



General Purpose Financial Statements
City of Cudahy
Year ended June 30, 2015
with Report of Independent Auditors

An Independently Owned Member
McGLADREY ALLIANCE



V&C Vasquez
& Company LLP
Certified Public Accountants and Business Consultants

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Report of Independent Auditors

**City Council
City of Cudahy, California**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Cudahy, California (the City) and discretely presented component unit, as of and for the year ended June 30, 2015, and the related notes to financial statements which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinion

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 and discretely presented component unit as of June 30, 2015, 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.

Management has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension and other postemployment benefit plans information on pages 59 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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



Implementation of New Accounting Standards

As discussed in Note 1, City has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, effective for the fiscal year ended June 30, 2015. As a result of this required implementation, the City's beginning net position was restated to retroactively report the net pension liability as of the beginning of the fiscal year. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Vasquez + Company LLP

**Los Angeles, California
March 31, 2016**

City of Cudahy
Statement of Net Position
June 30, 2015

	Primary Government	Component Unit
	Governmental Activities	Economic Development Corporation
ASSETS		
Cash and cash equivalents	\$ 8,084,280	\$ 609,716
Receivables		
Notes	2,972,213	308,219
Other receivables	525,063	-
Prepaid expense	48,383	-
Due from Successor Agency Private Purpose Trust Fund (net of allowance for doubtful accounts of \$241,332)	619,157	-
Capital assets, net	17,910,321	13,700,178
Land held for development	-	2,136,097
Total assets	30,159,417	16,754,210
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions	146,958	-
Change in employer's proportions	15,547	-
Total deferred outflows of resources	162,505	-
LIABILITIES		
Accounts payable and other current liabilities	1,679,486	16,126
Due to other governments	511,561	-
Payable to Successor Agency	-	16,738,084
Unearned revenue	80,315	-
Noncurrent liabilities:		
Due within one year	209,368	-
Due in more than one year	549,705	-
Net pension liability	2,087,567	-
Total liabilities	5,118,002	16,754,210
DEFERRED INFLOWS OF RESOURCES		
Net difference between projected and actual earnings on pension plan investments	569,257	-
Differences in actual and proportionate share in aggregate employer contributions	69,133	-
Total deferred inflows of resources	638,390	-
NET POSITION		
Net investment in capital assets	17,910,321	-
Restricted	3,571,763	-
Unrestricted	3,083,446	-
Total net position	\$ 24,565,530	\$ -

See notes to financial statements.

**City of Cudahy
Statement of Activities
Year ended June 30, 2015**

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government					
Governmental activities:					
General government	\$ 3,830,888	\$ 407,790	\$ -	\$ -	\$ (3,423,098)
Public safety	3,708,469	142,543	106,230	-	(3,459,696)
Community services	1,876,004	197,871	353,728	-	(1,324,405)
Public services	78,735	97,781	1,080,831	643,180	1,743,057
Community development	1,242,923	529,403	454,288	1,792,778	1,533,546
Total primary government	<u>\$ 10,737,019</u>	<u>\$ 1,375,388</u>	<u>\$ 1,995,077</u>	<u>\$ 2,435,958</u>	<u>(4,930,596)</u>
Component unit					
Cudahy Economic Development Corporation	1,441,882	226,427	-	-	\$ (1,215,455)
Total component unit	<u>\$ 1,441,882</u>	<u>\$ 226,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,215,455)</u>
General revenues:					
Property taxes				482,754	-
Sales and use taxes				1,306,630	-
Franchise and transfer taxes				308,789	-
Transient occupancy tax				54,031	-
Motor vehicle In lieu tax				2,349,738	-
Utility users tax				1,347,886	-
Investment income				15,615	503
Other revenue				655,729	-
Total general revenues				<u>6,521,172</u>	<u>503</u>
Change in net position before extraordinary item				1,590,576	(1,214,952)
Extraordinary item (Note 14)				-	(16,738,084)
Net change in net position				1,590,576	(17,953,036)
Net position, beginning of year, as restated				22,974,954	17,953,036
Net Position, end of year				<u>\$ 24,565,530</u>	<u>\$ -</u>

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.

CDBG Special Revenue Fund - accounts for expenses of the Community Development Block Grant received through the County of Los Angeles.

State Gas Tax Special Revenue Fund - accounts for gas tax revenue received from the State of California to cover costs of street maintenance and improvements.

County Park Bond Special Revenue Fund - accounts for projects and grants funded by the County Park Bond Act.

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, 2015**

	Special Revenue					Other Governmental Funds	Totals
	General	CDBG	State Gas Tax	County Park Bond	Housing Authority		
ASSETS							
Cash and investments	\$ 4,162,600	\$ -	\$ 1,131,489	\$ 20,766	\$ 29,619	\$ 2,739,806	\$ 8,084,280
Receivables:							
Accounts	368,881	143,506	-	-	-	7,921	520,308
Notes	61,232	284,330	-	-	2,399,420	227,231	2,972,213
Interest	2,558	-	723	-	-	1,474	4,755
Prepaid expense	40,839	-	-	-	-	7,543	48,382
Due from other funds	120,189	-	-	-	-	-	120,189
Due from Successor Agency Private-Purpose Trust Fund	619,157	-	-	-	-	-	619,157
Total assets	<u>5,375,456</u>	<u>427,836</u>	<u>1,132,212</u>	<u>20,766</u>	<u>2,429,039</u>	<u>2,983,975</u>	<u>12,369,284</u>
DEFERRED OUTFLOWS OF RESOURCES							
Total assets and deferred outflows of resources	\$ 5,375,456	\$ 427,836	\$ 1,132,212	\$ 20,766	\$ 2,429,039	\$ 2,983,975	\$ 12,369,284
LIABILITIES							
Accounts payable	\$ 1,259,264	\$ 14,864	\$ 34,574	\$ 35,680	\$ -	\$ 314,783	\$ 1,659,165
Deposits payable	20,320	-	-	-	-	-	20,320
Due to other governments	-	284,330	-	-	-	227,231	511,561
Due to other funds	-	120,189	-	-	-	-	120,189
Unearned revenue	80,315	-	-	-	-	-	80,315
Total liabilities	<u>1,359,899</u>	<u>419,383</u>	<u>34,574</u>	<u>35,680</u>	<u>-</u>	<u>542,014</u>	<u>2,391,550</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	-	-	2,399,420	-	2,399,420
FUND BALANCES							
Nonspendable							
Notes receivable	61,232	-	-	-	-	-	61,232
Prepaid expense	40,839	-	-	-	-	7,543	48,382
Due from Successor Agency Private-Purpose Trust Fund	619,157	-	-	-	-	-	619,157
Restricted							
Special revenue funds	-	8,453	1,097,638	-	29,619	2,436,053	3,571,763
Unassigned	3,294,329	-	-	(14,914)	-	(1,635)	3,277,780
Total fund balances	<u>4,015,557</u>	<u>8,453</u>	<u>1,097,638</u>	<u>(14,914)</u>	<u>29,619</u>	<u>2,441,961</u>	<u>7,578,314</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,375,456</u>	<u>\$ 427,836</u>	<u>\$ 1,132,212</u>	<u>\$ 20,766</u>	<u>\$ 2,429,039</u>	<u>\$ 2,983,975</u>	<u>\$ 12,369,284</u>

See notes to financial statements.

City of Cudahy
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015

Fund balance of governmental funds		\$ 7,578,314
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.		17,910,321
Deferred outflows of resources related to subsequent pension contribution are recognized as expenditures in the governmental funds.		146,958
Deferred outflows of resources related to pensions are not considered financial resources and are not reported in the governmental funds		15,547
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.		2,399,420
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Insurance liability	(209,368)	
Compensated absences	(114,688)	
OPEB obligation	(435,017)	
Net pension liability	<u>(2,087,567)</u>	(2,846,640)
Deferred inflows of resources related to pensions are not available to pay for current period expenses and are not reported in the governmental funds		<u>(638,390)</u>
Net position of governmental activities		<u>\$ 24,565,530</u>

**City of Cudahy
Governmental Funds**

Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2015

Revenues	Special Revenue					Other Governmental Funds	Totals
	General	CDBG	State Gas Tax	County Park Bond	Housing Authority		
Taxes	\$ 3,500,247	\$ -	\$ -	\$ -	\$ -	\$ 97,781	\$ 3,598,028
Licenses and permits	713,824	-	-	-	-	-	713,824
Intergovernmental	2,349,738	416,658	656,154	1,792,778	-	1,565,445	6,780,773
Charges for services	125,205	-	-	-	-	30,467	155,672
Fines, forfeitures and penalties	142,543	-	-	-	-	-	142,543
Investment income (loss)	8,154	-	2,461	-	-	5,000	15,615
Other revenue	841,559	-	-	-	32,119	-	873,678
Total revenues	7,681,270	416,658	658,615	1,792,778	32,119	1,698,693	12,280,133
Expenditures							
Current:							
General government	2,682,880	-	-	-	-	-	2,682,880
Public safety	3,591,030	-	-	-	-	117,439	3,708,469
Community services	465,968	-	621,548	-	-	730,049	1,817,565
Community development	800,722	249,153	-	146,565	2,500	39,317	1,238,257
Capital outlay	41,192	147,307	-	1,773,621	-	169,430	2,131,550
Total expenditures	7,581,792	396,460	621,548	1,920,186	2,500	1,056,235	11,578,721
Excess (deficiency) of revenues over expenditures	99,478	20,198	37,067	(127,408)	29,619	642,458	701,412
Other financing sources (uses)							
Transfers in	-	-	-	159,243	-	-	159,243
Transfers out	(159,243)	-	-	-	-	-	(159,243)
Net other financing sources (uses)	(159,243)	-	-	159,243	-	-	-
Change in fund balance	(59,765)	20,198	37,067	31,835	29,619	642,458	701,412
Fund balance, beginning of year, as restated	4,075,322	(11,745)	1,060,571	(46,749)	-	1,799,503	6,876,902
Fund balance (deficit), end of year	\$ 4,015,557	\$ 8,453	\$ 1,097,638	\$ (14,914)	\$ 29,619	\$ 2,441,961	\$ 7,578,314

**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, 2015**

Change in fund balances - governmental funds \$ 701,412

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	\$ 1,828,490	
Depreciation	<u>(656,128)</u>	1,172,362

Revenues that are measurable but not available are recorded as deferred or unavailable revenue under the modified accrual basis of accounting. 47,462

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

OPEB obligation	(96,162)
Insurance liability	(197,609)

In the Statement of Activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This represents the change in compensated absences during the year. (29,221)

Pension contribution made after the measurement date was recorded as an expenditure in the governmental funds but deferred in the government-wide financial statements. 146,958

Pension 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. (154,626)

Change in net position of governmental activities \$ 1,590,576

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

Successor Agency 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. Unlike the limited reporting typically utilized for Agency Fund, 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, 2015**

	Agency Funds	Successor Agency to the Dissolved Cudahy Community Development Commission Private-Purpose Trust Fund
ASSETS		
Cash and cash equivalents	\$ 29,229	\$ 2,303,983
Restricted cash, cash equivalents and investments	-	3,911,503
Accounts receivable	25	-
Receivable from CEDC	-	16,738,084
Total assets	29,254	22,953,570
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on defeasance of debt	-	31,262
LIABILITIES		
Accounts payable	29,254	279,773
Accrued interest payable	-	330,566
Due to the City of Cudahy	-	860,489
Noncurrent liabilities		
Due within one year	-	1,170,000
Due in more than one year	-	20,804,674
Total liabilities	\$ 29,254	23,445,502
DEFERRED INFLOWS OF RESOURCES		
		-
FIDUCIARY NET POSITION		
Unrestricted net position		\$ (460,670)

See notes to financial statements.

**City of Cudahy
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the fiscal year ended June 30, 2015**

		Successor Agency to the Dissolved Cudahy Community Development Commission Private-Purpose Trust Fund
Revenues		
Contributions:		
Redevelopment Agency Property Tax Trust Fund	\$	2,775,603
Interest and investment revenue:		
Use of money and property		59,379
Total revenues		<u>2,834,982</u>
Expenses		
Obligation retirements:		
Interest on bonds payable		1,456,815
Administrative expenses:		
Administrative expenses		456,818
Total expenses		<u>1,913,633</u>
Change in net position before extraordinary item		921,349
Extraordinary item (Note 14)		<u>16,738,084</u>
Net change in net position		<u>17,659,433</u>
Net position held in trust - beginning		<u>(18,120,103)</u>
Net position held in trust - ending	\$	<u><u>(460,670)</u></u>

See notes to financial statements.

City of Cudahy
Agency Funds
Statement of Changes in Assets and Liabilities
Year ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets				
Cash and cash equivalents	\$ 36,860	\$ 26,270	\$ 33,901	\$ 29,229
Accounts receivable	357	25	357	25
Total assets	<u>37,217</u>	<u>26,295</u>	<u>34,258</u>	<u>29,254</u>
Liabilities				
Accounts payable	37,217	26,295	34,258	29,254
Total liabilities	<u>\$ 37,217</u>	<u>\$ 26,295</u>	<u>\$ 34,258</u>	<u>\$ 29,254</u>

See notes to financial statements.

NOTE 1 REPORTING ENTITY

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

Component Unit

The City has a component unit which is the Cudahy Economic Development Corporation (CEDC). The CEDC has been presented as a discretely presented component unit in the accompanying financial statements because there is no financial burden or benefit relationship between CEDC and the City nor does the City have operational responsibilities over CEDC.

The inclusion of the CEDC as a component unit in the City's Financial Statements is not a City or CEDC's admission that CEDC meets the criteria listed in the provisions of the California Health and Safety Code Section 34167.10. The City and CEDC do not believe that the CEDC meets the criteria listed in the provisions either in 2011, prior to the enactment of ABX126, or in 2012 following the adoption of AB 1484.

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.

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 unit.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

CDBG Special Revenue Fund: This Fund accounts for revenues and expenditures of the Community Development Block Grant funded by the City of Los Angeles.

State Gas Tax Special Revenue Fund: This fund accounts for gas tax revenue received from the State of California to cover costs of street maintenance and improvements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

County Park Bond Special Revenue Fund: This Fund accounts for projects and grants funded by the County Bond Act.

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

Agency Funds

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

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. Unlike the limited reporting typically utilized for Agency Fund, Private-Purpose Trust Fund reports a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Unavailable revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the unavailable 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.

For fiscal year 2014-2015, the following funds had no legally adopted budget:

Major funds:

Housing Authority

Nonmajor funds:

Recycling Conservation Grants

TDA - Transportation Development

Cal Home Grant

Other Grants

Federal STPL

This is not in conformance with the City's budgetary policy.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Items

Certain payments to vendors reflect costs applicable to future periods and are recorded under prepaid items 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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

and are not available financial resources. There were no internal balances reported at June 30, 2015.

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

Restricted Assets

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

Capital Assets

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

The City has analyzed its capital assets for potential impairment. The City does not believe that any capital assets are impaired at June 30, 2015.

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

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Notes 11 and 13 for the list of deferred outflows and deferred inflows of resources the City has recognized as of June 30, 2015.

Compensated Absences

City employees receive up to 240 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 in governmental funds arise when potential revenue does not meet both the "measurable and "available" criteria for recognition in the current period. Unearned revenues also arise when the City receives resources before it has a legal claim to them (e.g., when grant monies are received prior to the incurrence of qualifying expenditures).

Long-term Obligations

In the government-wide 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, long-term receivables, and land held for resale.

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 \$3,571,763 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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2015, the District adopted the following new Statements of the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statements No. 27 and 50*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures of pensions that are provided by local governmental employers through pension plans that are administered through trusts that meet certain conditions. For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.
- GASB Statement No. 71, *Pension Transition for Contributions made subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

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.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Fund balances at June 30, 2015 consisted of the following:

Major funds:		
Nonspendable	\$	721,228
Restricted for special purposes		1,135,710
Unassigned		3,279,415
Total major		5,136,353
Nonmajor funds:		
Nonspendable		7,543
Restricted for special purposes		2,436,053
Unassigned		(1,635)
Total nonmajor		2,441,961
Total	\$	7,578,314

Deficit Fund Balances

The following funds have deficit fund balances at June 30, 2014. Management expects to eliminate the deficits with subsequent revenue in the funds or transfers from the General Fund:

Major funds:		
County Park Bond	\$	14,914
Nonmajor funds:		
Other Grants		1,635

Expenditures in Excess of Appropriations

Expenditures for the year ended June 30, 2015 exceeded the appropriations by the following amounts in the following funds:

Major funds:		
Housing Authority	\$	2,500
Nonmajor funds:		
Proposition A		869
COPS		6,030
TDA - Transportation Development		21,297
Street Lighting		3,398
Cal HOME		1,911
Other Grants		1,635

NOTE 4 CASH AND INVESTMENTS

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

Statement of Net Position:

Governmental Activities:

Cash and investments - unrestricted \$ 8,084,280

Fiduciary Activities:

Statement of Fiduciary Net Position:

Cash and cash equivalents - unrestricted 2,333,212

Cash and Investments with fiscal agent 3,911,503

Total cash and investments \$ 14,328,995

Cash and investments consist of the following:

Petty cash	\$ 10,820
Deposits with financial institutions	3,111,489
Investments	<u>11,206,686</u>
Total	\$ <u><u>14,328,995</u></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 Securities	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	\$40 million

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
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:

Investment Type	Total	Remaining Maturity in Months			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Local Agency Investment Fund	\$ 7,170,943	\$ 7,170,943	-	-	-
Held by Bond Trustee:					
Money Market Funds	2,733,003	2,733,003	-	-	-
Life Insurance Investment Agreement	1,178,500	-	-	-	1,178,500
Total	\$ 11,082,446	\$ 9,903,946	-	-	\$ 1,178,500

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. 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.

Investment Type	Total as of June 30, 2015	Minimum Legal Rating	Minimum	
			AAA	Not Rated
LAIF	\$ 7,170,943	N/A	\$ -	\$ 7,170,943
Held By Bond Trustee:				
Money Market Mutual Funds	2,733,003	N/A	2,733,003	-
Life Insurance Investment Agreement	1,178,500	N/A	-	1,178,500
Total	\$ 11,082,446		\$ 2,733,003	\$ 8,349,443

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, 2015, 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, 2015, none of the City's investments were held by the broker-dealer (counterparty) that was used by the City to purchase the securities.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

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 approximately \$7.2 million 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.

Life Insurance Contracts Held by Bond Trustee

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

NOTE 5 RECEIVABLES

Notes Receivable

Notes receivable as of June 30, 2015 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:

NOTE 5 RECEIVABLES (CONTINUED)

	Balance
a) In November 1995 and May 1997, the Agency loaned \$220,000 and \$60,000, respectively, to Elizabeth West & East L.P. The note is collateralized by a deed of trust on 5225-27 Elizabeth Street. The note bears interest at 6.55% and all principal and accrued interest is due in November 2025.	\$ 923,924
b) In June 1998, February 2000, and September 2000, the Agency loaned \$150,000, \$140,000 and \$210,000, respectively, to 5159 Clara Street LLP for a total loan of \$500,000. The note is collateralized by a deed of trust on 5159 Clara Street. The note bears interest at 1% and all principal and accrued interest are due in May 2026.	578,233
c) During the year ended June 30, 2000, the Agency agreed to loan \$650,000 to Live Oak LLP, of which \$590,000 had been advanced through June 30, 2011. The note is collateralized by a deed of trust on 5203 Live Oak. The note bears interest at 2.5% and all unpaid principal and interest are due in August 2029.	897,263
Subtotal – Housing Authority	2,399,420

Governmental Fund – Other Funds

In fiscal year 2013, the City entered into a loan with a local company due to a legal settlement. The settlement agreement includes a property tax claim of \$120,000, evidenced by a note requiring monthly payment of \$2,000 for 60 months, and an unsecured claim of \$200,000. In addition interest shall be paid on the property tax claim at an annual rate of 3% on the unpaid principal balance and shall be payable as a balloon payment with the final payment. It is collateralized as an “allowed priority tax claim”.

Principal	254,200
Interest	7,032
Total	261,232
Less: Allowance for doubtful accounts	(200,000)
Net	61,232

The City made loans receivable for Cal Home and CDBG programs. The loans are collateralized by deeds of trust in favor of 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.

	511,561
Subtotal – Other Funds	572,793
Total	\$ 2,972,213

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

Governmental Activities:

	<u>Balance</u> <u>June 30,2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30,2015</u>
Capital assets, not being depreciated				
Land	\$ 1,444,970	\$ 1,361,673	\$ -	\$ 2,806,643
Construction-in-progress	70,012	-	-	70,012
	<u>1,514,982</u>	<u>1,361,673</u>	<u>-</u>	<u>2,876,655</u>
Capital assets, being depreciated				
Structures and improvements	10,707,667	401,817	-	11,109,484
Infrastructure	48,346,577	-	-	48,346,577
Vehicles	639,575	-	-	639,575
Furniture & equipment	200,061	65,000	-	265,061
Total	<u>59,893,880</u>	<u>466,817</u>	<u>-</u>	<u>60,360,697</u>
Less accumulated depreciation:				
Structures and improvements	4,377,156	214,153	-	4,591,309
Infrastructure	39,600,036	387,535	-	39,987,571
Vehicles	525,178	38,133	-	563,311
Furniture & equipment	168,533	16,307	-	184,840
Total	<u>44,670,903</u>	<u>656,128</u>	<u>-</u>	<u>45,327,031</u>
Net	<u>15,222,977</u>	<u>(189,311)</u>	<u>-</u>	<u>15,033,666</u>
Governmental activities capital assets, net	<u>\$ 16,737,959</u>	<u>\$ 1,172,362</u>	<u>\$ -</u>	<u>\$ 17,910,321</u>

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

General government	\$ 518,341
Public services	59,052
Community services	<u>78,735</u>
	<u>\$ 656,128</u>

NOTE 7 LONG-TERM DEBT

City – Government-wide

Long-term liability activity of the government wide financial statements for the year ended June 30, 2015 follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Insurance liability	\$ 11,759	\$ 197,609	\$ -	\$ 209,368	\$ 209,368
Compensated absences	85,467	108,416	(79,195)	114,688	-
OPEB liability	338,855	200,277	(104,115)	435,017	-
Total	<u>\$ 436,081</u>	<u>\$ 506,302</u>	<u>\$ (183,310)</u>	<u>\$ 759,073</u>	<u>\$ -</u>

Successor Agency

Long-term liability activity of the successor agency private purpose trust fund financials for the year ended June 30, 2015 follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Note payable	\$ 1,409,928	\$ -	\$ -	\$ 1,409,928	\$ -
Tax allocation refunding bonds	21,315,000	-	(1,210,000)	20,105,000	1,170,000
Less:					
Bond discount	(538,795)	45,260	-	(493,535)	-
County deferral	907,886	45,395	-	953,281	-
Total	<u>\$ 23,094,019</u>	<u>\$ 90,655</u>	<u>\$ (1,210,000)</u>	<u>\$ 21,974,674</u>	<u>\$ 1,170,000</u>

Notes 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.

Tax Allocation Refunding Bonds

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

NOTE 7 LONG-TERM DEBT (CONTINUED)

The 2003C Bonds are secured on a basis subordinate to the 1999 Bonds, 2003A and 2003B Bonds. The Bonds are payable from and secured by pledged tax revenues to be derived from the Project Area.

On April 13, 2011, the Agency issued, at a discount of \$404,854, Tax Allocation Refunding Bonds Series 2011A (Housing Projects) and 2011B (Redevelopment Projects) amounting to \$2,285,000, and \$8,920,000 respectively. The 2011A Bonds were issued to finance various housing projects to the Agency to promote the supply of low and moderate income housing within the Project Area. The 2011 B Bonds were issued to finance various infrastructure improvements within the Project Area. The 2011A Bonds are payable from and both are secured by the housing revenues and 2011 B Bonds are payable from and secured by the pledged tax revenues on parity with the former redevelopment agency, City-Wide Redevelopment Project, Tax Allocation Refunding Bonds, and Series 2003C outstanding in the amount of \$6,280,000. The 2011A Bonds are subordinate to the lien of the owners of the former redevelopment agency, City-Wide Redevelopment Project, Tax Allocation Refunding Bonds, Series 2003A, outstanding principal amount of \$2,930,000. The 2011B Bonds are subordinate to the lien of the owners of the former redevelopment agency, City-Wide Redevelopment Project Tax Allocation Refunding Bonds Series 1999, outstanding in the amount of \$1,425,000.

At June 30, 2015, bonded indebtedness consisted of the following Tax Allocation Refunding Bonds:

	<u>Date</u> Issued	<u>Final</u> Maturity	<u>Interest Rate</u>	<u>Amount</u> Issued	<u>Outstanding</u>
Series 2011 A	04/01/11	10/01/27	5.70%-7.75%	\$ 2,285,000	\$ 2,180,000
Series 2011 B	04/01/11	10/01/27	5.70%-7.75%	8,920,000	7,290,000
Series 2003 A	04/01/11	10/01/27	5.70%-7.75%	3,680,000	2,930,000
Series 2003 B Taxable	08/01/03	10/01/13	5.05%-6.40%	3,255,000	-
Series 2003 C	08/01/03	10/01/27	6.50%	6,680,000	6,280,000
Series 1999 (Taxable)	10/15/99	10/01/26	8.95%	1,425,000	1,425,000
				<u>\$ 26,245,000</u>	<u>\$ 20,105,000</u>

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

NOTE 7 LONG-TERM DEBT (CONTINUED)

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

Year ending June 30	Principal	Interest	Total
2016	\$ 1,170,000	1,327,360	2,497,360
2017	1,020,000	1,265,110	2,285,110
2018	665,000	1,210,005	1,875,005
2019	705,000	1,168,788	1,873,788
2020	745,000	1,123,079	1,868,079
2020-2024	5,230,000	4,744,571	9,974,571
2025-2028	10,570,000	1,254,925	11,824,925
Total	\$ 20,105,000	12,093,838	32,198,838

Pledged Future Revenues

The City pledged future tax revenues associated with its bond issuances for Series 1999, 2003 and 2011 (the Bonds). These debt issuances 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 2028 and are not available for other purposes during the duration that the bonds are outstanding. The pledged tax revenues totaled \$2,775,603 for the year ended June 30, 2015. The principal and interest payments on the bonds that had the pledged tax revenues for the year ended June 30, 2015 were approximately \$1,210,000 and \$1,372,085, respectively. The total principal and interest remaining is approximately \$32,200,000. 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 8 INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables balances are as follows:

	Due from Other Funds	Due to Other Funds
Major funds:		
General Fund	\$ 120,189	\$ -
CDBG	-	120,189
	\$ 120,189	\$ 120,189

NOTE 9 INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2015 are as follows:

	Transfer In	Transfer Out
Major funds:		
General Fund	\$ -	159,243
County Park Bond	159,243	-
	\$ 159,243	159,243

The City transfers monies from General Fund to the County Park Bond fund for project-related costs paid for by the General Fund.

NOTE 10 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 participates in the California Joint Powers Insurance Authority (Authority) as follows:

Lawsuits

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

Grant Audit Contingencies

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

NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Cudahy is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Self-Insurance Programs of the Authority

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

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

Liability

In the liability program claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2014-15 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) 50% of the \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, (b) 50% quota share of the \$3 million x/s \$2 million layer, and (c) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$30 million per occurrence.

NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Workers' Compensation

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

For 2014-15 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Property Insurance

The City of Cudahy participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Cudahy property is currently insured according to a schedule of covered property submitted by the City of Cudahy to the Authority. City of Cudahy property currently has all-risk property insurance protection in the amount of \$16,815,918. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Pollution Legal Liability Insurance

The City of Cudahy participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Cudahy. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2014 through July 1, 2017. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Earthquake and Flood Insurance

The City of Cudahy purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Cudahy property currently has earthquake protection in the amount of \$0. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Crime Insurance

The City of Cudahy purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Special Event Tenant User Liability Insurance

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

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2014-15.

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 11 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, 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.

NOTE11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Classic participants (defined as eligible participants prior to January 1, 2013) are required to contribute 8% 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.

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, 2015 are summarized as follows:

	Miscellaneous Plan	
	Classic	PEPRA
	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits , as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	20.27%	6.25%

NOTE11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 for both Plans 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, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous Plan	
	Classic	PEPRA
Contributions - employer	\$ 132,515	\$ 14,443
Contributions - employee	33,162	-

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

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability (Asset)
Miscellaneous (Classic)	\$ 2,087,427
Miscellaneous (PEPRA)	140
Net Pension Liability	\$ 2,087,567

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

NOTE11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

The City's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

	Miscellaneous Plan	
	Classic	PEPRA
Proportion - June 30, 2013	0.0820%	0.0000%
Proportion - June 30, 2014	0.0845%	0.0000%
Change - Increase (Decrease)	0.0025%	0.0000%

For the year ended June 30, 2015, the City recognized pension expense of \$154,625. At June 30, 2015, 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 \$	146,958	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Change in employer's proportion	15,547	-
Differences between the employer's contributions and the employer's proportionate share of contributions	8,935 **	(78,068) *
Net differences between projected and actual earnings on plan investments	-	(569,257)
Total	\$ 171,440	\$ (647,325)

* For Classic Miscellaneous Plan

** For PEPRA Miscellaneous Plan

\$146,958 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

NOTE11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 Ended June 30	Amount
2016	\$ (161,453)
2017	(161,453)
2018	(157,625)
2019	(142,312)
Thereafter	-

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	(1)
Investment Rate of Return	7.5% (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 2.75% 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, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

NOTE11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent 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.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expense would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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.

The table below reflects the 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 rates of return are net of administrative expenses.

Asset Class	New Strategic Allocatio	Real Return Years 1 -	Real Return Years
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infras tructure and Forestland	3.00%	4.50%	5.09%
Liquidity	<u>2.00%</u>	-0.55%	-1.05%
Total	<u>100%</u>		

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

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

NOTE 11 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 each Plan, calculated using the discount rate for each 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:

	Miscellaneous Plan	
	Classic	PEPRA
1% Decrease	6.50%	6.50%
Net Pension Liability	\$ 3,463,703	250
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$ 2,087,426	140
1% Increase	8.50%	8.50%
Net Pension Liability	\$ 945,247	49

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, 2015, the City did not have outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

NOTE 12 POST EMPLOYMENT BENEFITS

Plan Description

Integrated medical/prescription drug coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA). Employees may choose from a variety of HMO and PPO options. The City pays 100% of the cost of PEMHCA coverage for active 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.

NOTE 12 POST EMPLOYMENT BENEFITS (CONTINUED)

Certain employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by qualifying disability retirement status. Benefits are paid for the lifetime of the retiree and, if applicable, the surviving spouse of the retiree. The City's contribution on behalf of all eligible retirees is the same as it is for active employees (100% of the cost of coverage for retiree, spouse and dependent children). The City has elected the equal contribution method, where the contribution will remain the same annually.

Funding Policy

The contribution requirements of the City are established and may be amended by the City Council. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2014-2015, the City contributed \$104,115 to the plan, which was 100% of the total current premiums.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other OPES cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years. The following table shows the components of the City's annual OPES cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual Required Contribution (ARC)	\$	206,319
Interest on net OPEB obligation		13,554
Adjustment to ARC		<u>(19,596)</u>
Annual OPEB cost		200,277
Less: Contributions made during the year		<u>(104,115)</u>
Increase in Net OPEB obligation		96,162
Net OPEB Obligation - beginning of the year		<u>338,855</u>
Net OPEB Obligation - end of the year	\$	<u><u>435,017</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding year were as follows:

		<u>June 30, 2015</u>		<u>June 30, 2014</u>
Annual OPEB cost	\$	200,277	\$	214,816
% of Annual OPEB cost contributed to the plan		51.99%		47.30%
Net OPEB Obligation	\$	435,017	\$	338,855

NOTE 13 DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*” and GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*,” the City recognized deferred outflows of resources in the City’s financial statements. The deferred outflow of resources pertains to the unamortized loss on defeasance of debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

	Private-Purpose Trust Fund Balance at June 30, 2015
Deferred outflow of resources	
Unamortized loss on defeasance of debt	\$ <u><u>31,262</u></u>

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, 2015
Deferred inflow of resources	
Unavailable Revenue - Housing Authority receivables that were not received within the availability period and were not recognized as revenues	\$ <u><u>2,399,420</u></u>

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

NOTE 14 CUDAHY ECONOMIC DEVELOPMENT CORPORATION (CEDC) DISCLOSURES

The accompanying financial statements also include the financial statements of the Cudahy Economic Development Corporation (the Corporation).

Disclosures related to the certain assets and liabilities of the Corporation are as follows:

**NOTE 14 CUDAHY ECONOMIC DEVELOPMENT CORPORATION (CEDC) DISCLOSURES
(CONTINUED)**

Disclosure of the Corporation's Assets

Cash and Cash Equivalents

Cash and cash equivalents consisted of demand deposits held at a financial institution. As of June 30, 2015, cash and cash equivalents of \$609,716 have a corresponding bank balance of \$610,336. The difference between the book and the bank balance is attributable to outstanding checks.

Custodial Credit Risk for Deposits

Custodial credit risk is the risk that in the event of the failure of the custodian, deposits may not be returned to CEDC. CEDC's deposits are maintained at financial institution that is insured by Federal Deposit Insurance Corporation (FDIC).

Beginning January 1, 2013, all of a depositor's accounts at an insured depository institution, including all noninterest bearing transaction accounts, was insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000, for each deposit insurance ownership category.

As of June 30, 2015 CEDC exceeded the maximum deposit insurance amount by \$360,336.

Rental Receivable

At June 30, 2015, rental receivable consisted of the following:

Rental receivable		\$	107,186
Less allowance for bad debts			<u>(107,186)</u>
Total		\$	<u><u>-</u></u>

**NOTE 14 CUDAHY ECONOMIC DEVELOPMENT CORPORATION (CEDC) DISCLOSURES
(CONTINUED)**

Notes, Advances, and Interest Receivable

At June 30, 2015, notes, advances, and interest receivable consisted of the following:

- a) On March 1, 2012, CEDC entered into an Amended Acquisition and Development Loan Agreement with Paramount Villas, LLC (Paramount) to loan a principal amount of \$470,000 for the purpose of providing financing for the acquisition of the site located at 4848 and 4854 Live Oak Street in the City of Cudahy for the construction of condominium units. The loan is secured by a deed of trust, promissory note, affordability covenants, and guaranty. The loan bears interest at 5% per annum and matures on March 13, 2015. As of June 30, 2015, the loan remains outstanding.
- b) On May 30, 2012, CEDC advanced \$291,000 to Paramount Villas, LLC for the construction of 4848 Live Oak property.

The outstanding balance of the loans as of June 30, 2015 follows:

Principal	\$ 470,000
Accrued interest	43,083
Advances	103,355
	616,438
Less: Allowance for bad debts	(308,219)
Total	\$ 308,219

In February 2016, the Successor Agency, CEDC, and Paramount, negotiated a Settlement and Release Agreement (Agreement) pursuant to which the Successor Agency will forgive the above note receivable balance and transfer the Successor Agency's right, title, and interest in and to the Live Oak Street property to Paramount, provided that Paramount provides the Successor Agency \$1,200,000 for the purchase of the property. The Agreement is contingent upon written acknowledgement from the State Department of Finance.

NOTE 14 CUDAHY ECONOMIC DEVELOPMENT CORPORATION (CEDC) DISCLOSURES (CONTINUED)

Capital Assets and Land Held for Development

At June 30, 2015, land and buildings are composed of the following:

<u>Site Reference</u>	<u>Address</u>	<u>APN</u>	<u>Cost</u>
Santa Ana Street & Atlantic Avenue	4720 Santa Ana Street 8110 Atlantic Avenue 8100 Atlantic Avenue	6224-018-068, -069, -070, -071	\$ 399,889 1,127,027 * <u>1,323,297</u> <u>2,850,213</u>
Patata Industrial Property	8420 Atlantic Avenue 4819 Patata Street	6224-034-014, -032, -040, -041	<u>2,904,717</u>
Atlantic Avenue & Clara Street	7638 Atlantic Avenue 7644 Atlantic Avenue 7630 Atlantic Avenue 7660 Atlantic Avenue 4613 Clara Street	6226-022-002, -008, -019, -020, -021, -022, -023, -024	1,009,070 * 3,650,074 1,541,620 <u>407,532</u> <u>6,608,296</u>
Atlantic Avenue & Cecilia Street	8201 Atlantic Avenue 8221 Atlantic Avenue 4633 Cecilia Street 8135 Atlantic Avenue 4629 Cecilia Street	6224-022-001, -002, -003, -004, -012	1,096,864 2,219,090 <u>3,315,954</u>
Elizabeth Street Residential	5256 Elizabeth Street 5260 Elizabeth Street	6224-001-014, -015	<u>792,961</u>
Total land and buildings			<u>\$ 16,472,141</u>
Land and buildings, cost			\$ 14,336,044
Less: Accumulated depreciation			<u>(635,866)</u>
Land and buildings, net			<u>\$ 13,700,178</u>
*Land held for development			<u>2,136,097</u>

The above properties were transferred by the former Cudahy Community Development Commission/Cudahy Redevelopment Agency to CEDC for the implementation of various housing and commercial projects within the City of Cudahy.

**NOTE 14 CUDAHY ECONOMIC DEVELOPMENT CORPORATION (CEDC) DISCLOSURES
(CONTINUED)**

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year 2011-2012 State budget. The proposal was incorporated into Assembly Bill 26 (ABX1 26) which was passed by the Legislature, and signed into law by the Governor on June 28, 2011. ABX1 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA successor agencies and oversight boards to oversee dissolution of the RDAs and redistribution of RDA assets. ABX1 was codified in the Health and Safety (H&S) Code beginning with section 34161. H&S Code section 34167.5 states that the Controller shall review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency, or any other public agency, and the redevelopment agency. By law, the State Controller's Office (SCO) is required to order that such assets transferred after January 1, 2011 except those that already had been committed to a third party prior to June 28, 2011, be turned over to the Successor Agency.

The Cudahy Community Development Commission/ Cudahy Redevelopment Agency was dissolved on February 1, 2012 and its assets were transferred to the City of Cudahy, which is the designated Successor Agency.

The SCO performed a review on the assets transferred by the Cudahy Redevelopment Agency after January 1, 2011 through January 31, 2012. The final Cudahy Redevelopment Agency Asset Transfer Review Report (Report) was issued by the SCO on April 15, 2014. The Report concluded that the former Cudahy Redevelopment Agency/Cudahy Community Development Commission transferred \$26,505,820 in assets after January 1, 2011, including unallowable asset transfers totaling \$20,978,178 to CEDC. The assets transferred to CEDC, consisting of cash and capital assets, occurred after January 1, 2011 and were not contractually committed to a third party prior to June 28, 2011. Pursuant to H&S Code Section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any public agency after January 1, 2011. The Report further concluded that those assets should be turned over to the Successor Agency for disposition in accordance with H&S Code Section 34177(e). CEDC was ordered to reverse the transfer of the assets in the amount of \$20,978,178 and to turn over the assets to the Successor Agency.

The City of Cudahy (as City and Successor Agency) issued a letter dated April 7, 2014 in response to a draft report issued by the SCO dated January 2014. The Successor Agency responded that it would reserve its rights to challenge the SCO's order but nevertheless the Successor Agency stated its intention to undertake certain actions in response to the finding of the SCO to recover the assets transferred to CEDC for ultimate disposition by the Successor Agency.

**NOTE 14 CUDAHY ECONOMIC DEVELOPMENT CORPORATION (CEDC) DISCLOSURES
(CONTINUED)**

On February 5, 2015, CEDC's Board of Directors approved the Asset Transfer Agreement between CEDC and the Successor Agency to the former Cudahy Community Development Commission/Redevelopment Agency.

On March 12, 2015, the Oversight Board to the Successor Agency approved an asset transfer agreement between the Cudahy Economic Development Corporation and the Successor Agency regarding the transfer of assets from the Cudahy Economic Development Corporation to the Successor Agency in accordance with the California State Controller's Office finding identified in a report they issued on April 15, 2014.

On May 19, 2015, the Successor Agency approved an amendment to the Asset Transfer Agreement between the Cudahy Economic Development Corporation and the Successor Agency to effectuate the asset transfer ordered by the SCO.

On June 4, 2015, the Cudahy Economic Development Corporation approved the amendment to the Asset Transfer Agreement between the Cudahy Economic Development Corporation and the Successor Agency to effectuate the asset transfer ordered by the SCO.

A receivable and a payable have been reported in the Statement of Net Position of the Successor Agency and CEDC, respectively, to report the asset transfer agreement. The assets were returned to the Successor Agency with the recording of quit claim deeds on October 19, 2015. The transfer has been reported as an extraordinary item in the Statement of Changes in Fiduciary Net Position of the Successor Agency and Statement of Activities of CEDC. Refer also to Note 17.

Accounts Payable

At June 30, 2015, accounts payable consisted of the following:

Rental payable to City of Cudahy		\$ 7,800
Accrued expenses		<u>8,326</u>
	Total	<u>\$ 16,126</u>

Related Party

CEDC leases its office space from the City of Cudahy on a monthly rate of \$300. Rental payable as of June 30, 2015 amounted to \$7,800.

Commitments and Contingencies

CEDC is currently engaged in a quiet title legal proceeding in Los Angeles County Superior Court to recover certain land previously transferred by CEDC in 2012 to Paramount Villas, LLC.

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

NOTE 14 CUDAHY ECONOMIC DEVELOPMENT CORPORATION (CEDC) DISCLOSURES (CONTINUED)

Subsequent Events

On October 19, 2015, to comply with the State Controller's order to return the assets to the Successor Agency, quit claim deeds were recorded with the Office of the County of Los Angeles Registrar-Recorder/County Clerk transferring the affected real properties from the EDC to the Successor Agency.

On January 16, 2016 the Successor Agency and Cudahy SA 2012, LLC entered into a Settlement Agreement and Release relating to the property located at 4610 Santa Ana Street in the City of Cudahy. On March 1, 2016 the escrow for the property was closed, the promissory note on the property was retired and the title of the property was transferred to the Successor Agency.

NOTE 15 PRIOR PERIOD ADJUSTMENTS

The Net Position in the government-wide Statement of Activities and the fund balances of some governmental funds as of June 30, 2014 were restated to reflect the increase in accounts payable and the adjustment to record the retroactive effect of implementing GASB Statement No. 68.

	Government-wide Net Position	Fund Balance General Fund
Net position /fund balance beginning of year, as previously reported	\$ 25,374,173	\$ 3,918,757
Adjustments:		
Adjustment to correct the balance of accounts payable at the beginning of the year	156,565	156,565
Adjustment to record retroactive effect of implementing GASB Statement No. 68	(2,555,784)	-
Net position/ fund balance beginning of year, as restated	\$ 22,974,954	\$ 4,075,322

NOTE 16 GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS ISSUED, NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2015, that have effective dates that may impact future financial presentations. Management has not yet determined the impact that implementation of the following statements may have on the financial statements of the City.

**NOTE 16 GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS
ISSUED, NOT YET EFFECTIVE (CONTINUED)**

GASB No. 72 - Fair Value Measurement and Application. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015.

GASB No. 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016.

GASB No. 74 - Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016

GASB No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2017.

GASB No. 77 - Tax Abatement Disclosures. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The provisions of this Statement are effective for financial statements for period beginning after December 15, 2015.

**NOTE 16 GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS
ISSUED, NOT YET EFFECTIVE (CONTINUED)**

GASB No. 80 – Blending Requirements for Certain Component Units. The requirements of this Statement improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of Statement No 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

NOTE 17 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2015 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through March 31, 2016, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events except for items noted below occurred that require recognition or additional disclosure in the financial statements.

On October 19, 2015, to comply with the State Controller’s order to return the assets to the Successor Agency, quit claim deeds were recorded with the office of the County of Los Angeles Registrar-Recorder/County Clerk transferring the affected real properties from the EDC to the Successor Agency.

On January 16, 2016 the Successor Agency and Cudahy SA 2012, LLC entered into a Settlement Agreement and Release relating to the property located at 4610 Santa Ana Street in the City of Cudahy. On March 1, 2016 the escrow for the property was closed, the promissory note on the property was retired and the title of the property was transferred to the Successor Agency. The outstanding balance of the notes receivable reported has been removed from EDC’s Statement of Net Position as of June 30, 2015.

**City of Cudahy
General Fund**

**Schedule of Revenues and Expenditures – Budget and Actual
Year ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Final Budget- Positive (Negative)</u>
Revenues			
Taxes	\$ 3,143,397	\$ 3,500,247	\$ 356,850
Licenses and permits	749,500	713,824	(35,676)
Intergovernmental	2,349,000	2,349,738	738
Charges for services	116,400	125,205	8,805
Fines, forfeitures and penalties	137,000	142,543	5,543
Investment income (loss)	4,500	8,154	3,654
Other revenue	926,800	841,559	(85,241)
Total revenues	<u>7,426,597</u>	<u>7,681,270</u>	<u>254,673</u>
Expenditures			
Current:			
General government	2,530,254	2,682,880	(152,626)
Public safety	3,622,426	3,591,030	31,396
Community services	585,664	465,968	119,696
Community development	1,002,145	800,722	201,423
Capital outlay	577,795	41,192	536,603
Total expenditures	<u>8,318,284</u>	<u>7,581,792</u>	<u>736,492</u>
Excess(deficiency) of revenues over expenditures	(891,687)	99,478	991,165
Other financing sources (uses)			
Transfers out	-	(159,243)	(159,243)
Change in fund balance	(891,687)	(59,765)	831,922
Fund balance, beginning of year, as restated	4,075,322	4,075,322	-
Fund balance, end of year	<u>\$ 3,183,635</u>	<u>\$ 4,015,557</u>	<u>\$ 831,922</u>

City of Cudahy
Community Development Block Grant

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year ended June 30, 2015

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Final Budget- Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 736,275	\$ 416,658	\$ (319,617)
Total revenues	<u>736,275</u>	<u>416,658</u>	<u>(319,617)</u>
Expenditures			
Current:			
Community development	298,744	249,153	49,591
Capital outlay	747,077	147,307	599,770
Total expenditures	<u>1,045,821</u>	<u>396,460</u>	<u>649,361</u>
Change in fund balance	(309,546)	20,198	329,744
Fund balance, beginning of year	<u>(11,745)</u>	<u>(11,745)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (321,291)</u>	<u>\$ 8,453</u>	<u>\$ 329,744</u>

**City of Cudahy
State Gas Tax Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year ended June 30, 2015**

	Final Budget	Actual Amounts	Final Budget- Positive (Negative)
Revenues			
Intergovernmental	\$ 722,000	\$ 656,154	\$ (65,846)
Use of money and property	3,000	2,461	(539)
Total revenues	725,000	658,615	(66,385)
 Expenditures			
Current:			
Community services	755,046	621,548	133,498
Total expenditures	755,046	621,548	133,498
Excess (deficiency) of revenues over expenditures	(30,046)	37,067	67,113
 Change in fund balance	(30,046)	37,067	67,113
 Fund balance, beginning of year	1,060,571	1,060,571	-
Fund balance, end of year	\$ 1,030,525	\$ 1,097,638	\$ 67,113

**City of Cudahy
Country Park Bond Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Final Budget- Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 1,901,427	\$ 1,792,778	\$ (108,649)
Total revenues	<u>1,901,427</u>	<u>1,792,778</u>	<u>(108,649)</u>
Expenditures			
Current:			
Community development	40,000	146,565	(106,565)
Capital outlay	1,901,427	1,773,621	127,806
Total expenditures	<u>1,941,427</u>	<u>1,920,186</u>	<u>21,241</u>
Excess (deficiency) of revenues over expenditures	<u>(40,000)</u>	<u>(127,408)</u>	<u>(87,408)</u>
Other financing sources (uses)			
Transfer in	-	159,243	159,243
Net other financing sources (uses)	<u>-</u>	<u>159,243</u>	<u>159,243</u>
Change in fund balance	(40,000)	31,835	71,835
Fund balance, beginning of year	(46,749)	(46,749)	-
Fund balance (deficit), end of year	<u>\$ (86,749)</u>	<u>\$ (14,914)</u>	<u>\$ 71,835</u>

City of Cudahy
Housing Authority

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year ended June 30, 2015**

	Final Budget	Actual Amounts	Final Budget- Positive (Negative)
Revenues			
Other revenue	\$ -	\$ 32,119	\$ 32,119
Total revenues	-	32,119	32,119
Expenditures			
Current:			
Community development	-	2,500	(2,500)
Total expenditures	-	2,500	(2,500)
 Change in fund balance	 -	 29,619	 29,619
 Fund balance, beginning of year	 -	 -	 -
Fund balance, end of year	\$ -	\$ 29,619	\$ 29,619

City of Cudahy
Schedule of Funding Progress
Other Postemployment Benefits (OPEB)
Year ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/(c)
7/1/2011	\$ -	\$ 2,002,495	\$ 2,002,495	0%	\$ 1,105,000	181%
7/1/2014	-	2,090,184	2,090,184	0%	1,098,208	190%

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

	June 30, 2014		
	Miscellaneous		
	Classic	Second Tier	PEPRA
Proportion of the net pension liability (asset)	0.03347%	0.00008%	0.00000%
Proportionate Share of the net pension liability (asset)	\$ 2,082,443	\$ 4,983	\$ 140
Covered - employee payroll ⁽¹⁾	\$ 628,845	\$ 320,891	\$ 88,443
Proportionate Share of the net pension liability (asset) as percentage of covered-employee payroll	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	79.87%	83.03%	83.05%
Plan's Proportionate Share of Aggregate Employer Contributions ⁽²⁾	\$ 223,430	\$ 659	\$ 19

Notes to Schedule

- ¹ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, 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 2015 was the 1st year of implementation, therefore only one year is shown.

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

	Miscellaneous Plan	
	Classic	PEPRA
Contractually required contribution (actuarially determined)	\$ 118,139	\$ 12,145
Contributions in relation to the actuarially determined contributions	<u>(118,139)</u>	<u>(12,145)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 949,736	\$ 88,443
Contributions as a percentage of covered-employee payroll	12.44%	13.73%

Notes to Schedule

Valuation date 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years as of valuation date
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by entry age and age
Investment rate of return	7.50%, net of pension plan investment expense; includes inflation
Retirement age	57 yrs.
Mortality Rate Table	Derived using CalPERS' membership Data for all funds

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

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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.

Drug Asset Seizure	To account for revenues and expenditures associated with the City's asset seizure monies.
Prop 1B Local Street	Prop 1B came from bond proceeds issued to fund maintenance Improvements and improvement of local streets and roads.
Proposition C	To account for financial transactions in accordance with Proposition C of the Local Transit Assistance Act.
Proposition A	To account for receipts and expenditures of projects from a voter approved sales tax override for public transportation purposes.
Measure R	Measure R is funded with ½ percent sales tax revenues approved by Los Angeles County voters to fund local street projects in LA County.
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.
Used Oil Grant	To increase public awareness of the benefits of recycling oil.
Recycling Conservation Grant	To account for revenue and expenditure pertaining to recycling grants.
Emergency Preparedness	Grant funds received to provide for an emergency operations center. Crucial in the City's ability to respond to emergency situations and catastrophic events.
COPS	To account for financial transactions in accordance with grant requirements from the California Office of Criminal Justice.
State Park Clara Ph 3	Funding for this grant was from the Los Angeles Urban Parks Act of 2001 Grant Program (UPA) through the Department of Park and Recreation, Office of Grants and Local Services for Clara Park Expansion.
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.
Other Grants	To account for State Grants relating to future development in the City including transportation related projects.
Federal STPL	To account for Federal, state, and local Surface Transportation Program funds received from Los Angeles County Metropolitan Transportation Authority for transportation related projects.

	Special Revenue			
	Drug Asset Seizure	Prop 1B Local Street Improvements	Proposition C	Proposition A
ASSETS				
Cash and cash equivalents	\$ 28,513	\$ 426,851	\$ 303,063	\$ 528,809
Accounts receivable	-	-	-	-
Notes receivable	-	-	-	-
Prepaid expense	-	-	-	7,543
Interest receivable	20	254	168	355
Total assets	<u>28,533</u>	<u>427,105</u>	<u>303,231</u>	<u>536,707</u>
LIABILITIES				
Accounts payable	\$ 1,237	\$ 12,987	\$ 92,240	\$ 7,240
Unearned revenue	-	-	-	-
Due to other government	-	-	-	-
Total liabilities	<u>1,237</u>	<u>12,987</u>	<u>92,240</u>	<u>7,240</u>
FUND BALANCES (DEFICIT):				
Nonspendable				
Prepaid expense	-	-	-	7,543
Restricted:				
Special revenue funds	27,296	414,118	210,991	521,924
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>27,296</u>	<u>414,118</u>	<u>210,991</u>	<u>529,467</u>
Total liabilities and fund balances \$	<u>28,533</u>	<u>427,105</u>	<u>303,231</u>	<u>536,707</u>

City of Cudahy
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2015

Special Revenue					
Measure R	AQMD	Used Oil Grant	Recycling Conservation Grants	COPS	
\$ 674,025	\$ 39,132	\$ 13,582	\$ 20,946	\$ 183,838	
-	7,800	8	-	113	
-	-	-	-	-	
-	-	-	-	-	
351	22	-	13	-	
<u>674,376</u>	<u>46,954</u>	<u>13,590</u>	<u>20,959</u>	<u>183,951</u>	
\$ 76,530	\$ 1	\$ -	\$ -	\$ 83,315	
-	-	-	-	-	
-	-	-	-	-	
<u>76,530</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>83,315</u>	
-	-	-	-	-	
597,846	46,953	13,590	20,959	100,636	
-	-	-	-	-	
<u>597,846</u>	<u>46,953</u>	<u>13,590</u>	<u>20,959</u>	<u>100,636</u>	
<u>\$ 674,376</u>	<u>\$ 46,954</u>	<u>\$ 13,590</u>	<u>\$ 20,959</u>	<u>\$ 183,951</u>	

	Special Revenue		
	State Park Clara Ph 3	TDA - Transportation Development	Street Lighting
ASSETS			
Cash and cash equivalents	\$ 282	\$ 21,297	\$ 68,410
Accounts receivable	-	-	-
Notes receivable	-	-	-
Prepaid expense	-	-	-
Interest receivable	-	-	34
Total assets	\$ 282	\$ 21,297	\$ 68,444
LIABILITIES			
Accounts payable	\$ -	\$ 21,297	\$ 17,901
Unearned revenue	-	-	-
Due to other government	-	-	-
Total liabilities	-	21,297	17,901
FUND BALANCES (DEFICIT):			
Nonspendable			
Prepaid expense	-	-	-
Restricted:			
Special revenue funds	282	-	50,543
Unassigned	-	-	-
Total fund balances (deficit)	282	-	50,543
Total liabilities and fund balances	\$ 282	\$ 21,297	\$ 68,444

City of Cudahy
Nonmajor Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2015

Special Revenue			Total Nonmajor Governmental Funds
Cal Home	Other Grants	Federal STPL	
\$ 73,368	\$ -	\$ 357,690	\$ 2,739,806
-	-	-	7,921
227,231	-	-	227,231
-	-	-	7,543
44	-	213	1,474
<u>\$ 300,643</u>	<u>\$ -</u>	<u>\$ 357,903</u>	<u>\$ 2,983,975</u>
\$ 400	\$ 1,635	\$ -	\$ 314,783
-	-	-	-
227,231	-	-	227,231
<u>227,631</u>	<u>1,635</u>	<u>-</u>	<u>542,014</u>
-	-	-	7,543
73,012	-	357,903	2,436,053
-	(1,635)	-	(1,635)
<u>73,012</u>	<u>(1,635)</u>	<u>357,903</u>	<u>2,441,961</u>
<u>\$ 300,643</u>	<u>\$ -</u>	<u>\$ 357,903</u>	<u>\$ 2,983,975</u>

	Special Revenue			
	Drug Asset Seizure	Prop 1B		Proposition A
		Local Street Improvements	Proposition C	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	353,728	424,677
Charges for services	-	-	30,467	-
Use of money and property	79	972	461	1,329
Total revenues	<u>79</u>	<u>972</u>	<u>384,656</u>	<u>426,006</u>
Expenditures:				
Current:				
Public safety	11,409	-	-	-
Community development	-	-	-	-
Community services	-	-	256,021	368,380
Capital outlays	-	51,376	20,152	-
Total expenditures	<u>11,409</u>	<u>51,376</u>	<u>276,173</u>	<u>368,380</u>
Change in fund balance	(11,330)	(50,404)	108,483	57,626
Fund balances, beginning of year	<u>38,626</u>	<u>464,522</u>	<u>102,508</u>	<u>471,841</u>
Fund balances, end of year	<u>\$ 27,296</u>	<u>\$ 414,118</u>	<u>\$ 210,991</u>	<u>\$ 529,467</u>

City of Cudahy
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2015

Special Revenue				
Measure R	AQMD	Used Oil Grant	Recycling Conservation Grant	COPS
\$ -	\$ -	\$ -	\$ -	\$ -
264,254	37,630	-	-	106,230
-	-	-	-	-
<u>1,137</u>	<u>67</u>	<u>33</u>	<u>42</u>	<u>332</u>
<u>265,391</u>	<u>37,697</u>	<u>33</u>	<u>42</u>	<u>106,562</u>
-	-	-	-	106,030
19,152	16,619	-	-	-
-	-	-	-	-
<u>76,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>95,757</u>	<u>16,619</u>	<u>-</u>	<u>-</u>	<u>106,030</u>
169,634	21,078	33	42	532
<u>428,212</u>	<u>25,875</u>	<u>13,557</u>	<u>20,917</u>	<u>100,104</u>
<u>\$ 597,846</u>	<u>\$ 46,953</u>	<u>\$ 13,590</u>	<u>\$ 20,959</u>	<u>\$ 100,636</u>

	Special Revenue		
	State Park Clara Ph 3	TDA - Transportation Development	Street Lighting
Revenues:			
Taxes	\$ -	\$ -	\$ 97,781
Intergovernmental	-	21,297	-
Charges for services	-	-	-
Use of money and property	-	-	103
Total revenues	<u>-</u>	<u>21,297</u>	<u>97,884</u>
Expenditures:			
Current:			
Public safety	-	-	-
Community development	-	-	-
Community services	-	-	105,648
Capital outlays	-	21,297	-
Total expenditures	<u>-</u>	<u>21,297</u>	<u>105,648</u>
Change in fund balance	-	-	(7,764)
Fund balances, beginning of year	<u>282</u>	<u>-</u>	<u>58,307</u>
Fund balances, end of year	<u>\$ 282</u>	<u>\$ -</u>	<u>\$ 50,543</u>

City of Cudahy
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
(Continued)
Year Ended June 30, 2015

Special Revenue			Total Nonmajor Governmental Funds
Cal Home	Other Grants	Federal STPL	
\$ -	\$ -	\$ -	\$ 97,781
-	-	357,629	1,565,445
-	-	-	30,467
171	-	274	5,000
171	-	357,903	1,698,693
-	-	-	117,439
1,911	1,635	-	39,317
-	-	-	730,049
-	-	-	169,430
1,911	1,635	-	1,056,235
(1,740)	(1,635)	357,903	642,458
74,752	-	-	1,799,503
\$ 73,012	(1,635)	357,903	\$ 2,441,961

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Drug Asset Seizure Fund
Year ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 79	\$ 79
Total revenues	-	79	79
Expenditures			
Current:			
Public safety	16,000	11,409	4,591
Total expenditures	16,000	11,409	4,591
Excess (deficiency) of revenues over expenditures	(16,000)	(11,330)	4,670
Change in fund balance	(16,000)	(11,330)	4,670
Fund balance, beginning of year	38,626	38,626	-
Fund balance, end of year	\$ 22,626	\$ 27,296	\$ 4,670

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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Use of money and property	\$ 750	\$ 972	\$ 222
Total revenues	750	972	222
Expenditures			
Current:			
Capital outlays	384,592	51,376	333,216
Total expenditures	384,592	51,376	333,216
Excess (deficiency) of revenues over expenditures	(383,842)	(50,404)	333,438
Change in fund balance	(383,842)	(50,404)	333,438
Fund balance, beginning of year	464,522	464,522	-
Fund balance, end of year	\$ 80,680	\$ 414,118	\$ 333,438

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Proposition C Local Return Fund
Year ended June 30, 2015

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Final Budget- Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 320,000	\$ 353,728	\$ 33,728
Charges for services	25,000	30,467	5,467
Use of money and property	750	461	(289)
Total revenues	<u>345,750</u>	<u>384,656</u>	<u>38,906</u>
Expenditures			
Current:			
Community services	234,415	256,021	(21,606)
Capital outlays	72,200	20,152	52,048
Total expenditures	<u>306,615</u>	<u>276,173</u>	<u>30,442</u>
Excess (deficiency) of revenues over expenditures	<u>39,135</u>	<u>108,483</u>	<u>69,348</u>
Change in fund balance	39,135	108,483	69,348
Fund balance, beginning of year	<u>102,508</u>	<u>102,508</u>	<u>-</u>
Fund balance, end of year	<u>\$ 141,643</u>	<u>\$ 210,991</u>	<u>\$ 69,348</u>

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Proposition A Local Return Fund
Year ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Intergovernmental	\$ 433,000	\$ 424,677	\$ (8,323)
Use of money and property	1,200	1,329	129
Miscellaneous	3,000	-	(3,000)
Total revenues	437,200	426,006	(11,194)
Expenditures			
Current:			
Community services	367,511	368,380	(869)
Total expenditures	367,511	368,380	(869)
Excess (deficiency) of revenues over expenditures	69,689	57,626	(12,063)
Change in fund balance	69,689	57,626	(12,063)
Fund balance, beginning of year	471,841	471,841	-
Fund balance, end of year	\$ 541,530	\$ 529,467	\$ (12,063)

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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Intergovernmental	\$ 250,000	\$ 264,254	\$ 14,254
Use of money and property	500	1,137	637
Total revenues	250,500	265,391	14,891
Expenditures			
Current			
Community development	-	19,152	(19,152)
Capital outlays	177,000	76,605	100,395
Total expenditures	177,000	95,757	81,243
Excess (deficiency) of revenues over expenditures	73,500	169,634	96,134
Change in fund balance	73,500	169,634	96,134
Fund balance, beginning of year	428,212	428,212	-
Fund balance, end of year	\$ 501,712	\$ 597,846	\$ 96,134

City of Cudahy
 Nonmajor Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
 Air Quality Improvement Fund
 Year ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Intergovernmental	\$ 25,000	\$ 37,630	\$ 12,630
Use of money and property	50	67	17
Total revenues	25,050	37,697	12,647
Expenditures			
Current:			
Community development	19,200	16,619	2,581
Total expenditures	19,200	16,619	2,581
Excess (deficiency) of revenues over expenditures	5,850	21,078	15,228
Change in fund balance	5,850	21,078	15,228
Fund balance, beginning of year	25,875	25,875	-
Fund balance, end of year	\$ 31,725	\$ 46,953	\$ 15,228

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
Used Oil Grant Fund
Year ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Intergovernmental	\$ 7,000	\$ -	\$ (7,000)
Use of money and property	-	33	33
Total revenues	7,000	33	(6,967)
Excess (deficiency) of revenues over expenditures	7,000	33	(6,967)
Change in fund balance	7,000	33	(6,967)
Fund balance, beginning of year	13,557	13,557	-
Fund balance, end of year	\$ 20,557	\$ 13,590	\$ (6,967)

City of Cudahy
 Nonmajor Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
 Recycling Conservation Grant Fund
 Year ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 42	\$ 42
Total revenues	-	42	42
Excess (deficiency) of revenues over expenditures	-	42	42
Change in fund balance	-	42	42
Fund balance, beginning of year	20,917	20,917	-
Fund balance, end of year	\$ 20,917	\$ 20,959	\$ 42

City of Cudahy
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
COPS
Year ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Intergovernmental	\$ 100,000	\$ 106,230	\$ 6,230
Use of money and property	-	332	332
Total revenues	100,000	106,562	6,562
Expenditures			
Current			
Public safety	100,000	106,030	(6,030)
Total expenditures	100,000	106,030	(6,030)
Excess (deficiency) of revenues over expenditures	-	532	532
Change in fund balance	-	532	532
Fund balance, beginning of year	100,104	100,104	-
Fund balance, end of year	\$ 100,104	\$ 100,636	\$ 532

City of Cudahy
 Nonmajor Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
 TDA – Transportation Development
 Year ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ 21,297	\$ 21,297
Use of money and property	-	-	-
Total revenues	-	21,297	21,297
Expenditures			
Capital outlays	-	21,297	(21,297)
Total expenditures	-	21,297	(21,297)
Excess (deficiency) of revenues over expenditures	-	-	-
Change in fund balance	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -

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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Taxes	\$ -	\$ 97,781	\$ 97,781
Use of money and property	-	103	103
Total revenues	-	97,884	97,884
Expenditures			
Current:			
Community services	102,250	105,648	(3,398)
Total expenditures	102,250	105,648	(3,398)
Excess (deficiency) of revenues over expenditures	(102,250)	(7,764)	94,486
Change in fund balance	(102,250)	(7,764)	94,486
Fund balance, beginning of year	58,307	58,307	-
Fund balance, end of year	\$ (43,943)	\$ 50,543	\$ 94,486

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, 2015

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 171	\$ 171
Total revenues	<u>-</u>	<u>171</u>	<u>171</u>
Expenditures			
Current:			
Community development	-	1,911	(1,911)
Total expenditures	<u>-</u>	<u>1,911</u>	<u>(1,911)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,740)</u>	<u>(1,740)</u>
Change in fund balance	-	(1,740)	(1,740)
Fund balance, beginning of year	<u>74,752</u>	<u>74,752</u>	<u>-</u>
Fund balance, end of year	<u>\$ 74,752</u>	<u>\$ 73,012</u>	<u>\$ (1,740)</u>

City of Cudahy
 Nonmajor Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
 Other Grants
 Year ended June 30, 2015

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Expenditures			
Current:			
Community development	-	1,635	(1,635)
Total expenditures	<u>-</u>	<u>1,635</u>	<u>(1,635)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,635)</u>	<u>(1,635)</u>
Change in fund balance	-	(1,635)	(1,635)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ (1,635)</u>	<u>\$ (1,635)</u>

City of Cudahy
 Nonmajor Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual
 Federal STPL
 Year ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ 357,629	\$ 357,629
Use of money and property	-	274	274
Total revenues	-	357,903	357,903
Excess (deficiency) of revenues over expenditures	-	357,903	357,903
Change in fund balance	-	357,903	357,903
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ 357,903	\$ 357,903