Joint Powers Authority and the commercial insurance market.

Lawsuits

Legal claims and lawsuits arise from time to time in the normal course of business, which, in the opinion of management, could potentially have a 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.

Description of Municipal Insurance Cooperative Joint Powers Authority

The City is a member of the Municipal Insurance Cooperative (MIC) Joint Powers Authority. MIC was formed in 2014 to provide insurance coverage and risk management services to public entities and made up of 8 members. MIC is a joint purchase group non-risk sharing JPA that provides members, at their option, the opportunity to purchase excess liability coverage on a group basis. The unique design of MIC allows member agencies to obtain coverage that is more cost effective than they could by on their own while avoiding the risks associated with joint and several liabilities.

NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Self-Insurance Programs of the Authority

MIC provides comprehensive and cost-effective coverage in terms of limits of liability and insurance coverage. MIC is available to public entities of all sizes, providing an insurance program that will assist them in maximizing valuable resources.

Liability

In the liability program, each member is individually rated based upon current market conditions and loss experience and exposures. Members have the option to purchase any and all of the available insurance program that makes sense for their agency. The City has elected to purchase excess liability coverage through MIC with total limits of \$10M with a \$50K self-insured retention. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Workers' Compensation

In the workers' compensation program, the City is individually rated based upon current market conditions, exposures and loss experience with the option to secure coverage at a retention level that is appropriate to the City's appetite for risk. The City of Cudahy has elected to purchase excess workers' compensation coverage through Arch Insurance Company with statutory limits and a self-insured retention of \$1M. In addition, the City has a buffer policy with total limits of \$925K and \$75K self-insured retention. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Property Insurance

The City purchases stand-alone all-risk property coverage for all city owned property excluding earthquake and flood. The City currently has all-risk property insurance protection based upon Total Insurable Values of \$25,916,355. The coverage deductibles consist of \$10,000 per occurrence for covered perils, \$50,000 for vacant buildings, \$100,000 for wildfire and \$10,000 for service interruption. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City purchases government crime insurance coverage in the amount of \$5,000,000 with a \$25,000 deductible. The fidelity coverage is provided through commercial insurance. Premiums are paid annually and are not subject to retrospective adjustments.

Cyber Liability Insurance

The City purchases cyber liability also known as data security breach coverage consisting of both first party and third-party liability through commercial insurance. Coverage limits consist of \$1,000,000 per occurrence with a \$5,000 retention, per claim. Premiums are paid annually and are not subject to retrospective adjustments.

Special Event Tenant User Liability Insurance

The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and the insurance is arranged by the City's insurance broker, Keenan & Associates.

NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Adequacy of Protection

In the past three years, the City has had no claims for general liability and one claim for workers' compensation that has exceeded the City's self-insured retention level.

Claims and Judgments

The City accounts for uninsured, material claims and judgments and associated legal and administrative costs when it is probable that the liability claim has been incurred and the amount of the loss can be reasonably estimated. Included therein are claims incurred but not reported, which consists of (a) known loss events expected to be presented as claims later, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. This is based upon historical actual results that have established a reliable pattern supplemental by specific information about current matters. Small dollar claims and judgments are recorded as expenditures when paid.

NOTE 10 DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Employee Pension Plan. The City's Miscellaneous Employee Pension Plan is part of the Miscellaneous Risk Pool, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and the City's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Classic participants (defined as eligible participants prior to January 1, 2013) are required to contribute 8% of their annual covered salary. Second tier participants are required to contribute 7% of their annual covered salary. New or Public Employees' Pension Reform Act of 2013 (PEPRA) participants (defined as eligible employees brought into CalPERS membership for the first time on or after January 1, 2013) contribute at least half the normal cost rate as determined by CalPERS. The City contributes the remaining amounts necessary to fund the benefits for its employees, using the actuarial basis adopted by the CalPERS Board of Administration.

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the California Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022 are summarized as follows:

	Miscellaneous Plan		
	Classic	Second Tier	PEPRA
Hire date	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.75%
Required employer contribution rates	14.02%	9.13%	7.59%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1st following notice of a change in the rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2022, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 145,192
Contributions - employee	105,636

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the City reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability (Asset)
Miscellaneous	\$ <u>2,544,002</u>

Effective for measurement period 2015, CalPERS provides GASB Statement No. 68 Accounting Valuation Report for the Miscellaneous Risk Pool and Allocation Methodology to be used by participants in the risk pool. The schedules of employer allocation include allocation for the Total Pension Liability, Plan Fiduciary Net Position and all others pension amounts (e.g. deferred outflows/inflows of resources and pension expense). The Total Pension Liability and other pension amounts are allocated based on the Actuarial Accrued Liability from the most recent Actuarial Valuation Report as of June 30, 2020 used for funding purposes. The Plan Fiduciary Net Position is allocated based on the sum of the Market Value of Assets from the most recent Actuarial Valuation as of June 30, 2020 used for funding purposes plus supplemental payments made by employers during the current measurement period to reduce their unfunded actuarial accrued liabilities.

The City's allocation bases for pension items are as follows:

	<u>Miscellaneous</u>
Total pension liability and deferred outflows/ inflows of resources	0.0006462
Plan fiduciary net position	0.0005733

For the year ended June 30, 2022, the City recognized pension expense of \$1,157,126.

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 145,192	\$ -
Differences between actual and expected experience	285,283	-
Change in employer's proportion	-	96,636
Differences between Projected and Actual Investment Earnings	-	2,220,780
Differences between the employer's contribution and the employer's proportionate share of contributions	-	404,178
Total	\$ 430,475	\$ 2,721,594

\$145,192 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	Amount
2023	\$ (650,158)
2024	(605,060)
2025	(567,384)
2026	(613,709)
2027	-
Thereafter	-

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

For the measurement period ended June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The total pension liability in the June 30, 2020 actuarial valuation were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	(1)
Investment Rate of Return	7.15% (2)
Mortality	(3)
Post-Retirement Benefit Increase	(4)

- (1) Varies by entry age and service
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' Membership Data for all funds
- (4) Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on actuarial experience study for the period 1997 to 2015, including updates to salary increase and mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, none of the tested plans ran out of assets. Therefore, the current 7.15% discount rate is appropriate, and the use of the municipal bond rate calculation is not necessary. The discount rate of 7.15% used for the June 30, 2021 measurement date is without reduction of pension plan administrative expenses and will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%
 Total	 <u>100%</u>		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

		<u>Miscellaneous</u>
1% Decrease		6.15%
Net Pension Liability (Asset)	\$	4,247,349
Current Discount Rate		7.15%
Net Pension Liability (Asset)	\$	2,544,002
1% Increase		8.15%
Net Pension Liability (Asset)	\$	1,135,870

C. Pension Plan Fiduciary Net Position

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

D. Payable to the Pension Plan

As of June 30, 2022, the City did not have outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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 full-time 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 eligible retirees as to its active employees, with the exception that once a retiree becomes eligible for Medicare (that is, reaches age 65), he or she must join a Medicare HMO or a Medicare Supplement plan under PEMHCA.

Certain employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered Public Employees' Retirement System (PERS) service, or by qualifying disability retirement status.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Benefits Provided

Benefits are paid for the lifetime of the retiree and, if applicable, the surviving spouse of the retiree.

Funding Policy and Contributions

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.

The City opened an irrevocable trust account with Public Agency Retirement Services (PARS). 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 plus \$100 thousand contribution to the trust. For the fiscal year ended June 30, 2022, the City contributed \$240,669 to the plan.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Employees Covered Benefit Terms

At June 30, 2021 (the valuation date), the following employees were covered by the benefit terms:

Category	Count
Active employees	36
Inactive employees or beneficiaries currently receiving benefit	13
Inactive employees entitled to but not yet receiving benefit payment	3

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions

The total OPEB liability for the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Aggregate salary increases of 2.75% Individual salary increases based on CalPERS.
Discount rate	5.50% at June 30, 2022 Medicare: 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Medical trend	Non-Medicare: 6.5% for 2022, decreasing to an ultimate rate of 3.75% in 2076
Dental and vision trend	2.75%
Mortality rates were based on	CalPERS 2000-2019 Experience Study
Contribution Policy	City contributes \$100,000 per year in addition to retiree benefit payments which are payable from City assets.
Family Coverage at Retirement	25% of future retirees cover non-spouse family members until retiree age 65

The following are the changes in assumptions and benefit terms of the Plan during measurement period ended June 30, 2022.

<u>Actuarial Assumption</u>	<u>June 30, 2021 Measurement Date</u>
Changes of Assumption	<ul style="list-style-type: none"> * Discount rate was updated based on newer capital market assumptions * 25 basis point inflation rate decrease, which reduced the discount rate, medical trend, and salary scale * Experience study updated to 2000-2019 CalPERS decrement tables * Decreased medical trend rate for Kaiser Senior Advantage * Mortality improvement scale was updated to Scale MP-2021
Changes of Benefit Terms	None

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50% at June 30, 2022 measurement date. The change in discount rate was a result of the City's commitment to contribute \$100,000 to the Plan in addition to retiree benefit payments which are payable from the City assets.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Change in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 2,019,232	\$ 359,673	\$ 1,659,559
Changes for the year:			
Service cost	73,353	-	73,353
Interest on the total OPEB liability	121,345	-	121,345
Actual vs. expected experience	100,010	-	100,010
Changes in assumptions	86,669	-	86,669
Contribution - employer	-	240,669	(240,669)
Net investment income	-	(46,070)	46,070
Benefit payments	(140,317)	(140,317)	-
Administrative expenses	-	(2,454)	2,454
Net Changes	<u>241,060</u>	<u>51,828</u>	<u>189,232</u>
Balance at June 30, 2022	<u>\$ 2,260,292</u>	<u>\$ 411,501</u>	<u>\$ 1,848,791</u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the City's Total OPEB liability if it were calculated using a discount rate that is 1% point lower (4.50%) or 1% point higher (6.50%) than the current rate:

	Discount Rate		
	1% Decrease	Current Rate	1% Increase
	4.50%	5.50%	6.50%
Net OPEB liability	\$ 2,120,334	\$ 1,848,791	\$ 1,622,305

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the City's Total OPEB liability if it were calculated using a healthcare cost trend rate that is 1% point lower or 1% point higher than current rate:

	Healthcare Cost Trend Rate		
	1% Decrease	Current Trend	1% Increase
Total OPEB liability	\$ 1,653,095	\$ 1,848,791	\$ 2,054,930

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$67,016. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 89,256	\$ 185,814
Changes in assumptions	77,350	346,477
Net difference between projected and actual earnings on plan investments	31,541	-
Employer contributions made subsequent to the measurement date	-	-
	\$ 198,147	\$ 532,291

Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as pension expense as follows:

Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2023	\$ (108,378)
2024	(108,207)
2025	(98,222)
2026	(28,258)
2027	(16,778)
Thereafter	25,699

NOTE 12 DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The deferred inflow of resources recognized in the governmental fund financial statements pertains to unavailable revenues which represent receivables that were not received within the availability period.

	Governmental Funds Balance at June 30, 2022
Deferred inflow of resources	
Unavailable revenue - accounts receivable, grant reimbursements and Housing Authority receivables that were not received within the availability period and were not recognized as revenues	\$ 3,343,127

Refer to Note 10 for deferred outflows and inflows of resources related to pensions and Note 11 for deferred outflows and inflows of resources related to OPEB.

NOTE 13 PRIOR PERIOD ADJUSTMENTS

The beginning fund balance of the General Fund, Measure R, Measure M, Proposition A and Proposition C Funds were restated to reflect the adjustments related to local return funds reported in Metro Transit Funds reported in June 30, 2021 financial statements.

	General Fund	Measure M	Measure R	Proposition A	Proposition C
Fund Balance, as previously reported	\$ 2,013,650	\$ 1,249,857	\$ 1,773,373	\$ 775,823	\$ 200,587
Adjustment to correct the balance of expenditure in the Local Return Funds in the prior year	436,834	(112,287)	(229,035)	(170,167)	(129,087)
Fund balance, as restated	\$ 2,450,484	\$ 1,137,570	\$ 1,544,338	\$ 605,656	\$ 71,500

Accordingly, the beginning net position of the governmental activities was restated as follows:

Net position, beginning, as previously reported	\$	26,848,676
Adjustment to correct the balance of expenditure in the Local Return Funds in the prior year		(203,742)
Net position, beginning, as restated	\$	26,644,934

NOTE 14 SUCCESSOR AGENCY DISCLOSURES

The accompanying financial statements also include the Private-purpose Trust Fund for the Successor Agency to the City's former Redevelopment Agency (Successor Agency). The City, as the Successor Agency, serves in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency. Its assets are held in trust for the benefit of the taxing entities within the former Redevelopment Agency's boundaries and as such, are not available for the use of the City.

In 2014, the State Controller's Office ordered the transfer of assets from Cudahy Economic Development Corporation (CEDC) back to the Successor Agency. In 2015, the Board of Directors of CEDC and the Oversight Board to the Successor Agency approved the asset transfer agreement. The assets were returned to the Successor Agency with the recording of quit claim deeds on October 19, 2015. The accompanying financial statements of the Successor Agency as of and for the year ended June 30, 2022 reflect the transferred assets with a net book value of \$15,296,169.

Disclosures related to assets and long-term liabilities of the Successor Agency are as follows:

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Rental and Other Accounts Receivable

At June 30, 2022, rental and other accounts receivable consisted of the following:

Rental receivable	\$	124,687
Less allowance for bad debts		<u>(124,687)</u>
Net \$		<u><u> -</u></u>

Capital Assets and Land Held for Development

At June 30, 2022, land and buildings are composed of the following:

Site Reference	Address	APN	Cost
Santa Ana Street & Atlantic Avenue	4720 Santa Ana Street 8110 Atlantic Avenue 8100 Atlantic Avenue	6224-018-912, -913, -914, - 915	\$ 399,889 1,127,027 <u>1,323,297</u> <u>2,850,213</u>
Patata Industrial Property	8420 Atlantic Avenue 4819 Patata Street	6224-034-900, -901, -902, -	<u>2,904,717</u>
	7638 Atlantic Avenue 7644 Atlantic Avenue 7630 Atlantic Avenue	6226-022-906, -910, 909, -	1,009,070 3,650,074
Atlantic Avenue & Clara Street	7660 Atlantic Avenue 4613 Clara Street	904, -911	1,541,620 <u>407,532</u> <u>6,608,296</u>
Atlantic Avenue & Cecilia Street	8221 Atlantic Avenue 4633 Cecilia Street 8135 Atlantic Avenue 4629 Cecilia Street	Various	1,096,864 <u>2,219,090</u> <u>3,315,954</u>
Elizabeth Street Residential	5256 Elizabeth Street 5260 Elizabeth Street	Various	<u>792,961</u>
Santa Ana Street	4610 Santa Ana Street		<u>1,116,500</u>
Total land and buildings			\$ <u>17,588,641</u>
Land and buildings, cost			\$ 15,452,544
Less: Accumulated depreciation			<u>(2,292,472)</u>
Land and buildings, net			<u>13,160,072</u>
* Land held for development			\$ <u>2,136,097</u>

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-term Debt

Long-term liability activity of the successor agency for the year ended June 30, 2022 follows:

	Balance <u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2022</u>	Due Within <u>One Year</u>
Note payable	\$ 1,409,928	\$ -	\$ -	\$ 1,409,928	\$ -
2018 Series Tax Allocation					
Refunding Bonds	11,265,000	-	(1,450,000)	9,815,000	1,490,000
County deferral	<u>1,277,487</u>	<u>63,875</u>	<u>-</u>	<u>1,341,362</u>	<u>-</u>
Total	<u>\$ 13,952,415</u>	<u>\$ 63,874</u>	<u>\$ (1,450,000)</u>	<u>\$ 12,566,289</u>	<u>\$ 1,490,000</u>

Note Payable

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.

Bonds Payable

Taxable Tax Allocation Refunding Bonds, Series 2018 (2018 Bonds)

In September 2018, the Successor Agency to the Former Cudahy Community Development Commission issued the Taxable Tax Allocation Refunding Bonds, Series 2018 in the amount of \$14,030,000 to (i) to currently refund certain obligations of the Cudahy Community Development Commission (the "Former Agency") currently outstanding in the aggregate principal amount of \$16,460,000, (ii) to purchase a municipal bond insurance policy (the "Policy") with respect to certain 2018 Bonds; (iii) to purchase a municipal debt service reserve insurance policy for the 2018 Bonds (the "Reserve Policy"), and (iv) to pay certain costs of issuance of the 2018 Bonds. Accordingly, the old debt was defeased and replaced by the new debt. The difference between the reacquisition price and the net carrying amount of the old debt of \$1.8 million was reported as deferred loss on debt refunding and is being amortized as a component of interest expense over the remaining life of the new debt.

Interest on the 2018 Bonds which ranges from 2.8% to 3.8% is payable semiannually on April 1 and October 1 of each year, commencing April 1, 2019, until maturity. The Bonds are payable from the Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund and payable from amounts on deposit therein after payments of certain County of Los Angeles administrative costs and payments to certain taxing agencies.

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

The 2018 Bonds are insured. In the event of default of the payment of the scheduled principal of or interest on the Insured Bonds when all or some becomes due, the Trustee on behalf of any owner of the Insured Bonds shall have a claim under the Policy for such payments.

The outstanding balance of the 2018 bonds as of June 30, 2022 was \$9,815,000.

The following are future scheduled Annual Debt Service Requirements for the Tax Allocation Refunding Bonds, Series 2018:

Year ending June 30	Principal	Interest	Total
2023	\$ 1,490,000	\$ 332,324	\$ 1,822,324
2024	1,540,000	280,438	1,820,438
2025	1,590,000	225,147	1,815,147
2026	1,640,000	165,939	1,805,939
2027	1,700,000	103,149	1,803,149
2028	1,855,000	35,514	1,890,514
Total	\$ <u>9,815,000</u>	\$ <u>1,142,511</u>	\$ <u>10,957,511</u>

Pledged Future Revenues

The City pledged future tax revenues associated with bond issuance for Series 2018 Tax Allocation Refunding Bonds. These debt issuance and pledged tax revenues are reported in the Private-Purpose Trust Fund (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 2027 and are not available for other purposes during the duration that the bonds are outstanding. The total principal and interest remaining is approximately \$10,957,511. Management expects that pledged tax revenues will be sufficient to make future principal and interest payments on the bonds.

County Deferrals

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

**NOTE 15 GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS
ISSUED, NOT YET EFFECTIVE**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements, that have effective dates that may impact future financial presentations. Management has not yet determined any impact the implementation of the following statements may have on the financial statements of the City.

GASB No. 94

In May 2020, the Governmental Accounting Standards Board issued Statement No. 94, *“Public-Private and Public-Public Partnerships and Availability Payment Arrangements.”* The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB No. 96

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *“Subscription-Based Information Technology Arrangements.”* The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB No. 97

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, *“Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan – an amendment of GASB Statements No. 14, 84, and a suppression of GASB Statement No. 32.”* The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB No. 99

In April 2022, the Governmental Accounting Standards Board issued Statement No. 99, *“Omnibus 2022”*. The requirements of this Statement are effective as follow:

- The requirements related to extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, public-private and public-public partnerships (PPPs), and subscription-based information technology arrangement (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB No. 100

In May 2022, the Governmental Accounting Standards Board issued Statement No. 100, *“Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.”* The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

**NOTE 15 GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS
ISSUED, NOT YET EFFECTIVE (CONTINUED)**

GASB No. 101

In May 2022, the Governmental Accounting Standards Board issued Statement No. 101, "*Compensated Absences*." The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

NOTE 16 IMPACT OF CORONAVIRUS ON THE CITY'S OPERATIONS

In January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of an outbreak of a new strain of coronavirus ("COVID-19 outbreak") and the risks that are posed to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The City's operations are primarily dependent on the ability to collect property taxes and sales taxes. The COVID-19 outbreak may have a continued adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation is expected to depress the tax bases and other areas in which the City receives revenue during the fiscal year 2021. The COVID-19 outbreak could also have other potential impacts, including disruptions or restrictions on employees' ability to work. As such, this may hinder the ability of the City to meet the needs of its constituents. The City cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time; however, if the pandemic continues, it may have an effect on the City's results of future operations and financial position in the fiscal year 2022.

NOTE 17 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2022 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 21, 2022, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that, except for the matter described below, no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

On October 7, 2022, the City issued \$5.1 million in tax-exempt lease financing to finance the City-Wide Energy Efficiency Facilities Modernization Project. The interest rate at issuance is 4.9029% with semi-annual payments over 15 years.

**City of Cudahy
General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year ended June 30, 2022**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Taxes	\$ 3,350,300	\$ 4,393,381	\$ 1,043,081
Licenses and permits	2,692,000	2,126,586	(565,414)
Intergovernmental	2,863,248	3,116,744	253,496
Charges for services	276,000	526,369	250,369
Fines, forfeitures and penalties	86,500	296,800	210,300
Use of money and property	6,000	11,071	5,071
Other revenue	556,250	533,797	(22,453)
Total revenues	<u>9,830,298</u>	<u>11,004,748</u>	<u>1,174,450</u>
Expenditures			
Current:			
General government	4,150,710	4,191,730	(41,020)
Public safety	4,030,440	4,112,642	(82,202)
Community services	1,254,426	615,921	638,505
Community development	676,322	1,425,535	(749,213)
Total expenditures	<u>10,111,898</u>	<u>10,345,828</u>	<u>(233,930)</u>
Excess (deficiency) of revenues over expenditures	<u>(281,600)</u>	<u>658,920</u>	<u>940,520</u>
Other financing sources (uses)			
Transfers in	-	5,245,790	5,245,790
Transfers out	-	(712,196)	(712,196)
Net other financing sources (uses)	<u>-</u>	<u>4,533,594</u>	<u>4,533,594</u>
Change in fund balance	(281,600)	5,192,514	5,474,114
Fund balance, beginning of year as previously reported	2,013,650	2,013,650	-
Prior Period Adjustments	436,834	436,834	-
Fund balances, beginning of year, as restated	<u>2,450,484</u>	<u>2,450,484</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,168,884</u>	<u>\$ 7,642,998</u>	<u>\$ 5,474,114</u>

City of Cudahy
American Rescue Plan Act (ARPA)

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year ended June 30, 2022**

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	4,975,288	4,975,288
Charges for services	-	-	-
Fines, forfeitures and penalties	-	-	-
Use of money and property	-	-	-
Other revenue	-	-	-
Total revenues	-	4,975,288	4,975,288
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Community services	-	-	-
Community development	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	4,975,288	4,975,288
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	(4,975,288)	(4,975,288)
Net other financing sources (uses)	-	(4,975,288)	(4,975,288)
Change in fund balance	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -

City of Cudahy
Housing Authority

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year ended June 30, 2022

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Other revenue	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures			
Current:			
Community development	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-
Other financing sources			
Transfer in	-	-	-
Other financing sources	-	-	-
Change in fund balance	-	-	-
Fund balance, beginning of year	1,782,945	1,782,945	-
Fund balance (deficit), end of year	\$ 1,782,945	\$ 1,782,945	\$ -

City of Cudahy
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Years*

	Measurement Date	Measurement Date	Measurement Date	Measurement Date	Measurement Date	Measurement Date	Measurement Date			Measurement Date		
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015			June 30, 2014		
	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan			Miscellaneous Plan		
							Classic	Second Tier	PEPRA	Classic	Second Tier	PEPRA
Proportion of the net pension liability (asset)	0.13398%	0.08932%	0.08993%	0.09081%	0.08980%	0.09058%	0.07024%	0.00051%	0.00017%	0.03347%	0.0001%	0.0000%
Proportionate Share of the net pension liability (asset)	\$ 2,544,002	\$ 3,767,399	\$ 3,601,385	\$ 3,422,376	\$ 3,539,977	\$ 3,146,658	\$ 2,626,208	\$ 534	\$ (757)	\$ 2,082,443	\$ 4,983	\$ 140
Covered payroll ⁽¹⁾	\$ 1,270,525	\$ 1,502,899	\$ 1,368,001	\$ 1,325,975	\$ 1,179,459	\$ 1,174,291	\$ 463,703	\$ 452,647	\$ 257,941	\$ 628,845	\$ 320,891	\$ 88,443
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	200%	251%	263%	258%	300%	268%	566%	0%	0%	331.15%	1.55%	0.16%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	80.28%	70.07%	67.61%	70.91%	69.21%	68.73%	72.59%	99.23%	103.32%	79.87%	83.03%	83.05%
Plan's Proportionate Share of Aggregate Employer Contributions ⁽²⁾	\$ 407,362	\$ 394,006	\$ 357,579	\$ 317,703	\$ 301,113	\$ 257,534	\$ 127,356	\$ 41,418	\$ 18,506	\$ 223,430	\$ 659	\$ 19

Notes to Schedule

- 1 GASB Statement No. 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan.
- 2 The Plan's proportionate share of aggregate employer contributions may not match the actual contributions made by the employer during the measurement period. The Plan's proportionate share of aggregate employer contributions is based on the Plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the City during the measurement period.

* - Fiscal year 2014 was the 1st year of implementation, therefore only eight years are shown.

**City of Cudahy
Schedule of Pension Contributions
Last 10 years***

	<u>June 30, 2022</u>		<u>June 30, 2021</u>		<u>June 30, 2020</u>		<u>June 30, 2019</u>		<u>June 30, 2018</u>		<u>June 30, 2017</u>		<u>June 30, 2016</u>		<u>June 30, 2015</u>	
	Miscellaneous		Miscellaneous		Miscellaneous		Miscellaneous		Miscellaneous		Miscellaneous		Miscellaneous Plan		Miscellaneous Plan	
	Plan		Plan		Plan		Plan		Plan		Plan		Classic		PEPRA	
Contractually required contribution (actuarially determined)	\$ 145,192	\$ 109,592	\$ 112,357	\$ 103,577	\$ 101,829	\$ 91,846	\$ 73,439	\$ 14,443	\$ 118,139	\$ 12,145						
Contributions in relation to the actuarially determined contributions	<u>(145,192)</u>	<u>(109,592)</u>	<u>(112,357)</u>	<u>(103,577)</u>	<u>(101,829)</u>	<u>(91,846)</u>	<u>(73,439)</u>	<u>(14,443)</u>	<u>(118,139)</u>	<u>(12,145)</u>						
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,613,163	\$ 1,270,525	\$ 1,502,899	\$ 1,368,001	\$ 1,325,975	\$ 1,179,459	\$ 916,350	\$ 257,941	\$ 949,736	\$ 88,443						
Contributions as a percentage of covered payroll	9.00%	8.63%	7.48%	7.57%	7.68%	7.79%	8.01%	5.60%	12.44%	13.73%						

Notes to Schedule

Valuation date

June 30, 2020

Methods and assumptions used to determine contribution rates:

- Actuarial Cost Method
- Amortization method
- Remaining amortization period
- Asset valuation method
- Inflation
- Salary increases
- Investment rate of return

- Entry-Age Normal Cost Method
- Level percentage of payroll, closed
- 15 years as of valuation date
- 5-year smoothed market
- 2.50%
- Varies by entry age and age
- 7.15%, net of pension plan investment expense; includes inflation
- 57 yrs.
- Derived using CalPERS' membership data for all funds

- Retirement age
- Mortality Rate Table

* - Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

City of Cudahy
Schedule of Changes in Net OPEB Liability and Related Ratios
Last 10 years*

	Fiscal Year Ending <u>June 30, 2022</u>	Fiscal Year Ending <u>June 30, 2021</u>	Fiscal Year Ending <u>June 30, 2020</u>	Fiscal Year Ending <u>June 30, 2019</u>	Fiscal Year Ending <u>June 30, 2018</u>
Total Pension Liability					
Service cost	\$ 73,353	71,216	\$ 83,187	\$ 118,228	\$ 121,259
Interest on total OPEB liability	121,345	118,018	133,413	106,800	98,653
Changes in assumptions	86,669	-	(58,153)	(609,512)	(101,442)
Actual vs. expected experience	100,010	-	(277,197)	-	-
Changes in benefit terms	-	-	-	-	441
Benefit payments, including refunds of employee contributions	(140,317)	(131,500)	(120,236)	(113,023)	(110,633)
Net change in total OPEB liability	<u>241,060</u>	<u>57,734</u>	<u>(238,986)</u>	<u>(497,507)</u>	<u>8,278</u>
Total OPEB liability - beginning of year	<u>2,019,232</u>	<u>1,961,498</u>	<u>2,200,484</u>	<u>2,697,991</u>	<u>2,689,713</u>
Total OPEB liability - end of year (a)	<u>\$ 2,260,292</u>	<u>2,019,232</u>	<u>\$ 1,961,498</u>	<u>\$ 2,200,484</u>	<u>\$ 2,697,991</u>
Plan Fiduciary Net Position					
Net investment income	\$ (46,070)	51,049	\$ 8,394	\$ 1,149	-
Contributions - employer	240,669	231,834	220,541	213,280	-
Benefit payments, including refunds of employee contributions	(140,317)	(131,500)	(120,236)	(113,023)	-
Administrative expenses	(2,454)	(977)	(581)	(257)	-
Net change in plan fiduciary net position	<u>51,828</u>	<u>150,406</u>	<u>108,118</u>	<u>101,149</u>	<u>-</u>
Plan fiduciary net position - beginning of year	<u>359,673</u>	<u>209,267</u>	<u>101,149</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - end of year (b)	<u>\$ 411,501</u>	<u>359,673</u>	<u>\$ 209,267</u>	<u>\$ 101,149</u>	<u>\$ -</u>
Net OPEB liability - end of year (a)-(b)	<u>\$ 1,848,791</u>	<u>1,659,559</u>	<u>\$ 1,752,231</u>	<u>\$ 2,099,335</u>	<u>\$ 2,697,991</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>18.21%</u>	<u>17.81%</u>	<u>10.67%</u>	<u>4.60%</u>	<u>0.00%</u>
Covered - employee payroll	\$ 1,613,163	1,502,899	\$ 1,502,899	\$ 1,368,001	\$ 720,987
Total net OPEB liability as percentage of covered-employee payroll	<u>114.61%</u>	<u>110.42%</u>	<u>116.59%</u>	<u>153.46%</u>	<u>374.21%</u>

* Fiscal year 2018 was the first year of implementation, therefore only five years are shown.

City of Cudahy
Schedule of OPEB Contributions
Last 10 years**

In 2022, the City committed to contributing \$100,000 to the Plan annually. Below table shows the City's contribution to the Plan based on actuarially determined contribution:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution *	\$ 209,797	203,407	\$ 197,212	\$ 113,023	\$ 110,633
Contributions in relation to the actuarially determined contributions	<u>(240,669)</u>	<u>(231,834)</u>	<u>(220,541)</u>	<u>(213,280)</u>	<u>(110,633)</u>
Contribution deficiency (excess)	<u>\$ (30,872)</u>	<u>(28,427)</u>	<u>\$ (23,329)</u>	<u>\$ (100,257)</u>	<u>\$ -</u>
Covered payroll	\$ 1,613,163	1,270,525	\$ 1,502,899	\$ 1,368,001	\$ 720,897
Contributions as a percentage of covered payroll	14.92%	18.25%	14.67%	15.59%	15.34%

* Calculated based on annual required benefit payments.

**Fiscal year 2018 was the first year of implementation, therefore only five years are shown.

THIS PAGE INTENTIONALLY LEFT BLANK

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.

Prop 1B Local Street Improvements	Prop 1B came from bond proceeds issued to fund maintenance and improvement of local streets and roads.
Proposition A	To account for revenues and expenditures for projects from a voter-approved sales tax override for public transportation purposes.
Proposition C	To account for financial transactions in accordance with Proposition C of the Local Transit Assistance Act.
Measure M	To account for revenues and expenditures for Measure M Local Return money from LACMTA that are restricted for specific use.
Measure R	To account for revenues and expenditures for projects from a voter-approved sales tax measure (Measure R) for public transportation purposes.
Measure W	To account for the Measure W Funds and expenditure allowable under the Measure W – Safe, Clean Water Program
Air Quality Improvement (AQMD)	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.
Recycling Conservation Grants	To account for revenue and expenditure pertaining to recycling grants.
COPS	To account for financial transactions in accordance with grant requirements from the California Office of Criminal Justice.
County Park Bond	To account for projects and grants funded by the County Park Bond Act.
TDA – Transportation Development	To account for funds received from the Transportation Development Authority for transport projects.
Street Lighting	To account for revenues and costs associated with the City’s street lighting program.

SPECIAL REVENUE FUNDS (CONTINUED)

Cal Home	To account for transactions funded by the Cal Home program.
Development Impact Fees	To account for monies received from developers restricted to finance the acquisition and develop new parkland space. These monies are restricted under the Quimby Act by ordinance and require the dedication of land or impose a requirement of the payment of fee in lieu.
Surface Transportation Program Local (STPL)	To account for Federal, state, and local Surface Transportation Program funds received from Los Angeles County Metropolitan Transportation Authority for transportation related projects.
Other Grants	To account for State Grants relating to future development in the City including transportation related projects.
State Gas Tax	This fund accounts for gas tax revenue received from the State of California to cover costs of street maintenance and improvements.
Community Development Block Grant (CDBG)	Accounts for expenses of the Community Development Block Grant received through the County of Los Angeles.

City of Cudahy
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue		
	Prop 1B Local Street Improvements	Proposition A	Proposition C
ASSETS			
Cash and investments	\$ 281	\$ 1,318,068	\$ 700,824
Accounts receivable	-	-	-
Grants receivable	-	-	-
Notes receivable	-	-	-
Interest receivable	-	2,674	964
Total assets	\$ 281	\$ 1,320,742	\$ 701,788
LIABILITIES			
Accounts payable	\$ -	\$ 345,570	\$ 26,434
Due to other funds	-	90,909	97,464
Due to other governments	-	-	-
Total liabilities	-	436,479	123,898
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
FUND BALANCES (DEFICIT):			
Restricted:			
Special revenue funds	281	884,264	577,890
Unassigned	-	-	-
Total fund balances (deficit)	281	884,264	577,890
Total liabilities and fund balances	\$ 281	\$ 1,320,742	\$ 701,788

**City of Cudahy
Nonmajor Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2022**

Special Revenue					
Measure M	Measure R	Measure W	AQMD	Recycling Conservation Grants	COPS
\$ 1,559,928	\$ 1,683,394	\$ 324,073	\$ 121,427	\$ 23,541	\$ 170,961
-	-	-	7,591	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,543	4,549	376	-	-	-
<u>\$ 1,563,471</u>	<u>\$ 1,687,943</u>	<u>\$ 324,449</u>	<u>\$ 129,018</u>	<u>\$ 23,541</u>	<u>\$ 170,961</u>
\$ 50,268	\$ 5,327	\$ -	\$ -	\$ -	\$ 20,000
72,982	109,420	-	-	-	-
-	-	-	-	-	-
<u>123,250</u>	<u>114,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,440,221	1,573,196	324,449	129,018	23,541	150,961
-	-	-	-	-	-
<u>1,440,221</u>	<u>1,573,196</u>	<u>324,449</u>	<u>129,018</u>	<u>23,541</u>	<u>150,961</u>
<u>\$ 1,563,471</u>	<u>\$ 1,687,943</u>	<u>\$ 324,449</u>	<u>\$ 129,018</u>	<u>\$ 23,541</u>	<u>\$ 170,961</u>

City of Cudahy
Nonmajor Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2022

	Special Revenue			
	County Park Bond	TDA - Transportation Development	Street Lighting	Cal Home
Cash and investments	\$ 29,412	\$ -	\$ -	\$ 115,894
Accounts receivable	-	17,051	-	-
Grants receivable	-	-	-	-
Notes receivable	-	-	-	151,000
Interest receivable	-	-	-	75,106
Total assets	\$ 29,412	\$ 17,051	\$ -	\$ 342,000
Accounts payable	\$ -	\$ 17,051	\$ 12,789	\$ -
Due to other funds	-	-	94,244	-
Due to other governments	-	-	-	225,806
Total liabilities	-	17,051	107,033	225,806
Unavailable revenue	-	-	-	-
Restricted:				
Special revenue funds	29,412	-	-	116,194
Unassigned	-	-	(107,033)	-
Total fund balances (deficit)	29,412	-	(107,033)	116,194
	\$ 29,412	\$ 17,051	\$ -	\$ 342,000

**City of Cudahy
Nonmajor Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2022**

Special Revenue					Total Nonmajor Governmental Funds
Development Impact Fees	Surface Transportation Program Local	Other Grants	State Gas Tax	CDBG	
\$ 70,328	\$ 836,720	\$ -	\$ 1,267,172	\$ 504,457	\$ 8,726,480
-	-	530,353	176,369	-	731,364
-	-	-	-	152,754	152,754
-	-	-	-	227,195	378,195
163	-	-	2,992	24,700	115,067
<u>\$ 70,491</u>	<u>\$ 836,720</u>	<u>\$ 530,353</u>	<u>\$ 1,446,533</u>	<u>\$ 909,106</u>	<u>\$ 10,103,860</u>
\$ -	\$ 644	\$ 59,602	\$ 35,152	\$ 18,000	\$ 590,836
-	-	340,585	-	-	805,604
-	-	-	-	254,264	480,070
<u>-</u>	<u>644</u>	<u>400,187</u>	<u>35,152</u>	<u>272,264</u>	<u>1,876,510</u>
-	-	-	-	-	-
70,491	836,076	130,166	1,411,381	636,842	8,334,383
-	-	-	-	-	(107,033)
<u>70,491</u>	<u>836,076</u>	<u>130,166</u>	<u>1,411,381</u>	<u>636,842</u>	<u>8,227,350</u>
<u>\$ 70,491</u>	<u>\$ 836,720</u>	<u>\$ 530,353</u>	<u>\$ 1,446,533</u>	<u>\$ 909,106</u>	<u>\$ 10,103,860</u>

City of Cudahy
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended June 30, 2022

	Special Revenue		
	Prop 1B Local Street Improvements	Proposition A	Proposition C
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	148	610,416	506,327
Charges for services	-	-	1,965
Use of money and property	69	4,941	1,918
Other revenue	-	-	-
Total revenues	<u>217</u>	<u>615,357</u>	<u>510,210</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Community services	-	336,749	3,820
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>336,749</u>	<u>3,820</u>
Excess (deficiency) of revenues over expenditures	<u>217</u>	<u>278,608</u>	<u>506,390</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>217</u>	<u>278,608</u>	<u>506,390</u>
Fund balances, beginning of year, as previously reported	64	775,823	200,587
Prior Period Adjustments	<u>-</u>	<u>(170,167)</u>	<u>(129,087)</u>
Fund balances, beginning of year, as restated	64	605,656	71,500
Fund balances, end of year	<u>\$ 281</u>	<u>\$ 884,264</u>	<u>\$ 577,890</u>

**City of Cudahy
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (Continued)
Year Ended June 30, 2022**

Special Revenue						
Measure M	Measure R	Measure W	AQMD	Recycling Conservation Grants	COPS	
\$ 429,656	\$ -	\$ -	\$ -	\$ -	\$ -	
-	379,685	162,331	30,608	-	101,254	
-	-	-	-	-	-	
6,868	9,175	571	145	40	234	
-	-	-	-	-	-	
<u>436,524</u>	<u>388,860</u>	<u>162,902</u>	<u>30,753</u>	<u>40</u>	<u>101,488</u>	
1,575	34,717	-	-	-	-	
-	-	-	-	-	120,000	
24,208	72,000	-	15,076	-	-	
108,090	223,200	-	-	-	-	
-	30,085	-	-	-	-	
<u>133,873</u>	<u>360,002</u>	<u>-</u>	<u>15,076</u>	<u>-</u>	<u>120,000</u>	
<u>302,651</u>	<u>28,858</u>	<u>162,902</u>	<u>15,677</u>	<u>40</u>	<u>(18,512)</u>	
-	-	161,547	-	-	-	
-	-	-	-	(9)	-	
-	-	161,547	-	(9)	-	
<u>302,651</u>	<u>28,858</u>	<u>324,449</u>	<u>15,677</u>	<u>31</u>	<u>(18,512)</u>	
1,249,857	1,773,373	-	113,341	23,510	169,473	
<u>(112,287)</u>	<u>(229,035)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
1,137,570	1,544,338	-	113,341	23,510	169,473	
<u>\$ 1,440,221</u>	<u>\$ 1,573,196</u>	<u>\$ 324,449</u>	<u>\$ 129,018</u>	<u>\$ 23,541</u>	<u>\$ 150,961</u>	

City of Cudahy
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (Continued)
Year Ended June 30, 2022

	Special Revenue			
	TDA -			
	County Park Bond	Transportation Development	Street Lighting	Cal Home
Revenues:				
Taxes	\$ -	\$ -	\$ 67,144	\$ -
Intergovernmental	-	17,051	-	-
Charges for services	-	-	-	-
Use of money and property	40	-	-	157
Other revenue	-	-	-	-
Total revenues	<u>40</u>	<u>17,051</u>	<u>67,144</u>	<u>157</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	172,466	-
Capital outlay	-	17,051	-	-
Total expenditures	<u>-</u>	<u>17,051</u>	<u>172,466</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>40</u>	<u>-</u>	<u>(105,322)</u>	<u>157</u>
Other financing sources (uses):				
Transfers in	-	-	51,928	-
Transfers out	-	-	(45,620)	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,308</u>	<u>-</u>
Change in fund balance	<u>40</u>	<u>-</u>	<u>(99,014)</u>	<u>157</u>
Fund balances, beginning of year, as previously reported	29,372	-	(8,019)	116,037
Prior Period Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year, as restated	29,372	-	(8,019)	116,037
Fund balances, end of year	<u>\$ 29,412</u>	<u>\$ -</u>	<u>\$ (107,033)</u>	<u>\$ 116,194</u>

City of Cudahy
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (Continued)
Year Ended June 30, 2022

Special Revenue						Total Nonmajor Governmental Funds
Development Impact Fees	Surface Transportation Program Local	Other Grants	State Gas Tax	CDBG		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496,800
-	-	273,328	1,090,179	294,672	-	3,465,999
-	-	-	-	-	-	1,965
342	1,144	-	5,861	-	-	31,505
-	-	258,831	-	(569)	-	258,262
<u>342</u>	<u>1,144</u>	<u>532,159</u>	<u>1,096,040</u>	<u>294,103</u>	<u>-</u>	<u>4,254,531</u>
-	-	-	-	-	-	36,292
-	-	-	-	-	-	120,000
-	-	441,983	-	294,064	-	847,331
-	-	-	717,315	-	-	1,561,640
-	10,181	37,085	-	-	-	94,402
<u>-</u>	<u>10,181</u>	<u>479,068</u>	<u>717,315</u>	<u>294,064</u>	<u>-</u>	<u>2,659,665</u>
<u>342</u>	<u>(9,037)</u>	<u>53,091</u>	<u>378,725</u>	<u>39</u>	<u>-</u>	<u>1,594,866</u>
-	-	166,019	956,331	10,275	-	1,346,100
-	-	-	(956,531)	(8,304)	-	(1,010,464)
<u>-</u>	<u>-</u>	<u>166,019</u>	<u>(200)</u>	<u>1,971</u>	<u>-</u>	<u>335,636</u>
<u>342</u>	<u>(9,037)</u>	<u>219,110</u>	<u>378,525</u>	<u>2,010</u>	<u>-</u>	<u>1,930,502</u>
70,149	845,113	(88,944)	1,032,856	634,832	-	6,937,424
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(640,576)</u>
<u>70,149</u>	<u>845,113</u>	<u>(88,944)</u>	<u>1,032,856</u>	<u>634,832</u>	<u>-</u>	<u>6,296,848</u>
<u>\$ 70,491</u>	<u>\$ 836,076</u>	<u>\$ 130,166</u>	<u>\$ 1,411,381</u>	<u>\$ 636,842</u>	<u>\$ -</u>	<u>\$ 8,227,350</u>

City of Cudahy
 Nonmajor Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
 Prop 1B Local Street Improvements Fund
 Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Intergovernmental	\$ -	\$ 148	\$ 148
Use of money and property	-	69	69
Total revenues	<u>-</u>	<u>217</u>	<u>217</u>
 Change in fund balance	 -	 217	 217
 Fund balance, beginning of year	 <u>64</u>	 <u>64</u>	 <u>-</u>
Fund balance, end of year	\$ <u><u>64</u></u>	\$ <u><u>281</u></u>	\$ <u><u>217</u></u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Proposition A Fund
Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 435,938	\$ 610,416	\$ 174,478
Use of money and property	1,000	4,941	3,941
Total revenues	<u>436,938</u>	<u>615,357</u>	<u>178,419</u>
Expenditures			
Current:			
Community services	-	336,749	(336,749)
Total expenditures	<u>-</u>	<u>336,749</u>	<u>(336,749)</u>
Excess (deficiency) of revenues over expenditures	<u>436,938</u>	<u>278,608</u>	<u>(158,330)</u>
Other financing sources (uses)			
Transfer in	-	-	-
Transfer out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	436,938	278,608	(158,330)
Fund balance, beginning of year as previously reported	775,823	775,823	-
Prior Period Adjustments	<u>(170,167)</u>	<u>(170,167)</u>	<u>-</u>
Fund balances, beginning of year as restated	605,656	605,656	-
Fund balance, end of year	<u>\$ 1,042,594</u>	<u>\$ 884,264</u>	<u>\$ (158,330)</u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Proposition C Fund
Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 435,498	\$ 506,327	\$ 70,829
Charges for services	25,000	1,965	(23,035)
Use of money and property	350	1,918	1,568
Total revenues	<u>460,848</u>	<u>510,210</u>	<u>49,362</u>
Expenditures			
Current:			
Community services	55,000	3,820	51,180
Total expenditures	<u>55,000</u>	<u>3,820</u>	<u>51,180</u>
Excess (deficiency) of revenues over expenditures	<u>405,848</u>	<u>506,390</u>	<u>100,542</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	405,848	506,390	100,542
Fund balance, beginning of year as previously reported	200,587	200,587	-
Prior Period Adjustments	<u>(129,087)</u>	<u>(129,087)</u>	<u>-</u>
Fund balances, beginning of year as restated	<u>71,500</u>	<u>71,500</u>	<u>-</u>
Fund balance, end of year	<u>\$ 477,348</u>	<u>\$ 577,890</u>	<u>\$ 100,542</u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Measure M Fund
Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Taxes	\$ -	\$ 429,656	\$ 429,656
Use of money and property	-	6,868	6,868
Total revenues	<u>-</u>	<u>436,524</u>	<u>436,524</u>
Expenditures			
Current:			
General government	-	1,575	(1,575)
Community development	-	24,208	(24,208)
Community services	140,000	108,090	31,910
Total expenditures	<u>140,000</u>	<u>133,873</u>	<u>6,127</u>
Excess (deficiency) of revenues over expenditures	<u>(140,000)</u>	<u>302,651</u>	<u>442,651</u>
Other financing sources (uses)			
Transfers in	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	(140,000)	302,651	442,651
Fund balance, beginning of year			
as previously reported	1,249,857	1,249,857	-
Prior Period Adjustments	(112,287)	(112,287)	-
Fund balances, beginning of year as restated	<u>1,137,570</u>	<u>1,137,570</u>	<u>-</u>
Fund balance, end of year	<u>\$ 997,570</u>	<u>\$ 1,440,221</u>	<u>\$ 442,651</u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Measure R Fund
Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 271,209	\$ 379,685	\$ 108,476
Use of money and property	1,000	9,175	8,175
Total revenues	<u>272,209</u>	<u>388,860</u>	<u>116,651</u>
Expenditures			
Current:			
General government	-	34,717	(34,717)
Community development	-	72,000	(72,000)
Community services	-	223,200	(223,200)
Capital outlay	36,320	30,085	6,235
Total expenditures	<u>36,320</u>	<u>360,002</u>	<u>(323,682)</u>
Excess (deficiency) of revenues over expenditures	<u>235,889</u>	<u>28,858</u>	<u>(207,031)</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	235,889	28,858	(207,031)
Fund balance, beginning of year as previously reported	1,773,373	1,773,373	-
Prior Period Adjustments	<u>(229,035)</u>	<u>(229,035)</u>	<u>-</u>
Fund balances, beginning of year as restated	<u>1,544,338</u>	<u>1,544,338</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 1,780,227</u>	<u>\$ 1,573,196</u>	<u>\$ (207,031)</u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Measure W Fund
Year ended June 30, 2022

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ 162,331	\$ 162,331
Use of money and property	-	571	571
Total revenues	-	162,902	162,902
Excess (deficiency) of revenues over expenditures	-	162,902	162,902
Other financing sources (uses)			
Transfers in	-	161,547	161,547
Net other financing sources (uses)	-	161,547	161,547
Change in fund balance	-	324,449	324,449
Fund balance, beginning of year	-	-	-
Fund balance (deficit), end of year	\$ -	\$ 324,449	\$ 324,449

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Air Quality Improvement (AQMD) Fund
Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 25,900	\$ 30,608	\$ 4,708
Use of money and property	100	145	45
Total revenues	<u>26,000</u>	<u>30,753</u>	<u>4,753</u>
Expenditures			
Current:			
Community development	110,900	15,076	95,824
Total expenditures	<u>110,900</u>	<u>15,076</u>	<u>95,824</u>
Excess (deficiency) of revenues over expenditures	<u>(84,900)</u>	<u>15,677</u>	<u>100,577</u>
Other financing sources (uses)			
Transfers in	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	(84,900)	15,677	100,577
Fund balance, beginning of year	<u>113,341</u>	<u>113,341</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 28,441</u>	<u>\$ 129,018</u>	<u>\$ 100,577</u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Recycling Conservation Grants Fund
Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 40	\$ 40
Total revenues	<u>-</u>	<u>40</u>	<u>40</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>40</u>	<u>40</u>
Other financing sources (uses)			
Transfers out	<u>-</u>	<u>(9)</u>	<u>(9)</u>
Net other financing sources (uses)	<u>-</u>	<u>(9)</u>	<u>(9)</u>
Change in fund balance	-	31	31
Fund balance, beginning of year	<u>23,510</u>	<u>23,510</u>	<u>-</u>
Fund balance, end of year	<u>\$ 23,510</u>	<u>\$ 23,541</u>	<u>\$ 31</u>

City of Cudahy
Nonmajor Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Community Oriented Policing Services (COPS) Grant Fund
Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 100,000	\$ 101,254	\$ 1,254
Use of money and property	-	234	234
Total revenues	<u>100,000</u>	<u>101,488</u>	<u>1,488</u>
Expenditures			
Current:			
Public safety	<u>100,000</u>	<u>120,000</u>	<u>(20,000)</u>
Total expenditures	<u>100,000</u>	<u>120,000</u>	<u>(20,000)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(18,512)</u>	<u>(18,512)</u>
Change in fund balance	-	(18,512)	(18,512)
Fund balance, beginning of year	<u>169,473</u>	<u>169,473</u>	-
Fund balance (deficit), end of year	<u>\$ 169,473</u>	<u>\$ 150,961</u>	<u>\$ (18,512)</u>

City of Cudahy
 Nonmajor Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
 County Park Bond Fund
 Year ended June 30, 2022

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 40	\$ 40
Total revenues	<u>-</u>	<u>40</u>	<u>40</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>40</u>	<u>40</u>
Change in fund balance	-	40	40
Fund balance, beginning of year	29,372	29,372	-
Fund balance (deficit), end of year	<u>\$ 29,372</u>	<u>\$ 29,412</u>	<u>\$ 40</u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
TDA – Transportation Development Fund
Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 66,278	\$ 17,051	\$ (49,227)
Total revenues	<u>66,278</u>	<u>17,051</u>	<u>(49,227)</u>
Expenditures			
Capital outlays	-	17,051	(17,051)
Total expenditures	<u>-</u>	<u>17,051</u>	<u>(17,051)</u>
Excess (deficiency) of revenues over expenditures	<u>66,278</u>	<u>-</u>	<u>(66,278)</u>
Change in fund balance	66,278	-	(66,278)
Fund balance, beginning of year	-	-	-
Fund balance (deficit), end of year	<u>\$ 66,278</u>	<u>\$ -</u>	<u>\$ (66,278)</u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Street Lighting Fund
Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Taxes	\$ 82,356	\$ 67,144	\$ (15,212)
Total revenues	<u>82,356</u>	<u>67,144</u>	<u>(15,212)</u>
Expenditures			
Current:			
Community services	82,356	172,466	(90,110)
Total expenditures	<u>82,356</u>	<u>172,466</u>	<u>(90,110)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(105,322)</u>	<u>(105,322)</u>
Other financing sources (uses)			
Transfers in	-	51,928	51,928
Transfers out	-	(45,620)	(45,620)
Net other financing sources (uses)	<u>-</u>	<u>6,308</u>	<u>6,308</u>
Change in fund balance	-	(99,014)	(99,014)
Fund balance, beginning of year	<u>(8,019)</u>	<u>(8,019)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (8,019)</u>	<u>\$ (107,033)</u>	<u>\$ (99,014)</u>

City of Cudahy
 Nonmajor Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
 Cal Home Fund
 Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 157	\$ 157
Total revenues	<u>-</u>	<u>157</u>	<u>157</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>157</u>	<u>157</u>
Change in fund balance	-	157	157
Fund balance, beginning of year	<u>116,037</u>	<u>116,037</u>	<u>-</u>
Fund balance, end of year	<u>\$ 116,037</u>	<u>\$ 116,194</u>	<u>\$ 157</u>

City of Cudahy
 Nonmajor Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
 Development Impact Fees
 Year ended June 30, 2022

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 342	\$ 342
Total Revenues	<u>-</u>	<u>342</u>	<u>342</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>342</u>	<u>342</u>
Change in fund balance	-	342	342
Fund balance, beginning of year	<u>70,149</u>	<u>70,149</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 70,149</u>	<u>\$ 70,491</u>	<u>\$ 342</u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Surface Transportation Program Local (STPL) Fund
Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 1,144	\$ 1,144
Total revenues	<u>-</u>	<u>1,144</u>	<u>1,144</u>
Expenditures			
Capital outlay	357,629	10,181	347,448
Total Expenditures	<u>357,629</u>	<u>10,181</u>	<u>347,448</u>
Excess (deficiency) of revenues over expenditures	<u>(357,629)</u>	<u>(9,037)</u>	<u>348,592</u>
Change in fund balance	(357,629)	(9,037)	348,592
Fund balance, beginning of year	845,113	845,113	-
Fund balance, end of year	<u>\$ 487,484</u>	<u>\$ 836,076</u>	<u>\$ 348,592</u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Other Grants Fund
Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 1,074,000	\$ 273,328	\$ (800,672)
Other revenue	2,134,449	258,831	(1,875,618)
Total revenues	<u>3,208,449</u>	<u>532,159</u>	<u>(2,676,290)</u>
Expenditures			
Current:			
Community development	1,384,000	441,983	942,017
Capital outlay	-	37,085	(37,085)
Total expenditures	<u>1,384,000</u>	<u>479,068</u>	<u>904,932</u>
Excess (deficiency) of revenues over expenditures	<u>1,824,449</u>	<u>53,091</u>	<u>(1,771,358)</u>
Other financing sources (uses)			
Transfer in	-	166,019	166,019
Net other financing sources (uses)	<u>-</u>	<u>166,019</u>	<u>166,019</u>
Change in fund balance	1,824,449	219,110	(1,605,339)
Fund deficit, beginning of year	(88,944)	(88,944)	-
Fund balance (deficit), end of year	<u>\$ 1,735,505</u>	<u>\$ 130,166</u>	<u>\$ (1,605,339)</u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
State Gas Tax
Year ended June 30, 2022

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Intergovernmental	\$ 539,726	\$ 1,090,179	\$ 550,453
Use of money and property	-	5,861	5,861
Total revenues	<u>539,726</u>	<u>1,096,040</u>	<u>556,314</u>
Expenditures			
Current:			
Community services	604,593	717,315	(112,722)
Total expenditures	<u>604,593</u>	<u>717,315</u>	<u>(112,722)</u>
Excess (deficiency) of revenues over expenditures	<u>(64,867)</u>	<u>378,725</u>	<u>443,592</u>
Other financing sources (uses)			
Transfer in	-	956,331	956,331
Transfer out	-	(956,531)	(956,531)
Net other financing sources (uses)	<u>-</u>	<u>(200)</u>	<u>(200)</u>
Change in fund balance	(64,867)	378,525	443,392
Fund balance, beginning of year	1,032,856	1,032,856	-
Fund balance (deficit), end of year	<u>\$ 967,989</u>	<u>\$ 1,411,381</u>	<u>\$ 443,392</u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Community Development Block Grant (CDBG)
Year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 684,939	\$ 294,672	\$ (390,267)
Other revenue	-	(569)	(569)
Total revenues	<u>684,939</u>	<u>294,103</u>	<u>(390,836)</u>
Expenditures			
Current:			
Community development	540,968	294,064	246,904
Total expenditures	<u>540,968</u>	<u>294,064</u>	<u>246,904</u>
Excess (deficiency) of revenues over expenditures	<u>143,971</u>	<u>39</u>	<u>(143,932)</u>
Other financing sources (uses)			
Transfer in	-	10,275	10,275
Transfer out	-	(8,304)	(8,304)
Net other financing sources (uses)	<u>-</u>	<u>1,971</u>	<u>1,971</u>
Change in fund balance	143,971	2,010	(141,961)
Fund balance, beginning of year	634,832	634,832	-
Fund balance (deficit), end of year	<u>\$ 778,803</u>	<u>\$ 636,842</u>	<u>\$ (141,961)</u>

THIS PAGE INTENTIONALLY LEFT BLANK