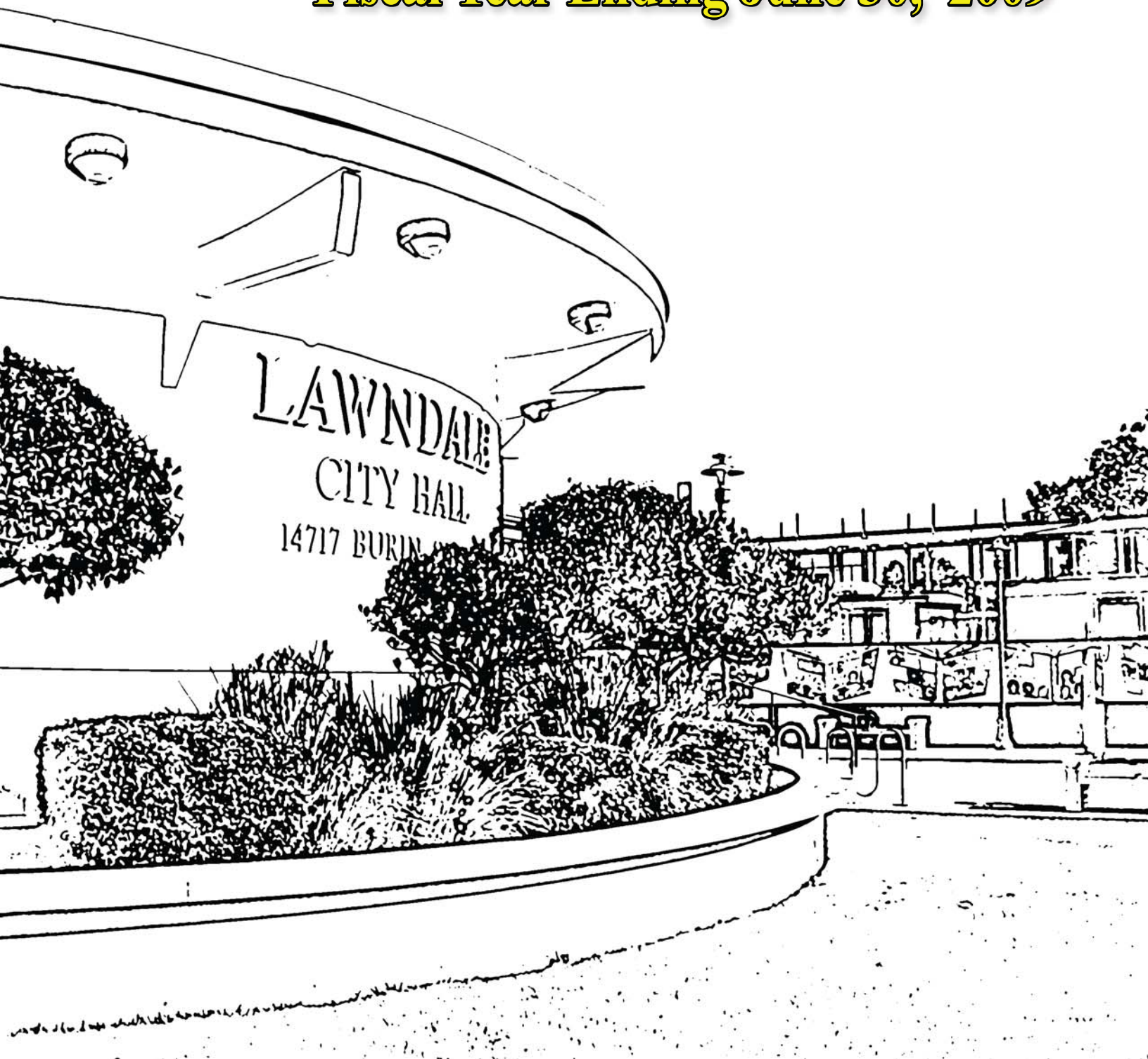




# City of Lawndale Comprehensive Annual Financial Report Fiscal Year Ending June 30, 2009





**CITY OF LAWNSDALE, CALIFORNIA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2009**

**Prepared By:**

**Finance Department**

**CITY OF LAWNSDALE**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2009**

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## **INTRODUCTORY SECTION**

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December 28, 2009

Honorable Mayor,  
Members of the City Council

The Comprehensive Annual Financial Report (CAFR) of the City of Lawndale, California for the fiscal year ended June 30, 2009 (FY09) is submitted herewith.

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

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

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

In addition, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governmental Units and Non-Profit Organizations, and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Information related to the FY08, single audit, including the schedule of expenditures of federal awards, auditors' reports on compliance and internal control over financial reporting and compliance with applicable laws and regulations, are included in the single audit report, which is separately issued and available at City Hall in the Finance Department.

#### THE REPORTING ENTITY AND ITS SERVICES

The City of Lawndale, known as the Heart of the South Bay, is a general law city incorporated in 1959 under the laws of the State of California. It uses the Council/Manager form of government. The City Council is presided over by the Mayor, who is elected every two years. The four Council members are elected every four years via citywide vote. Among its primary duties, the City Council makes laws, sets policies, adopts budgets and oversees an array of agenda items for the community. The City Manager is appointed by the City Council and leads the administrative branch of city government and directs all City

operations, projects and programs. The City is located in the County of Los Angeles, California and is approximately 13 miles southwest of Los Angeles and 3 miles east of Manhattan Beach. It is situated in the southwest part of the county and occupies approximately 2 square miles. As of January 1, 2009 the City population was estimated by the California State Department of Finance at approximately 35,000.

### ECONOMIC ENVIRONMENT

The General Fund's main revenue sources have collectively stagnated due to the national economic recession. Led by Motor Vehicle In-Lieu of \$3.0 million, Sales Tax of \$2.5 million, and Utility User's Tax of \$2.3 million, this balanced trio enabled the General Fund to finish with only a negative change to fund balance of \$961,559. The negative outflow was due largely to commitments to the Capital Improvement Program (CIP). With the nation in economic downturn, we consider ourselves fortunate to have achieved stable General Fund revenues through the close of the fiscal year as many other cities are experiencing much greater effects of the recession.

Fiscal year 2009 was the second full year of implementation of our 5-Year CIP. The \$34 million plan was approved as part of the normal budget process and represented a culmination of revenues and resources from not only the General Fund, but a multitude of special funds and grant funds. Such funds will go toward the construction of a new park, park improvements, street and sidewalk improvements and traffic signal improvements. In April of 2008, the voters resoundingly approved the expenditure of funds for a new community center. This vote was required because the City has an ordinance which states that any expenditure in excess of \$1 million for a capital project requires the vote of the people.

With the national and local economy in apparent disarray, Lawndale will exercise a greater level of caution as it seeks to continue carrying out the CIP.

Despite the gloomy national economic conditions, there is a positive feeling around the City as the new County Library has been completed. A true showpiece, this 17,500 square foot building along with the recently completed, equally stylish, Lucille J. Smith Elementary School, has transformed the look of the civic center. The new library is the second of three icons as the City begins planning for the new Community Center, which is projected to open in 2011.

Though the feeling is growth and productivity, the City will continue to possess a "guarded optimism" as external factors could always impair the City's current progress. Some of those external factors include:

- Volatile fuel and utility costs
- Future increases in the Los Angeles Sheriff's Contract
- Long-term Economic downturn
- Legislative enactments that could reduce/eliminate revenue
- State budget shortfalls which could redirect local revenue

External factors are always of concern as they are not within the control of management or the City Council. Management must remain diligent and foresee potential upcoming situations that could adversely affect the organization.

## INTERNAL ACCOUNTING CONTROLS AND BUDGETARY CONTROL

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

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

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when received in cash, except for revenues susceptible to accrual and revenues of a material amount that have not been received at the normal time. Revenues considered susceptible to accrual are those that are measurable and available to finance the government operation during the year. Expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred.

In addition, as a recipient of federal financial assistance, the City is responsible for establishing and maintaining adequate internal controls to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the City's independent certified public accountants. As part of the City's single audit, tests are made to determine the adequacy of internal controls, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the year ended June 30, 2007, published in a separately issued report, indicated that there were no material weaknesses in internal controls.

## CASH MANAGEMENT

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

Interest earnings on all invested funds of the City for the year ending June 30, 2009 totaled \$955,121.

## RISK MANAGEMENT

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

- General Liability - Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Costs are spread to members as delineated in note 5.
- Workers' Compensation - The City also participates in the workers compensation pool administered by the Authority. Pool deposits and retrospective adjustments are valued in a manner similar to the General Liability pool. The City of Lawndale is charged for the first \$50,000 of each claim. Costs are pooled above that level as delineated in note 5.
- Property Insurance - The City of Lawndale participates in the all-risk property protections program of the Authority. This insurance protection is underwritten by several insurance companies. The City of Lawndale property is currently insured according to a schedule of covered property submitted by the City of Lawndale to the Authority. Total all-risk property insurance coverage is \$500 million per occurrence. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.
- Earthquake and Flood Insurance - The City of Lawndale purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. The City of Lawndale property currently has earthquake protection in the amount of \$10 million per occurrence. There is a deductible of 5 percent of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

## PENSION FUND OPERATIONS

The City of Lawndale's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The employees are covered by the California Public Employees' Retirement System (PERS) which is a cost sharing multiple-employer benefit plan. The plan is currently 105.6% funded and less subject to volatility as recent legislation recommends that when there are fewer than 100 active members, an organization shall be grouped with like-organizations in order to spread the risk and stabilize rate changes.

Effective July 1, 2007, the City enrolled the City Manager in a 3% at 65 plan and the Central Management Team in a 3% at 55 plan through the Public Agency Retirement System (PARS). This will serve as a retirement supplement to the current PERS system and in like-fashion the City will make contributions on behalf of its members.

INDEPENDENT AUDIT

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

AWARDS

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

ACKNOWLEDGMENTS

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

Respectfully submitted,



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Keith Breskin  
City Manager

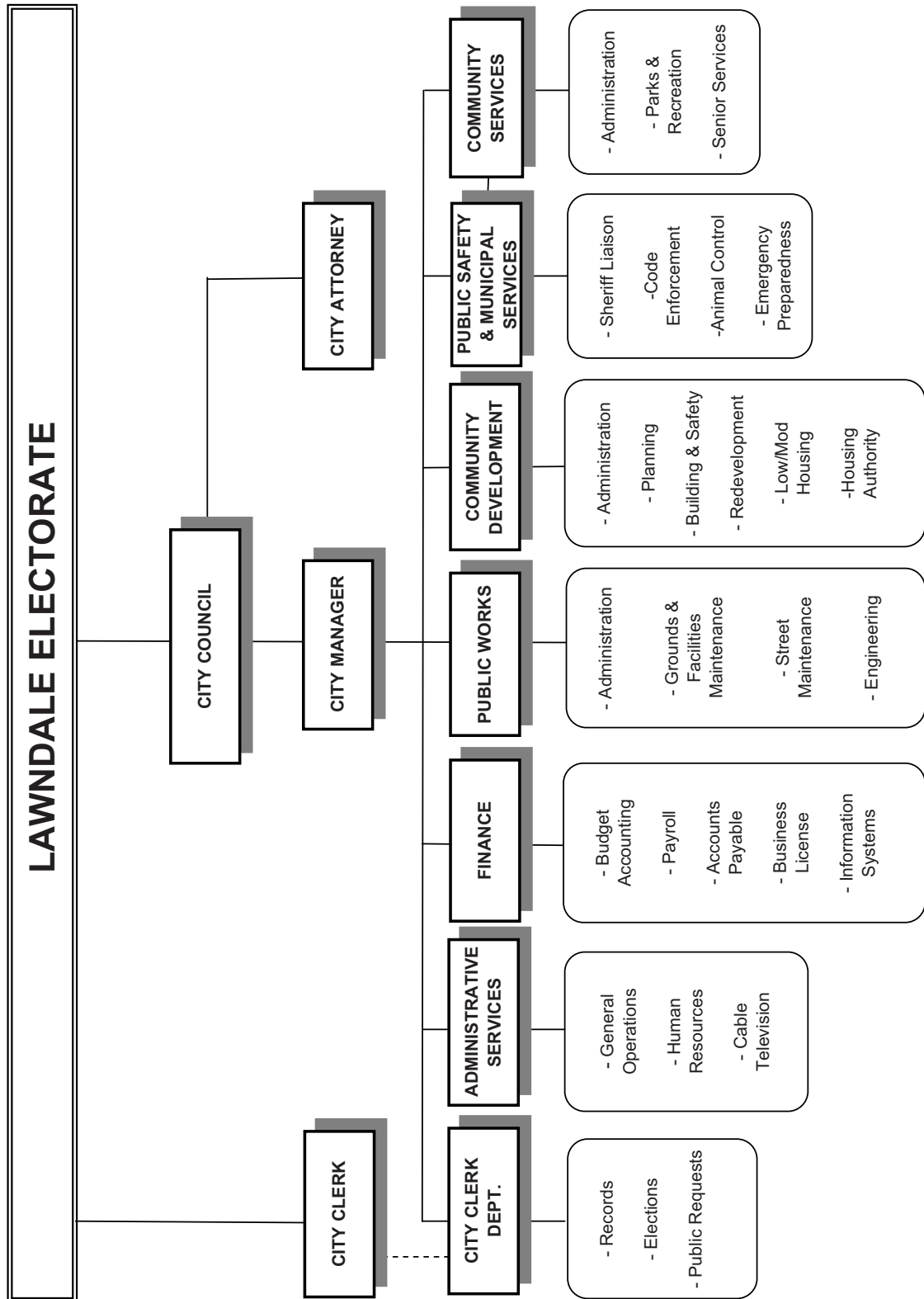


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Ken Louie  
Finance Director/City Treasurer

# CITY OF LAWNSDALE

## City-Wide Organizational Chart



■ **CITY ELECTED OFFICIALS**



**Mayor  
Harold Hofmann**

Elected: April 2008



**Mayor Pro Tem  
Larry Rudolph**

Elected: April 2006



**Councilmember  
Jim Ramsey**

Elected: April 2006



**Councilmember  
Robert Pullen-Miles**

Elected: April 2008



**Councilmember  
Jim Osborne**

Elected: April 2008

**City Clerk Paula Hartwill**  
Elected: April 2006

■ **CENTRAL MANAGEMENT TEAM**

City Manager: Keith Breskin

Deputy City Manager: Otis Ginoza

Director of Finance/ City Treasurer: Ken Louie

Director of Public Works: Marlene Miyoshi

Assistant City Clerk: Pam Giamario

Director of Community Services: Vacant

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**FINANCIAL SECTION**



**MACIAS GINI & O'CONNELL** LLP  
Certified Public Accountants & Management Consultants

NEWPORT BEACH  
1201 Dove Street, Suite 680  
Newport Beach, CA 92660  
949.221.0025

SACRAMENTO

OAKLAND

WALNUT CREEK

LOS ANGELES

SAN MARCOS

SAN DIEGO

The Honorable City Council of  
the City of Lawndale, California

### Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lawndale, California, (City) as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Lawndale's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lawndale, California, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 (j), to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, (*Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions.*)

In accordance with *Government Auditing Standards*, we have also issued our report dated [date] on our consideration of the City of Lawndale'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and other required supplementary information identified in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, the major fund budgetary comparison schedule, the combining and individual nonmajor fund financial statements and schedules listed as supplementary information in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The major fund budgetary comparison schedule and the combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Macias Fini & O'Connell LLP*

Certified Public Accountants  
Newport Beach, California

December 28, 2009

## CITY OF LAWNSDALE, CALIFORNIA

### Management's Discussion and Analysis

As management of the City of Lawndale, we offer readers of the City's financial statements this narrative discussion and analysis of the financial activities for fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i- vii of this report.

#### Financial Highlights

- The assets of the City of Lawndale exceed its liabilities, at the close of the fiscal year ended June 30, 2009, by \$55,126,415 (*total net assets*). Of this amount, \$22,757,234 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$2,695,944. The main increase is attributable to the increase in capital assets & governmental funds fund balances.
- As of June 30, 2009, the City's governmental funds reported combined ending fund balances of \$34,049,108 an increase of \$856,560 in comparison with the prior year. The increase in combined ending fund balances is primarily attributable to an increase in grants received in relation to both the CDBG program and Community Center-related grants. Approximately \$13,403,959 (*unreserved fund balance*) is available for spending at the government's discretion.
- As of June 30, 2009, unreserved fund balance for the General Fund was \$13,559,656 or 102%, of total General Fund current operating expenditures. In recent years, the percentage has been considerably higher but the City has opted to have strong General Fund participation in the CIP plan which has reduced the reserves.

#### Overview of the Financial Statements

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

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

## CITY OF LAWNSDALE, CALIFORNIA

### Management's Discussion and Analysis

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

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

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

The government-wide financial statements include not only the City of Lawndale itself (known as the *primary government*), but also a legally separate Redevelopment Agency and the Lawndale Cable Corporation for which the City of Lawndale is financially accountable. Financial information for this *component unit* has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 14-16 of this report.

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

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

## CITY OF LAWNSDALE, CALIFORNIA

### Management's Discussion and Analysis

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

The City of Lawndale maintains 30 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Restricted Urban Development Special Revenue Fund, the Community Development Block Grant Special Revenue Fund, the Redevelopment Agency Capital Projects Fund and the Redevelopment Agency Debt Service Fund, all of which are considered to be major funds. Data from the other 25 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *non-major* governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 19-26 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-52 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 58 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 65-111 of this report.

## CITY OF LAWDALE, CALIFORNIA

### Management's Discussion and Analysis

#### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Lawndale, assets exceeded liabilities by \$55,126,415 at June 30, 2009. A large portion of the City's total net assets (41 percent) reflects its investment in capital assets (e.g. land, buildings, facilities, vehicles, equipment, and infrastructure). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remaining balance of unrestricted total net assets (\$22,757,234 or 42 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

<b>City of Lawndale Net Assets Governmental Activities</b>	<b>Fiscal Year 2008-2009</b>	<b>Fiscal Year 2007-2008</b>	<b>Variance Increase (Decrease)</b>	<b>Percentage Increase (Decrease)</b>
Current and other assets	\$37,728,455	\$36,311,469	\$1,416,986	3.90%
Capital assets	22,816,674	20,933,963	1,882,711	8.99%
<b>Total assets</b>	<b>60,545,129</b>	<b>57,245,432</b>	<b>3,299,697</b>	<b>5.76%</b>
Long-term liabilities outstanding	2,527,501	2,312,021	215,480	9.32%
Other liabilities	2,891,213	2,502,940	388,273	15.51%
<b>Total liabilities</b>	<b>5,418,714</b>	<b>4,814,961</b>	<b>603,753</b>	<b>12.54%</b>
Invested in capital assets, net of related debt	22,816,674	20,933,963	1,882,711	8.99%
Restricted	9,552,507	7,856,975	1,695,532	21.58%
Unrestricted	22,757,234	23,639,533	(882,299)	(4.00%)
<b>Total Net Assets</b>	<b>\$55,126,415</b>	<b>\$52,430,471</b>	<b>\$2,695,944</b>	<b>5.14%</b>

**Governmental activities.** Governmental activities increased the City's net assets by \$2,695,944.

**CITY OF LAWNSDALE, CALIFORNIA**

Management's Discussion and Analysis

<b>City of Lawndale Changes in Net Assets Governmental Activities</b>	<b>Fiscal Year 2008-2009</b>	<b>Fiscal Year 2007-2008</b>	<b>Variance Increase (Decrease)</b>	<b>Percentage Increase (Decrease)</b>
Program revenues:				
Charges for services	\$2,056,391	\$1,984,589	\$71,802	3.62%
Operating contributions and grants	76,807	108,086	(31,279)	(28.94%)
Capital contributions and grants	3,072,002	2,281,805	790,197	34.63%
General revenues:				
Property taxes	6,321,565	5,698,919	622,646	10.93%
Other taxes	10,263,538	10,703,862	(440,324)	(4.11%)
Other general revenues	1,313,795	1,916,278	(602,483)	(31.44%)
<b>Total revenues</b>	<b>23,104,098</b>	<b>22,693,539</b>	<b>410,559</b>	<b>1.81%</b>
Expenses:				
General government	3,422,817	3,485,632	(62,818)	(1.80%)
Public safety	4,841,606	4,765,368	76,238	1.60%
Municipal services	5,734,422	3,865,148	1,869,274	48.36%
Planning and community development	4,482,731	5,351,549	(868,818)	(16.23%)
Recreation and community services	1,563,899	1,635,332	(71,433)	(4.37%)
Interest and fiscal charges	362,679	589,002	(226,323)	(38.42%)
<b>Total expenses</b>	<b>20,408,154</b>	<b>19,692,031</b>	<b>716,123</b>	<b>3.64%</b>
<b>Increase in Net Assets</b>	<b>2,695,944</b>	<b>3,001,508</b>	<b>(305,564)</b>	<b>(10.18%)</b>
Net Assets – Beginning of Year, as Restated	\$52,430,471	\$49,428,963	3,001,508	6.07%
Net Assets –End of Year	\$55,126,415	\$52,430,471	\$2,695,944	5.14%

Key elements of this increase in total net assets from all activities are as follows:

- The difference in the method of accounting for capital assets in the governmental funds versus the statement of activities accounts. Governmental funds fully expend capital asset costs in the period they are acquired. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives.
- General and Capital Projects Fund balances were depleted for additional necessary capital improvements in the current fiscal year, including the

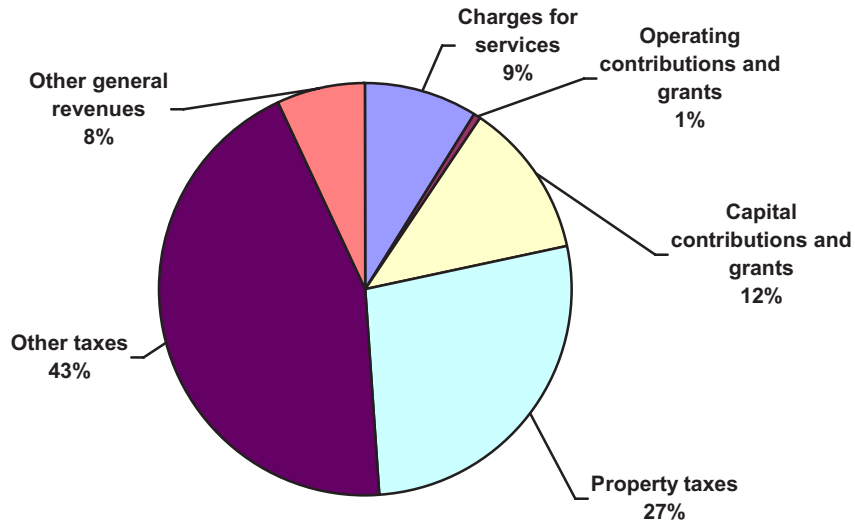


# CITY OF LAWNSDALE, CALIFORNIA

## Management's Discussion and Analysis

construction of Hopper Park and land purchases for the new community center.

### Revenues by Source – Governmental Activities



As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$34,049,108 an increase of \$856,560 in comparison with the prior year.

The General Fund is the chief operating fund of the City of Lawndale. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$13,559,656 while total fund balance reached \$17,031,571. As a measure of the fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 102 percent of total General Fund expenditures, while total fund balance represents 129 percent of that same amount.

During the current fiscal year, the fund balance of the City's General fund decreased by \$961,559. The decrease in fund balance is attributable to the national economic recession as well as the City's commitment to assist in the funding of capital improvement projects.

The Debt Service Fund has a fund balance of \$1,657,701. Although the Redevelopment Agency is currently experiencing a positive cash flow scenario, it still

## CITY OF LAWNSDALE, CALIFORNIA

### Management's Discussion and Analysis

bears a deficit Fund Balance (equity) as it has three sizable long-term debt instruments outstanding. Two of the instruments are intra-City and can be discretionarily paid and the third is to a California Infrastructure Economic Bank (CIEDB). The Agency has been making debt service payments to the CIEDB and in fiscal year 2005-06, began paying-down its internal loans.

It is important to note that the Agency issued \$20,545,000 in Tax Allocation Bonds in November 2009. The proceeds will be primarily used for the design and construction of the new Community Center as well as other CIP projects. The debt will be paid from tax increment revenue received in the Debt Service Fund.

### Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental activities as of June 30, 2009, amounts to \$22,816,674 (net of accumulated depreciation). The investment in capital assets includes land, buildings and structures, improvements other than buildings, machinery and equipment and current year additions to infrastructure. During the current fiscal year, the City's investment in capital assets increased from the fiscal year 2007-08 amount of \$1,882,711.

<b>City of Lawndale Capital Assets (Net of Depreciation) Governmental Activities</b>	<b>Fiscal Year 2008-2009</b>	<b>Fiscal Year 2007-2008</b>	<b>Variance Increase (Decrease)</b>	<b>Percentage Increase (Decrease)</b>
Land	\$1,879,011	\$966,000	\$913,011	94.51%
Buildings and structures	4,522,293	4,574,625	(\$52,332)	(1.14%)
Machinery and equipment	736,708	716,628	\$20,080	2.80%
Improvements other than buildings	249,571	131,307	\$118,264	90.07%
Infrastructure	13,847,265	14,422,624	(\$575,359)	(3.99%)
Construction in progress	1,581,826	122,779	\$1,459,047	1,188.35%
<i>Total</i>	<b>\$22,816,674</b>	<b>\$20,933,963</b>	<b>\$1,882,711</b>	<b>8.99%</b>

Additional information regarding the City's capital assets can be found in Note 3d on page 40.

## CITY OF LAWNSDALE, CALIFORNIA

### Management's Discussion and Analysis

**Long-term debt.** At the end of the current fiscal year, the City of Lawnsdale had total debt outstanding of \$2,350,672. The City has no bonded debt or certificates of participation debt.

<b>City of Lawnsdale Outstanding Debt Governmental Activities</b>	<b>Fiscal Year 2008-2009</b>	<b>Fiscal Year 2007-2008</b>	<b>Variance Increase (Decrease)</b>	<b>Percentage Increase (Decrease)</b>
Notes Payable	\$1,772,859	\$1,821,601	(\$48,742)	(2.68%)
Compensated absences	577,813	490,420	\$87,393	17.82%
<b>Total</b>	<b>\$2,350,672</b>	<b>\$2,312,021</b>	<b>\$38,651</b>	<b>1.67%</b>

The City's total debt increased by \$38,651 (1.67 percent) during the current fiscal year, due to Notes Payable and Compensated Absences.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. The current debt limitation for the City of Lawnsdale is \$274,744,551. With no general obligation debt, the City operates well within the legal limit imposed by the State.

Additional information on the City's long-term debt can be found in Note 3.E. on page 41 of this report.

#### Current Economic Factors and Future Outlook

The General Fund's main revenue sources although basically steady, have begun to stagnate due to the national economic recession. Led by Motor Vehicle In-Lieu of \$3.0 million, Sales Tax of \$2.5 million, and Utility User's Tax of \$2.3 million, this balanced trio continues to be the lion's share of the revenue.

Fiscal year 2009 was the second full year of implementation of our 5-Year Capital Improvement Plan (CIP). The \$34 million plan was approved as part of the normal budget process and represented a culmination of revenues and resources from not only the General Fund, but a multitude of special funds and grant funds. Such funds will go toward the construction of a new park, park improvements, street and sidewalk improvements and traffic signal improvements. In April of 2009, the voters resoundingly approved the expenditure of funds for a new community center. This vote was required because the City has an ordinance which states that any expenditure in excess of \$1 million for a capital project requires the vote of the people. In an effort to fund this celebrated venture, in November 2009, the Lawnsdale Redevelopment Agency issued tax allocation bonds (as mentioned above).

## **CITY OF LAWNSDALE, CALIFORNIA**

### **Management's Discussion and Analysis**

With the national and local economy in apparent disarray, Lawndale will exercise a greater level of caution as it seeks to continue carrying out the CIP. The City will further continue to seek grant funding for new projects in the interest of protecting its General Fund reserves.

Despite the gloomy national economic conditions, there is a positive feeling around the City as the mid-century modern County Library was recently completed. A true showpiece, this building has transformed the look of civic center and will be the second of three City icons as the City begins planning for the new Community Center which will sit adjacent to the new Library and new Lucille Smith elementary school.

Though we seek growth in lean times, the City will continue to plan for adverse conditions as there are many external factors that could impair our status. Some of those external factors include:

- Volatile fuel and utility costs
- Future increases in the Los Angeles Sheriff's contract
- Continued economic downturn
- Legislative enactments that could reduce/eliminate revenue
- State budget shortfalls which could redirect local revenue

External factors are always of concern as they are not within the control of management or the City Council. Management must remain diligent and foresee potential upcoming situations that could adversely affect the organization.

### **Requests for Information**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CITY OF LAWNSDALE**  
**Statement of Net Assets**  
**June 30, 2009**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 32,559,723
Receivables:	
Accounts, net	1,754,475
Interest	112,279
Loans	1,018,318
Prepaid items	383,677
Land held for development	1,899,983
Capital assets, not being depreciated	3,460,837
Capital assets, being depreciated, net	19,355,837
Total assets	60,545,129
 <b>Liabilities:</b>	
Accounts payable and accrued expenses	2,715,971
Interest payable	26,962
Deposits	148,280
Long-term liabilities:	
Postemployment benefit liability	176,829
Due within one year	130,521
Due in more than one year	2,220,151
Total liabilities	5,418,714
 <b>Net assets:</b>	
Invested in capital assets	22,816,674
Restricted:	
Community development	4,348,443
Municipal services	5,075,801
Other purposes	128,263
Unrestricted	22,757,234
Total net assets	\$ 55,126,415

See accompanying notes to financial statements.

**CITY OF LAWNSDALE**  
**Statement of Activities**  
**For the Year Ended June 30, 2009**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>
<b>Governmental Activities:</b>			
General government	\$ 3,422,817	\$ 800,969	\$ -
Public safety	4,841,606	622,823	76,807
Municipal services	5,734,422	123,115	-
Planning and community development	4,482,731	494,481	-
Recreation and community services	1,563,899	15,003	-
Interest and fiscal charges	362,679	-	-
	<u>\$ 20,408,154</u>	<u>\$ 2,056,391</u>	<u>\$ 76,807</u>

General Revenues:

Taxes:

- Property tax, levied for general purpose
- Property tax, Redevelopment Agency tax increment
- Transient occupancy tax
- Franchise tax
- Sales tax
- Motor vehicle in-lieu tax
- Utility users tax

Investment income

Other

Total general revenues

Change in net assets

Net assets, beginning of year

Net assets, end of year

See accompanying notes to financial statements.



<b>Program Revenues</b>	<b>Net (Expense) Revenue and Changes In Net Assets</b>
<b>Capital Contributions and Grants</b>	<b>Net Governmental Activities</b>
\$ -	\$ (2,621,848)
13,940	(4,128,036)
3,018,960	(2,592,347)
-	(3,988,250)
39,102	(1,509,794)
-	(362,679)
<u>\$ 3,072,002</u>	<u>(15,202,954)</u>

1,052,038
5,269,527
474,874
513,893
4,025,805
2,988,042
2,260,924
955,121
358,674
<u>17,898,898</u>
2,695,944
<u>52,430,471</u>
<u>\$ 55,126,415</u>

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**FUND FINANCIAL STATEMENTS**

**CITY OF LAWDALE**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2009**

		<u>Special Revenue</u>	<u>Capital Projects</u>
	<u>General</u>	<u>Restricted Urban Development</u>	<u>Redevelopment Agency</u>
<b>Assets:</b>			
Cash and investments	\$ 16,503,146	\$ 803,324	\$ 41
Receivables:			
Accounts	1,017,837	-	2,176
Interest	57,755	2,788	-
Loans	-	-	203,222
Prepaid items	383,677	-	-
Due from other funds	902,319	-	-
Advances to other funds	131,238	11,630,981	-
Land held for development	-	-	1,407,900
Total assets	<u>\$ 18,995,972</u>	<u>\$ 12,437,093</u>	<u>\$ 1,613,339</u>
<b>Liabilities and fund balances:</b>			
Liabilities:			
Accounts payable	\$ 1,749,373	\$ -	\$ 191,851
Accrued wages	81,748	-	16,890
Due to other funds	-	-	7,099,785
Retentions payable	-	-	104,485
Deferred revenue	-	-	-
Deposits	133,280	-	15,000
Advances from other funds	-	-	-
Total liabilities	<u>1,964,401</u>	<u>-</u>	<u>7,428,011</u>
Fund balances:			
Reserved for:			
UDAG unrestricted principal	2,840,000	-	-
MOU costs	117,000	-	23,790
Prepaid items	383,677	-	-
Advances to other funds	131,238	11,630,981	-
Loan receivables	-	-	203,222
Land held for development	-	-	1,407,900
Low-mod income housing	-	-	-
Unreserved, undesignated:			
General fund	13,559,656	-	-
Special revenue funds	-	806,112	-
Capital projects fund	-	-	(7,449,584)
Debt service fund	-	-	-
Total fund balances	<u>17,031,571</u>	<u>12,437,093</u>	<u>(5,814,672)</u>
Total liabilities and fund balances	<u>\$ 18,995,972</u>	<u>\$ 12,437,093</u>	<u>\$ 1,613,339</u>

See accompanying notes to financial statements.

<u>Debt Service</u>		
<u>Redevelopment Agency</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ 6,139,263	\$ 9,113,949	\$ 32,559,723
158,487	575,943	1,754,443
22,385	29,383	112,311
-	815,096	1,018,318
-	-	383,677
7,099,785	-	8,002,104
-	-	11,762,219
-	492,083	1,899,983
<u>\$ 13,419,920</u>	<u>\$ 11,026,454</u>	<u>\$ 57,492,778</u>
\$ -	\$ 461,683	\$ 2,402,907
-	17,747	116,385
-	902,319	8,002,104
-	92,194	196,679
-	815,096	815,096
-	-	148,280
11,762,219	-	11,762,219
<u>11,762,219</u>	<u>2,289,039</u>	<u>23,443,670</u>
-	-	2,840,000
-	22,820	163,610
-	-	383,677
-	-	11,762,219
-	-	203,222
-	492,083	1,899,983
-	3,392,438	3,392,438
-	-	13,559,656
-	4,830,074	5,636,186
-	-	(7,449,584)
1,657,701	-	1,657,701
<u>1,657,701</u>	<u>8,737,415</u>	<u>34,049,108</u>
<u>\$ 13,419,920</u>	<u>\$ 11,026,454</u>	<u>\$ 57,492,778</u>

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**CITY OF LAWNSDALE**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
**June 30, 2009**

Fund balances of governmental funds		\$ 34,049,108
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		
Capital assets	\$ 28,265,451	
Accumulated depreciation	<u>(5,448,777)</u>	22,816,674
Long-term notes receivable are not current financial resources and, therefore, are reported as deferred revenue in the governmental funds.		
		815,096
Interest expenditures are recognized when due and, therefore, interest payable is not recorded in the governmental funds.		
		(26,962)
Postemployment benefit liability other than pensions is not due and payable in the current period and therefore is not reported in the funds.		
		(176,829)
Long-term liabilities, including notes, are not due and payable in the current period and, therefore, are not reported in the funds.		
		<u>(2,350,672)</u>
Net assets of governmental activities		<u><u>\$ 55,126,415</u></u>

See accompanying notes to financial statements.

**CITY OF LAWDALE**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Year Ended June 30, 2009**

	<b>General</b>	<b>Special Revenue Restricted Urban Development</b>	<b>Capital Projects Redevelopment Agency</b>
<b>Revenues:</b>			
Sales and use taxes	\$ 2,452,228	\$ -	\$ -
Property tax	1,052,038	-	-
Utility user tax	2,260,924	-	-
Other taxes	988,767	-	-
Motor vehicle in-lieu	2,988,042	-	-
Licenses and permits	632,599	-	-
Fines and forfeitures	622,823	-	-
Subventions and grants	-	-	439,781
Use of money and property	367,211	309,167	3,681
Charges for services	746,036	-	-
Miscellaneous	172,111	-	249
Total revenues	<u>12,282,779</u>	<u>309,167</u>	<u>443,711</u>
<b>Expenditures:</b>			
Current:			
General government	3,065,792	-	23,574
Public safety	4,692,767	-	-
Municipal services	2,894,702	-	-
Planning and community development	1,018,171	-	1,484,142
Recreation and community services	1,080,902	-	-
Capital outlay	1,272,571	-	791,390
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>14,024,905</u>	<u>-</u>	<u>2,299,106</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,742,126)</u>	<u>309,167</u>	<u>(1,855,395)</u>
<b>Other financing sources (uses):</b>			
Transfers in	1,044,227	-	-
Transfers out	<u>(263,660)</u>	<u>(300,000)</u>	<u>(744,227)</u>
Total other financing sources (uses)	<u>780,567</u>	<u>(300,000)</u>	<u>(744,227)</u>
Net change in fund balances	(961,559)	9,167	(2,599,622)
Fund balances (deficit), beginning of year	<u>17,993,130</u>	<u>12,427,926</u>	<u>(3,215,050)</u>
Fund balances (deficit), end of year	<u>\$ 17,031,571</u>	<u>\$ 12,437,093</u>	<u>\$ (5,814,672)</u>

See accompanying notes to financial statements.



<b>Debt Service</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
<b>Redevelopment Agency</b>		
\$ -	\$ 1,573,577	\$ 4,025,805
4,215,622	1,053,905	6,321,565
-	-	2,260,924
-	-	988,767
-	-	2,988,042
-	-	632,599
-	-	622,823
-	2,709,028	3,148,809
112,197	162,865	955,121
-	54,933	800,969
-	14,902	187,262
<u>4,327,819</u>	<u>5,569,210</u>	<u>22,932,686</u>
-	42,369	3,131,735
-	133,024	4,825,791
-	1,251,727	4,146,429
1,031,207	426,316	3,959,836
-	462,660	1,543,562
-	1,992,650	4,056,611
48,742	-	48,742
363,420	-	363,420
<u>1,443,369</u>	<u>4,308,746</u>	<u>22,076,126</u>
<u>2,884,450</u>	<u>1,260,464</u>	<u>856,560</u>
-	263,660	1,307,887
-	-	(1,307,887)
-	263,660	-
2,884,450	1,524,124	856,560
(1,226,749)	7,213,291	33,192,548
<u>\$ 1,657,701</u>	<u>\$ 8,737,415</u>	<u>\$ 34,049,108</u>

**CITY OF LAWNSDALE**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2009**

Net change in fund balances – total governmental funds \$ 856,560

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets	\$ 2,726,724	
Depreciation expense	<u>(844,013)</u>	1,882,711

Governmental funds report repayments of long-term notes receivable as revenue and new loans funded as expenditures. Neither the repayment nor the new loans funded are reported as revenues or expenses on the statement of activities. The changes in notes receivable were as follow:

Loan repayments received	\$ (11,980)	
New loans funded	<u>183,392</u>	171,412

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 48,742

Interest on long-term debt is not due and payable in the current period and therefore are not reported in the funds: 741

Compensated absences expenses reported in the statement of activities does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds. (87,393)

Change in postemployment benefits other than pensions on a pay-as-you-go basis. (176,829)

Change in net assets of governmental activities \$ 2,695,944

See accompanying notes to financial statements.

**CITY OF LAWNSDALE**  
**Statement of Fiduciary Net Assets - Fiduciary Funds**  
**June 30, 2009**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and investments	\$ 598,287
Accounts receivable	<u>7,651</u>
Total assets	<u><u>\$ 605,938</u></u>
 <b>Liabilities:</b>	
Due to other governments	<u><u>\$ 605,938</u></u>

See accompanying notes to financial statements.

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**NOTES TO FINANCIAL STATEMENTS**

**CITY OF LAWNSDALE**  
**Note to Financial Statements**  
**June 30, 2009**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***(a) Reporting Entity***

The City is a municipal corporation, operating as a general law city, and governed by a city council of five members. As required by accounting principles generally accepted in the United States of America, these financial statements present the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended Component Units

The City of Lawndale Redevelopment Agency (Agency) was established on May 17, 1996. The Agency was created for the purpose of redevelopment, rehabilitation, and revitalization of the redevelopment area. The City Council acts as the Agency's governing board and exerts significant influence over its operations. The funds of the Agency have been included in the governmental activities of the financial statements.

The Lawndale Cable Corporation (Corporation) was established on September 30, 1986. The Corporation was created for the purpose of supporting community television for the citizens of Lawndale. The City Council acts as the Corporation's governing board and exerts significant influence over its operations. The funds of the Corporation have been included in the governmental activities of the financial statements.

The Lawndale Housing Authority (Authority) was established on October 15, 1984. The Authority was created for the purpose of providing housing assistance for low income families and elderly and disabled persons. The City Council acts as the Authority's governing board and exerts significant influence over its operations. The only activities of the Housing Authority are related to Section 8 Rental Assistance Program which is reported as an Agency Fund.

***(b) Government-Wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

The fund financial statements provide information about the City's funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The fiduciary fund financial statements include a statement of fiduciary assets and liabilities. The City's fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. The Agency funds are accounted for on the accrual basis of accounting.

**(c) 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. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year for which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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. Expenditures are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims and judgments and compensated absences, which are recognized as expenditures when they are due.

Property taxes, charges for services, grant revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Restricted Urban Development Special Revenue Fund* is used to account for funds derived from the Urban Development Action Grant.

The *Redevelopment Agency Capital Projects Fund* is used to account for all project expenditures, including acquisition of properties, costs of site improvements, and other costs within the redevelopment project area.

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

The *Redevelopment Agency Debt Service Fund* is used to account for the accumulation of resources for and the payment of, principal and interest on the Redevelopment Agency's debt and other long-term obligations.

Additionally, the City reports the following fund types:

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

Fiduciary Fund – The City reports the following fiduciary fund which is excluded from the government-wide financial statements:

The Section 8 Rental Assistance Program Fund is used to account for the deposit of monies from the U.S. Department of Housing and Urban Development for the City's Housing Assistance Payment Program. The Program is administered by the Housing Authority of the County of Los Angeles, California.

Amounts reported as program revenues include 1) charges to members, customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

**(d) *Assets, Liabilities, and Net Assets or Equity***

**1. *Investments***

Investments are reported at fair value, the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Changes in fair value that occur during a fiscal year are recognized as investment income reported for the fiscal year. Investment income includes, interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity or sale of investments.

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income, earned by the pooled investments, is allocated to the various funds based on each fund's average daily cash and investment balance.

**2. *Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."



**CITY OF LAWDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**3. Capital Assets and Depreciation**

Capital assets, which include buildings, machinery and equipment, and infrastructure are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 to \$10,000, depending on the class of asset, and an estimated useful life in excess of one year. Such capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated over their estimated useful lives using the straight-line method. The purpose of depreciation is to spread the cost of capital assets over the useful life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. Depreciation of all exhaustible capital assets is charged as an expense against operations.

The estimated useful lives and capitalization thresholds are as follows:

<u>Capital Asset Type</u>	<u>Useful Lives</u>	<u>Capitalization Threshold</u>
Building and Building Improvement	30 years	\$10,000
Vehicles, Machinery Equipment	5-30 years	5,000
Infrastructure	30 years	10,000

Infrastructure assets include roads, bridges, sidewalks, curbs and gutters, park improvements and traffic signals.

**4. Land Held for Development**

The Lawndale Redevelopment Agency has purchased properties for the purpose of making them available for sale to developers who have the ability to complete various projects consistent with the mission and activities of the Agency. Land held for development is valued at the lower of cost or estimated net realizable value determined upon the execution of a disposition and development agreement. If resale of land is not anticipated in the near future, a corresponding portion of the fund balance, which is not available for current expenditure, is reserved in the governmental fund financial statements.

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**5. *Employee Compensated Absences***

Vacation and sick leave benefits are accrued as earned by employees. The cost of earned but unused vacation and sick leave, for which the City has a future obligation to pay, is recognized in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have become due and payable as a result of employee resignations or retirements.

**6. *Fund Balances***

Reserved fund balances generally represent those portions of fund balances that are associated with non-current or restricted assets and are not available for future appropriations. Designations of fund balance represent tentative management plans that are subject to change.

**7. *Property Taxes***

Under California law, property taxes are assessed and collected by the counties up to 1 percent of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes, which are received from the county within sixty days after year-end.

Lien date	January 1
Levy date	July 1
Due date	November 1 and February 1
Delinquent	December 11 and April 11

**8. *Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**(2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**(a) *Budgetary Control and Accounting***

Procedures for establishing the budgetary data reflected in the budgetary comparison schedules are as follows:

- The annual budget adopted by the City Council provides for the general operation of the City. It includes a forecast of revenues for the fiscal year and proposed expenditures.
- The City Council approves total budgeted appropriations and any amendments to appropriations during the year for all governmental funds. This “appropriated budget” covers substantially all City expenditures, with the exception of debt service on bond issues which expenditures constitute legally authorized “nonappropriated budget.” Actual expenditures may not exceed budgeted appropriations at the fund level. All appropriations lapse at year-end unless a carryover is authorized by the City Manager.

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

- Purchase commitments are recorded as encumbrances when purchase orders or contracts are issued. These encumbrances represent an allocation of fund balances. When the related goods or services are received, the encumbrance is liquidated and an expenditure and liability for payment to the vendor are recorded.
- Budgets for the General Fund, Special Revenue Funds, and the Capital Projects Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Supplementary budget appropriations for all the funds aggregated \$3,907,877 for fiscal year 2008-2009.

**(b) Deficit Fund Balance**

The following funds had deficit fund balances at June 30, 2009:

	<b>Deficit Balance</b>
Redevelopment Agency Capital Projects Fund	\$ (5,814,672)
Nonmajor Special Revenue Funds:	
Air Quality	(3,586)
Used Oil Recycling Grant	(13,109)
Urban Parks Grant	(30,678)
Cons Appr Act of '05 Grant	(111,331)
Roberti Zberg Harris	(105,971)
Prop A Grant	(255,165)

The deficits in the Capital Projects and Special Revenue Funds will be financed through future revenues of the funds and transfers from other funds.

**(c) Excess of Expenditures Over Appropriations**

Expenditures exceeded appropriations in the following funds for the year ended June 30, 2009:

<b>Fund</b>	<b>Amount Over Budget</b>
Redevelopment Agency Debt Service Fund	\$ 298,673
<b>Nonmajor special revenue funds:</b>	
Air Quality	1,471
State COPS Grant	3,996
California Law Enforcement Equipment Program	609
Used Oil Recycling Grant	4,882
Hawthorne Boulevard Maintenance	27,890
Office of Traffic and Safety Grant	13,940
Justice Assisted Grant	2,977
Prop 1 B	36,350

**CITY OF LAWDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**(3) DETAILED NOTES ON ALL FUNDS**

**(a) Cash and Investments**

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Cash and investments:	
Governmental funds	\$ 32,559,723
Fiduciary funds	<u>598,287</u>
Total cash and investments	<u>\$ 33,158,010</u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 1,150
Cash held by County of Los Angeles	598,287
Deposits with financial institutions	2,676,435
Investments (Local Agency Investment Fund)	<u>29,882,138</u>
Total cash and investments	<u>\$ 33,158,010</u>

***Investments Authorized by the City's Investment Policy***

The City of Lawndale's Investment Policy is reviewed and adopted by the City Council each year. The investment policy is more conservative and restrictive than the investment vehicles authorized by Section 53601 of the California Government Code. Investment vehicles not specifically mentioned in the City's investment policy are not authorized unless the policy is amended by the City Council or are approved as part of the provisions of the bond indentures. Investments are limited to:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentages of Portfolio *</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills	1 year	None	None
U.S. Treasury Notes	10 years	None	None
Federal Agency Issues	N/A	None	None
Certificate of Deposit	5 years	10%	\$100,000
Bankers' Acceptances	180 days	None	None
County Pool Investment Funds	N/A	5%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
U.S. Treasury Bonds	30 years	None	None
Mutual Funds	N/A	None	None

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

**CITY OF LAWNDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk.

***Disclosures Relating to Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The average life-month end (in days) of the investments contained in the LAIF investment pool is 235 days at June 30, 2009. The weighted average maturity of the investment in the County Pool is 1.36 years at June 30, 2009.

***Disclosures Relating to Credit Risk***

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

***Concentration of Credit Risk***

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total City's investments.

***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 or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. 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).

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

***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 is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The City relied upon information provided by the State Treasurer in estimating the City's fair value position of its holding in LAIF.

The total amount invested by all public agencies in LAIF as of June 30, 2009, \$25.2 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2009, had a balance of \$50.7 billion. Of that amount, 14.71% was invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments was 235 days as of June 30, 2009.

***Investments in County of Los Angeles Pool***

The City's investment in the County Pool is stated at fair value. The method used to determine the value of participant's equity withdrawn is based on the book value which is amortized cost of the participant's percentage participation on the date of such withdrawals. The investments are managed by the County Treasury who reports investment activity to the Board on a monthly basis.

***(b) Long-Term Loans Receivable***

The Low/Moderate Income Housing and Community Development Block Grant Special Revenue Funds, and Redevelopment Agency Capital Projects Fund operate a housing rehabilitation loan program, which provides loans to borrowers who meet certain qualifications for the purpose of rehabilitating their homes. The loans are secured by a deed of trust and are normally repaid when the home changes ownership. During the fiscal year ended June 30, 2009, \$11,980 of loan repayments were received, and the City funded 11 new loans totaling \$386,614. The balance of the loans receivable outstanding at June 30, 2009 was \$1,018,318.

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**(c) Interfund Receivables, Payables and Transfers**

Individual interfund balances were as follows at June 30, 2009:

	<b>Due From Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ 902,319	\$ -
Redevelopment Agency Debt Service Fund	7,099,785	-
Redevelopment Agency Capital Projects Fund	-	7,099,785
Nonmajor Special Revenue Funds		902,319
	\$ 8,002,104	\$ 8,002,104
Total		

The balances owed to the General Fund and Redevelopment Agency Debt Service Fund are related to deficit cash balances of the Redevelopment Agency Capital Projects Fund and each of the Nonmajor Special Revenue Funds at June 30, 2009. Each fund will repay the balances in fiscal year 2009-10 when revenues are received by the funds, or through a transfer from other fund.

**Interfund Transfers**

<b>Transfers Out</b>	<b>Transfers In</b>		
	<b>General Fund</b>	<b>Nonmajor Special Revenue Funds</b>	<b>Total</b>
General Fund	\$ -	\$ 263,660	\$ 263,660 (1)
Restricted Urban Development Special Revenue Fund	300,000	-	300,000 (2)
Redevelopment Agency Capital Projects Fund	744,227	-	744,227 (3)
Total	\$ 1,044,227	\$ 263,660	\$ 1,307,887

- (1) General fund reimbursements to nonmajor Special Revenue Grant Funds to cover unallowable expenditures and negative fund deficits.
- (2) Payment of Redevelopment Agency advance to the City.
- (3) Redevelopment Agency reimbursed the City for various Capital projects expenditures.

Interfund transfers were primarily used to fund capital improvements.

**CITY OF LAWDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

***Advances To/From Other Funds***

In April 1991, the City entered into an agreement with the Lawndale Redevelopment Agency (Agency) to fund certain costs for the preparation of redevelopment project area designations and plans, not to exceed \$500,000. The Redevelopment Agency's reimbursement to the City is payable solely from incremental property tax revenues, if any, arising from future property tax levies in designated project areas. The loan was renewed April 1, 1996, with deferred interest on the principal of 7% compounded quarterly. The Agency repaid the principal amount of \$500,000 on July 1, 2006. For the current year the total interest paid was \$300,000 and tax increment revenues were \$4,215,622. At June 30, 2009, the balance of \$967,252 represents accrued interest.

On July 10, 2000, the City of Lawndale loaned the Agency the principal amount of \$7,000,000 from the City's Restricted Urban Development Special Revenue Fund. Interest has accrued on the outstanding loan principal from the time of inception at the rate of 8%. However, as of February 17, 2004, the City Council approved a change in the interest rate from 8% to 1.63%. The rate was changed to reflect the rate of return that the City would have received on its investment if the City had not invested its monies in the Redevelopment Agency. The interest rate on the loan is subject to change on a quarterly basis based on changes of interest rate fluctuations per the Local Agency Investment Fund, which is the City's only investment. The effective rate at June 30, 2009 was 1.38%. The loan principal and any accrued interest shall be repaid by the Agency out of tax increment funds allocated to and received by the Agency. The Agency shall make such repayments to the extent that excess tax increment funds are available at June 30 of each year. At June 30, 2009, the outstanding balance was \$10,663,729 of which \$3,663,729 represents accrued interest.

In 1998, the City entered into an agreement with the Lawndale Redevelopment Agency to fund \$131,238 for various costs. The advance will be paid back with future tax increments at a rate of 0% interest.

The total advances outstanding at June 30, 2009 was \$11,762,219.

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance End of Year</b>
Long-term advances	\$ 11,769,863	\$ 292,356	\$ (300,000)	\$ 11,762,219

The following schedule summarizes the advances balances by fund at June 30, 2009:

	<b>Advances To Other Funds</b>	<b>Advances From Other Funds</b>
General Fund	\$ 131,238	\$ -
Restricted Urban Development Special Revenue Fund	11,630,981	-
Redevelopment Agency Debt Service Fund	-	11,762,219
Total	\$ 11,762,219	\$ 11,762,219



**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**(d) Capital Assets**

A summary of changes in the capital assets activity for the year ended June 30, 2009 is as follows:

	<b>Beginning Balance July 1, 2008</b>	<b>Increase</b>	<b>Decrease</b>	<b>Ending Balance June 30, 2009</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 966,000	\$ 913,011	\$ -	\$ 1,879,011
Construction in progress	122,779	1,540,286	(81,239)	1,581,826
Total capital assets, not being depreciated	<u>1,088,779</u>	<u>2,453,297</u>	<u>(81,239)</u>	<u>3,460,837</u>
Capital assets, being depreciated:				
Buildings and structures	5,621,609	81,239	-	5,702,848
Improvements other than buildings	309,696	128,208	-	437,904
Machinery and equipment	1,644,896	145,219	(25,000)	1,765,115
Infrastructure	16,898,747	-	-	16,898,747
Total capital assets, being depreciated	<u>24,474,948</u>	<u>354,666</u>	<u>(25,000)</u>	<u>24,804,614</u>
Less accumulated depreciation for:				
Buildings and structures	(1,046,984)	(133,571)	-	(1,180,555)
Improvements other than buildings	(178,389)	(9,944)	-	(188,333)
Machinery and equipment	(928,268)	(125,139)	25,000	(1,028,407)
Infrastructure	(2,476,123)	(575,359)	-	(3,051,482)
Total accumulated depreciation	<u>(4,629,764)</u>	<u>(844,013)</u>	<u>25,000</u>	<u>(5,448,777)</u>
Total capital assets, being depreciated, net	<u>19,845,184</u>	<u>(489,347)</u>	<u>-</u>	<u>19,355,837</u>
Governmental activities capital assets, net	<u>\$ 20,933,963</u>	<u>\$ 1,963,950</u>	<u>\$ (81,239)</u>	<u>\$ 22,816,674</u>

**CITY OF LAWDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$	26,860
Public safety		15,815
Municipal services		629,385
Planning and community services		151,616
Recreation and community services		20,337
Total depreciation expense - governmental activities		\$ 844,013

**(e) Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2009:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
<b>Governmental activities</b>					
Notes payable	\$ 1,821,601	\$ -	\$ 48,742	\$ 1,772,859	\$ 50,521
Compensated absences	490,420	186,913	99,520	577,813	80,000
Total governmental activities long- term liabilities	\$ 2,312,021	\$ 186,913	\$ 148,262	\$ 2,350,672	\$ 130,521

**(f) Notes Payable**

**Tax Allocation Loan Agreement**

On April 30, 2002, the Lawndale Redevelopment Agency entered into a Tax Allocation Loan Agreement with the California Infrastructure and Economic Development Bank (CIEDB). The CIEDB agreed to loan the Agency an amount, up to \$2,000,000, to be used by the Agency for the Hawthorne Boulevard Revitalization Project. The loan is secured by future tax increment revenues and bears interest at a rate of 3.65% per annum. As of June 30, 2007, the \$2,000,000 loan proceeds have been disbursed under the loan agreement. As of June 30, 2009, principal and interest remaining was \$2,617,947. For the current year, principal and interest paid and total tax increment revenue were \$114,341 and \$4,215,622, respectively. The debt service schedule for the notes payable, assuming the June 30, 2009, interest rate of 3.65%, is as follows:

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

<u>Year Ending June 30,</u>	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 50,521	\$ 63,787
2011	52,365	61,910
2012	54,276	59,963
2013	56,257	57,946
2014	58,311	55,855
2015-2019	325,078	223,680
2020-2024	388,896	187,257
2025-2029	465,243	110,910
2030-2031	321,912	23,780
Total	<u>\$ 1,772,859</u>	<u>\$ 845,088</u>

**(g) *Compensated Absences***

Vacation time may be accumulated up to two years entitlement plus the current year's leave allowance. Cash compensation for accrued vacations is generally not payable until the employee terminates employment with the City. Cash compensation for unused sick leave is payable to an employee only upon termination of employment with the City and the employee is compensated at the rate of 50 percent of their daily rate, and it does not exceed threshold of 391 hours of combined vacation and sick leave.

Cash compensation for vacation, sick leave, and compensatory time paid to employees within any one year is not expected to be material. The amount recorded does not exceed a normal year's accumulation. This liability will be paid in future years from future resources primarily from the general fund. In prior years, compensated absences have been liquidated primarily by the general fund. At June 30, 2009, the outstanding balance is \$577,813.

**(h) *City Employees Retirement Plan***

***Plan Description:***

The City of Lawndale's defined benefit pension plan, (Miscellaneous Plan), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer public employee defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The City of Lawndale selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance or

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, California, 95814.

***Funding Policy:***

Active plan members in the Miscellaneous Plan are required to contribute 7% of their annual covered salary. The City of Lawndale is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for Fiscal Year 2008-2009 was 10.76% for miscellaneous employees. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

***Annual Pension Cost:***

For Fiscal Year 2008-2009, the City of Lawndale's annual pension cost was \$409,102 and was equal to the City's required and actual contributions.

**Three-Year Trend Information for the Miscellaneous Plan**

<u>Fiscal Year Ending</u>	<u>Pension Cost (APC)</u>	<u>of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2007	\$ 290,081	100%	\$ -
6/30/2008	355,378	100%	-
6/30/2009	409,102	100%	-

***(i) Public Agency Retirement System, Retirement Enhancement Plan (PARS-REP)***

***Plan Description:***

The City established a Public Agency Retirement System Retirement Enhancement Plan (PARS-REP) for its Central Management Team (CMT) effective July 1, 2007. PARS is a defined benefit 401 (a) tax-qualified multiple agency trust. It meets the requirements of a pension trust under California Government code. The plan provides supplemental retirement benefits in addition to PERS. Created in 1991 and amended in 1999, the PARS plan has a master agreement between Phase II Systems – the Plan Administrator, Union Bank of California – the Custodian of funds and various participating agencies. The plan provides supplemental retirement benefits in addition to PERS. The Director of Finance/City Treasurer is the internal plan administrator, and bears the responsibility of completing and executing all plan documents, logistical payroll set-up, providing information on new participants and continuing disclosure in future years. Upon meeting the eligibility requirements, Plan provides a supplemental retirement benefit equal to the “3.0% at 55” plan factor (formula is a static 3.0% at age 55 and older), less the CALPERS “2% at 55” plan factors for years of City services as a CMT member. Employees will be eligible for the benefit

**CITY OF LAWDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

upon attaining age 50 with two years of City service as a CMT member and concurrent CALPERS retirement. The plan was designed to reduce the high-level of turnover in top management and support the City’s goal of retaining quality employees to ensure good public service. The City later added the City Manager to the PARS plan under a different tier in 2008. The latter individual received a “1% at 65” plan through PARS. The City has full discretionary authority to control, amend, modify or terminate this plan at any time.

***Funding Policy:***

The City of Lawndale contributed 8.7% of eligible employees’ gross wages to fund the benefits available under this plan. No employee contributions are required. The final average compensation is equal to the highest twelve months of compensation (including 7% Employer paid Member Contributions) with the City of Lawndale, subject to IRC 401(a) (17) limitations. For fiscal year 2008-2009, the City’s annual pension cost (APC) of \$57,712, for PARS was equal to the City’s required actual contribution (ARC). The City’s payroll for employees covered by PARS for the year ended June 30, 2009 was \$695,477. The required contribution was determined as part of the July 1, 2007, actuarial assumptions and retain the entry age actuarial cost method. The valuation was made using an interest assumption of 7% per annum and an overall payroll growth assumption of 3.25%. Currently, five employees participate in PARS.

PARS issues a separate comprehensive annual financial report. Copies of PARS annual financial report may be obtained from the PARS Executive Office, 3961 MacArthur Boulevard, Suite 200, Newport Beach, CA 92660.

PARS uses an entry age normal actuarial cost method, which is a projected benefit cost method. The chief characteristics of project benefits methods is that the actuarial present value of all plan benefits is determined as of the valuation date and then allocated between the period before and after the valuation date. The present value of plan benefits earned prior to the valuation date is called the actuarial liability. The present value of plan benefits to be earned after the valuation date is called the present value of future normal costs.

**Two Year Trend Information for the PARS Plan**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/08	\$ 62,200	100%	\$ -
06/30/09	57,712	100%	-

The funded status based on the July 1, 2007 actuarial valuation is as follows:

<u>Fiscal Year Ending</u>	<u>Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Accrued Liabilities of Payroll</u>
06/30/08	\$ 88,452	\$ -	\$ 88,452	-	\$ 542,742	16.3%
06/30/09	62,593	-	62,593	-	695,477	9%

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**(j) Other Post-Retirement Health Care Benefits**

***Plan Description:***

The City provides retiree medical benefits under the CalPERS health plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

***Eligibility:***

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) and are eligible for a PERS pension. The benefits are available only to employees who retire from the City. Membership of the plan consisted of 59 eligible active employees and 16 enrolled eligible retirees at June 30, 2009. These amounts do not reflect current retirees not enrolled in the CalPERS health plan who are eligible to enroll in the plan at a later date.

***Funding Policy:***

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City must agree to make a defined monthly payment towards the cost of each retiree's coverage. The contribution is based on projected pay-as-you-go financing requirements. Effective January 1, 2009, the City's contribution rate was \$4,561 (100%) per each retiree. For the year ended June 30, 2009, the City contributed \$72,976 to the plan.

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 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 City's OPEB obligation as of June 1, 2008, the most recent actuarial valuation, was \$249,805. The Annual Required Contribution (ARC) as of June 30, 2009, was \$249,805. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

	<b>June 30, 2009</b>
Annual required contribution	\$ 249,805
Contributions made	(72,976)
Increase in net OPEB obligation	176,829
Net OPEB Obligation, Beginning of Year	-
Net OPEB Obligation, End of Year	\$ 176,829

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2009, the initial year implementing GASB Statement No. 45, is as follows:

***Funding Status and Progress:***

As of June 1, 2008, the most recent valuation date, the actuarial accrued liability for benefits was \$2.13 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.13 million and a funded ratio (actuarial value of assets as a percentage of the actuarial accrued liability) of 0 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents current trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits. In future years the schedule of funding progress will present multi-year trend information.

***Actuarial Methods and Assumptions:***

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the entry age normal cost method. The actuarial assumptions included a 5 percent investment rate of return, which is based

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

on assumed long-term investment returns on plan assets and on the City's assets, as appropriate, and an annual healthcare cost trend rate of 4 percent. Both rates included a 3 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over 30 years, on a closed amortization period. It is assumed the City's payroll will increase 3% per year.

**(4) RISK MANAGEMENT**

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

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

The City of Lawndale is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee.

***(b) Self-Insurance Programs of the Authority***

General Liability Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$30,000 of each occurrence is charged directly to the member's primary deposit; (2) costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000; (3) losses from \$750,000 to \$2,000,000 and the associated loss development reserves are pooled based on payroll; (4a) costs of covered claims from \$2,000,000 to \$50,000,000 are paid under reinsurance and excess insurance policies (4b) subject to a \$3,000,000 annual aggregate deductible (4c) and a quota-sharing agreement whereby the Authority is financially responsible for 40% of losses occurring within the \$2,000,000 to \$10,000,000 layer. The costs associated with 4a-c are estimated using actuarial models and pre-funded as part of the primary and retrospective deposits.



**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

The overall policy limit for each member including all layers of coverage is \$50,000,000 per occurrence. Costs of covered claims for subsidence losses are paid by excess insurance with the following sub-limits per member: \$25,000,000 per occurrence with a \$15,000,000 annual aggregate.

Workers' Compensation The City of Lawndale also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$50,000 of each loss is charged directly to the member's primary deposit; (2) losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000; (3) losses from \$100,000 to \$2,000,000 and the loss development reserves associated with those losses are pooled based on payroll; (4) losses from \$2,000,000 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Workers' Compensation law.

Employer's Liability losses are pooled among members to \$2,000,000, coverage from \$2,000,000 to \$4,000,000 is purchased as part of an excess insurance policy, and losses from \$4,000,000 to \$10,000,000 are pooled among members.

Earthquake and Flood Insurance The City of Lawndale purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the City. The City property currently has earthquake protection in the amount of \$10,000,000. There is a deductible of 5% of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Property Insurance The City of Lawndale participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of Lawndale property is currently insured according to a schedule of covered property submitted by the City of Lawndale to the Authority. Total all-risk property insurance coverage is \$16,042,352. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

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

**CITY OF LAWDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

*(c) Adequacy of Protection*

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

**(5) ADDITIONAL INFORMATION**

Chapter 3.30 of the Lawndale Municipal Code (commonly referred to as the “UDAG Ordinance”) was first adopted in 1989. In that year, the City agreed to dispose of its interest in the South Bay Galleria shopping center in return for consideration of \$10 million.

In doing so, the City adopted rules and procedures for investing the proceeds of this transaction, by enacting Ordinance No. 617-89, which codified Chapter 3.30. Municipal Code § 3.30.020 allows for the “disposal” of UDAG funds as follows:

- Divided into four (4) separate accounts as follows: the Restricted Principal Account, the Unrestricted Principal Account, the Restricted Expenditure Account, and the Unrestricted Expenditure Account.

Upon receipt by the City of the \$10 million agreed upon consideration, these UDAG funds were segregated as noted in the City of Lawndale “Financial and Compliance Report” for June 30, 1989, in Footnote No. 4, as follows:

“71.6 percent of the proceeds (\$7,160,000) was placed in a Restricted Principal Account within the UDAG Fund.”

“28.4 percent of the proceeds (\$2,840,000) was placed in an Unrestricted Principal Account within the General Fund.”

Since its inception in 1989, the UDAG Ordinance has always allowed the “investing” of UDAG funds as specified in Municipal Code § 3.30.020. In its entirety, this section of the Municipal Code provides as follows:

“All monies in the UDAG Fund shall be invested pursuant to the City’s adopted investment policy in secure investments. Investments of monies in the Principal Accounts, whether Restricted or Unrestricted, may be made in instruments with long maturities since the principal is not to be drawn upon, while monies in the Expenditure Accounts should be invested in instruments with maturities appropriate to the expenditure program adopted pursuant to Section 3.30.060.”

During 1991, the investment policy was amended by the City Council to clarify that “funds loaned to other governmental entities” would permit loans from the City to the Agency. On April 4, 1991, the City Council amended its then-existing investment policy to expressly permit transactions between the City of Lawndale and the Lawndale Redevelopment Agency.

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

On May 15, 2000, the City Council directed and approved an expanded and more detailed investment policy. Within the expanded investment policy, the City Council approved investments that “are loans directly to the City’s Redevelopment Agency and allow for a secure guaranteed rate of return that will be repaid from the Redevelopment Agency’s tax increments (property taxes). Agency’s Board (City Council) and City Council control the terms of the loan arrangement.”

Given the formation of the Lawndale Economic Revitalization Project Area, City staff asked the City Attorney to prepare a formal written opinion regarding the eligibility of UDAG funds to be utilized in connection with two municipal projects. The second, in which the City Attorney’s office was asked whether the City could engage in a loan transaction in which it loaned UDAG funds to the Redevelopment Agency for implementation of the Redevelopment Plan.

The office’s response was as follows: A loan from the City to the Redevelopment Agency that meets the express criteria of the investment policies, and is authorized as an investment for general law cities under the Government Code, may be made from some or all of the funds in the Restricted Principal Account, the Restricted Expenditure Account, the Unrestricted Principal Account, or the Unrestricted Expenditure Account for implementation of the adopted redevelopment plan. (Municipal Code § 3.30.030.)

The first recorded transaction involving UDAG fund balances between the City of Lawndale and the Lawndale Redevelopment Agency occurred on April 4, 1991, following amendment to the then-existent City’s investment policy to permit a loan from the City to the Agency. On that date, the City Council approved a loan of \$500,000 “from the restricted UDAG funds to the Redevelopment Agency.”

The staff report of April 4, 1991, indicates that the loan was necessary “to begin preparation of project area designations and plans,” and because, under “State law, a redevelopment agency may only receive tax increment revenues to retire debt that it has incurred.” The transactional document between the City and the Agency, again dated April 4, 1991, was for a term of five (5) years, and was secured by “tax increment funds allocated to the Agency pursuant to Section 33670(b) of the California Health and Safety Code and/or bond proceeds issued in connection therewith.”

On July 10, 2000, the City and the Agency entered into a cooperation and loan agreement and financing agreement by which the City loaned to the Agency additional UDAG fund balances in the total amount of \$7,000,000. The two separate agreements allowed the use of funds from UDAG fund balances to be loaned by the City to the Agency for specific capital improvement projects as enumerated in the transaction documents.

In all three of the City/Agency transactions beginning on July 10, 2000, and like the prior two City/Agency loan transactions in 1986 and 1991, all loans to the City are secured by “property tax increment revenues allocated to the Agency from the Project Area pursuant to Health and Safety Code Section 33670(b) as such statute now exists or may have hereafter be amended.”

As of June 30, 2009, there remains a total of \$15,277,093 in unencumbered UDAG principal fund balances: (1) \$2,840,000 of UDAG “Unrestricted Principal Account” fund balance within the General Fund’s Reserved Fund Balance, and (2) \$12,437,093 of UDAG “Restricted Principal

**CITY OF LAWNDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

Account” fund balance. In addition, \$11,630,981 of the UDAG “Restricted Principal Account” is secured by loans to the Lawndale Redevelopment Agency to be paid out of “tax increment” or other Redevelopment Agency generated revenues, and/or secured by the real property holdings of the Redevelopment Agency.

At the August 26, 2003, City Council meeting, an independent accounting firm provided Council with a comprehensive financial, management, and performance review of the City’s Urban Development Action Grant (UDAG) Fund. The review included a detailed analysis and evaluation of all revenues into, and expenditures out of, the UDAG fund beginning with fiscal year 1988-89 and ending with fiscal year 2001-02.

The analysis confirmed that certain UDAG moneys were loaned to the Lawndale Redevelopment Agency (RDA) as expressly authorized by the UDAG ordinance. This loan enabled the “local match” for the \$15 million Hawthorne Boulevard Redevelopment Revitalization Project as approved by the voters of Lawndale in 1988. To this end, as of June 30, 2002, that loan is reported in the “Special Revenue Fund, UDAG Fund” as a receivable classified as “Advances From Other Funds.”

As a result of the review and the recommendations provided, staff will continue its endeavor to assure that the City’s policies pertaining to the use and management of the UDAG Fund are followed.

**(6) SUBSEQUENT EVENTS**

***(a) Supplemental Educational Revenue Augmentation Funds (SERAF)***

On July 24, 2009, the State Legislature passed Assembly Bill (AB) 26 4x, which requires redevelopment agencies statewide to deposit a total of \$2.05 billion of property tax increment in county “Supplemental” Educational Revenue Augmentation Funds (SERAF) to be distributed to meet the State’s Proposition 98 obligations to schools. The SERAF revenue shift of \$2.05 billion will be made over two years, \$1.7 billion in fiscal year 2009-2010 and \$350 million in fiscal year 2010-2011. The SERAF would then be paid to school districts and the county offices of education which have students residing in redevelopment project areas, or residing in affordable housing projects financially assisted by a redevelopment agency, thereby relieving the State of payments to those schools. The Agency’s share of this revenue shift is approximately \$1,459,012 in fiscal year 2009-2010 and \$300,385 in fiscal year 2010-2011. Payments are to be made by May 10 of each respective fiscal year. In response to AB 26 4x, the Agency intends to borrow from the Housing Funds.

**CITY OF LAWNSDALE**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

The California Redevelopment Association (CRA) is the lead petitioner on a lawsuit to invalidate AB 26 4x, similar to last year's successful lawsuit challenging the constitutionality of AB 1389. CRA filed its lawsuit on October 20, 2009. The lawsuit asserts that the transfer of property tax increment to the SERAF is not permitted under Article XVI, Section 16 of the California Constitution. The complaint also asserts impairment of contract and gift of public funds arguments. While the State made adjustments in AB 26 4x to address the constitutional issues raised by the Superior Court over last year's lawsuit challenging AB 1389, the Agency, along with the CRA and other California redevelopment agencies, believe that the SERAF remains unconstitutional.

***(b) Construction Commitment***

On July 6, 2009, the City Council awarded a bid for the 161st Street Improvement Project Construction in the amount of \$435,712. Construction is anticipated to begin October 1, 2009.

***(c) Issuance of Bonds***

On November 1, 2009, the Lawndale Redevelopment Agency issued \$20,545,000 of Tax Allocation Bonds, Series 2009 to finance public improvements and redevelopment projects benefitting the Project Areas. Interest rates range from 2% to 5.6% and mature from August 2010 to August 2044.

***(d) Transfer of Real Property***

On December 7, 2009, the Lawndale Redevelopment Agency (Agency) and the City entered into a purchase and sale agreement of real property owned by the City, for a total purchase price of \$1,345,000 which approximates the fair value of the property. Per the agreement, the City received \$433,000 from the Agency's 2009 Tax Allocation Bond proceeds. The remaining \$912,000 was established as an interagency loan between the Agency and the City at the interest rate of 5.65% per annum. The principal and interest will be repaid by the Agency out of excess tax increment funds.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF LAWDALE**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		<b>With Final Budget Positive (Negative)</b>
<b>Revenue:</b>				
Sales and use taxes	\$ 2,870,000	\$ 2,675,000	\$ 2,452,228	\$ (222,772)
Utility user tax	2,040,000	2,040,000	2,260,924	220,924
Other taxes	1,967,120	1,953,120	988,767	(964,353)
Motor vehicle in-lieu	2,852,880	2,872,880	2,988,042	115,162
Licenses and permits	681,100	789,100	632,599	(156,501)
Fines and forfeitures	715,000	665,000	622,823	(42,177)
Use of money and property	904,500	579,500	367,211	(212,289)
Charges for services	803,300	818,300	746,036	(72,264)
Miscellaneous	112,400	112,400	172,111	59,711
Total revenues	<u>12,946,300</u>	<u>12,505,300</u>	<u>11,230,741</u>	<u>(1,274,559)</u>
<b>Expenditures:</b>				
Current:				
General government	3,104,076	3,107,624	3,065,792	41,832
Public safety	4,692,470	4,692,470	4,692,767	(297)
Municipal services	2,979,822	3,166,714	2,894,702	272,012
Planning and community development	922,345	1,327,614	1,018,171	309,443
Recreation and community services	1,367,039	1,347,519	1,080,902	266,617
Capital outlay	2,356,610	2,356,610	1,272,571	1,084,039
Total expenditures	<u>15,422,362</u>	<u>15,998,551</u>	<u>14,024,905</u>	<u>1,973,646</u>
Deficiency of revenues over expenditures	<u>(2,476,062)</u>	<u>(3,493,251)</u>	<u>(2,794,164)</u>	<u>699,087</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	844,227	1,044,227	200,000
Transfers out	-	-	(263,660)	(263,660)
Total other financing sources (uses)	<u>-</u>	<u>844,227</u>	<u>780,567</u>	<u>(63,660)</u>
Net change in fund balance	<u>(2,476,062)</u>	<u>(2,649,024)</u>	<u>(2,013,597)</u>	<u>635,427</u>
Fund balance, beginning of year	<u>17,993,130</u>	<u>17,993,130</u>	<u>17,993,130</u>	<u>-</u>
Fund balance, end of year	<u>\$ 15,517,068</u>	<u>\$ 15,344,106</u>	<u>\$ 15,979,533</u>	<u>\$ 635,427</u>

See accompanying note to required supplementary information.



**CITY OF LAWNSDALE**  
**Restricted Urban Development Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenue:</b>				
Use of money and property	\$ 31,031	\$ 31,031	\$ 309,167	\$ 278,136
<b>Other financing uses:</b>				
Transfers out	-	-	(300,000)	(300,000)
Net change in fund balance	31,031	31,031	9,167	(21,864)
Fund balance, beginning of year	<u>12,427,926</u>	<u>12,427,926</u>	<u>12,427,926</u>	-
Fund balance, end of year	<u>\$ 12,458,957</u>	<u>\$ 12,458,957</u>	<u>\$ 12,437,093</u>	<u>\$ (21,864)</u>

See accompanying note to required supplementary information.

**CITY OF LAWNSDALE**  
**Note to the Required Supplementary Information**  
**June 30, 2009**

**(1) BUDGETARY INFORMATION**

*(a) Stewardship, Compliance and Accountability*

Procedures for establishing the budgetary data reflected in the budgetary comparison schedules are as follows:

- The annual budget adopted by the City Council provides for the general operation of the City. It includes a forecast of revenues for the fiscal year and proposed expenditures.
- The City Council approves total budgeted appropriations and any amendments to appropriations during the year for all governmental funds. This “appropriated budget” covers substantially all City expenditures, with the exception of debt service on bond issues which expenditures constitute legally authorized “nonappropriated budget.” Actual expenditures may not exceed budgeted appropriations at the fund level. All appropriations lapse at year-end unless a carryover is authorized by the City Manager.
- Purchase commitments are recorded as encumbrances when purchase orders or contracts are issued. These encumbrances represent an allocation of fund balances. When the related goods or services are received, the encumbrance is liquidated and an expenditure and liability for payment to the vendor are recorded.
- Budgets for the General Fund, Special Revenue Funds, and the Capital Projects Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Supplementary budget appropriations for all the funds aggregated \$3,907,877 for fiscal year 2008-2009.

**CITY OF LAWNSDALE**  
**Required Supplementary Information (Unaudited)**  
**June 30, 2009**

**(1) PUBLIC AGENCY RETIREMENT SYSTEM (PARS), RETIREMENT ENHANCEMENT**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Actuarial Value of Assets</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>UAAL as as a % Covered of Payroll</b>
6/30/2008	\$ 88,452	\$ -	\$ 88,452	-	\$ 542,747	16.3%
6/30/2009	62,593	-	62,593	-	695,477	9.0%

**(2) OTHER POSTEMPLOYMENT BENEFIT LIABILITY (OPE15B)**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Actuarial Value of Assets</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>UAAL as as a % Covered of Payroll</b>
6/30/2009	\$ 2,126,923	\$ -	\$ 2,126,923	-	\$ 834,758	254.80%

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**SUPPLEMENTARY INFORMATION**

**CITY OF LAWNSDALE**  
**Redevelopment Agency Capital Projects Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Subventions and grants	\$ -	\$ 439,781	\$ 439,781
Use of money and property	10,800	3,681	(7,119)
Miscellaneous	-	249	249
	<u>10,800</u>	<u>443,711</u>	<u>432,911</u>
Total revenues	<u>10,800</u>	<u>443,711</u>	<u>432,911</u>
<b>Expenditures:</b>			
Current:			
General government	40,000	23,574	16,426
Planning and community development	2,485,465	1,484,142	1,001,323
Capital outlay	4,577,611	791,390	3,786,221
	<u>7,103,076</u>	<u>2,299,106</u>	<u>4,803,970</u>
Total expenditures	<u>7,103,076</u>	<u>2,299,106</u>	<u>4,803,970</u>
Deficiency of revenues over expenditures	(7,092,276)	(1,855,395)	5,236,881
<b>Other financing uses:</b>			
Transfers out	<u>(744,227)</u>	<u>(744,227)</u>	<u>-</u>
Net change in fund balance	(7,836,503)	(2,599,622)	5,236,881
Fund balances (deficit), beginning of year	<u>(3,215,050)</u>	<u>(3,215,050)</u>	<u>-</u>
Fund balances (deficit), end of year	<u><u>\$ (11,051,553)</u></u>	<u><u>\$ (5,814,672)</u></u>	<u><u>\$ 5,236,881</u></u>

**CITY OF LAWNSDALE**  
**Redevelopment Agency Debt Service Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Property taxes	\$ 3,699,460	\$	\$ (3,699,460)
Use of money and property	202,620	112,197	(90,423)
Total revenues	<u>3,902,080</u>	<u>112,197</u>	<u>(3,789,883)</u>
<b>Expenditures:</b>			
Current:			
Planning and community development	924,866	1,031,207	(106,341)
Debt service:			
Principal retirement	48,750	48,742	8
Interest	171,080	363,420	(192,340)
Total expenditures	<u>1,144,696</u>	<u>1,443,369</u>	<u>(298,673)</u>
Net change in fund balances	2,757,384	(1,331,172)	(4,088,556)
Fund balances (deficit), beginning of year	<u>(1,226,749)</u>	<u>(1,226,749)</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,530,635</u>	<u>\$ (2,557,921)</u>	<u>\$ (4,088,556)</u>

**CITY OF LAWNSDALE  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009**

**SPECIAL REVENUE FUNDS**

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

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

Air Quality Fund – To account for the City’s portion of motor vehicle registration fees collected under AB2766 used in programs to reduce air pollution from vehicles.

TDA Article 3 Local Transportation Fund – To account for funds provided by the State Transportation Act for the construction of pedestrian, bicycle and handicapped amenities.

Traffic Congestion Relief AB2928 Fund – To account for monies received by the City under AB2928 for providing roadway pavement maintenance, rehabilitation and reconstruction.

Sewer Reconstruction Fund – To account for the revenues and expenditures in connection with the improvement of the City’s drainage and sewer fund.

Proposition A & C Local Transit Assistance Funds - To account for the half-cent sales tax to improve local transit operations, reduce traffic congestion, and improve air quality.

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

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

State COPS Grant Fund - To account for State funding under the Citizen Option for Public Safety Program for local crime prevention and community-oriented policing.

California Law Enforcement Equipment Program Fund - To account for State funds used for equipment utilized in the City’s law enforcement program.

Community Development Block Grant Fund – To account for monies received and expended by the City as a participant in the Federal Community Block Grant programs

Used Oil Recycling Grant Fund - To account for funds related to the City’s used oil recycling program.

Lawndale Cable Usage Corporation Fund - To track monies for the City’s Cable Communication Program that provides audio visual services and local government TV access.

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



**CITY OF LAWDALE  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009**

**SPECIAL REVENUE FUNDS (Continued)**

Urban Parks Grant Fund - To account for the resources generated by a fee imposed on new dwelling constructions and certain remodeling of dwellings.

Office of Traffic and Safety Grant Fund – To account for funds received in connection with conducting DUI checkpoints to reduce hit and run fatal, as well as, injury collisions and to reduce alcohol involved fatal and injury collisions.

Department of Conservation Grant Fund – To account for funds received from the State to encourage recycling within the City.

County Specified Grant Fund – To account for funds received and expended for park renovation projects.

Low-Moderate Income Housing Fund – To account for funds received and spent in housing assistance to low and moderate income families. Funds are provided from a portion of the Redevelopment Agency tax increment.

State of California Bond Act of 2000/2002 - To account for funds received from the State for construction of new community center.

Justice Assisted Grant – To account for federal funds in the City’s law enforcement program.

Park Development Fund – To account for funds received from developers for park improvements.

Economic Development Initiative Fund – To account for funds for construction of a new community center.

Cons Appr Act of 05 Grant Fund – To account for state funds for road and street infrastructure improvements.

Roberti Zberg Harris Fund – To account for funds for parks and recreation projects.

Prop 1B Fund – To account for state funds for road and street infrastructure improvements

Prop A Grant Fund – To account for state funds for parks and open space.

Metro STP-L Fund – To account for funds for road and street infrastructure improvements.

**CITY OF LAWDALE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2009**

	<b>Special Revenue Funds</b>		
			<b>TDA</b>
	<b>Gas Tax</b>	<b>Air Quality</b>	<b>Article 3 Local Transportation</b>
<b>Assets:</b>			
Cash and investments	\$ 162,879	\$ -	\$ -
Receivables:			
Accounts	-	10,485	1,585
Interest	258	-	-
Loans receivable	-	-	-
Land held for development	-	-	-
	-	-	-
Total assets	\$ 163,137	\$ 10,485	\$ 1,585
<b>Liabilities and fund balances:</b>			
Liabilities:			
Accounts payable	\$ 44,077	\$ -	\$ -
Accrued wages	10,089	-	-
Due to other funds	-	14,071	1,585
Retentions payable	-	-	-
Deferred revenue	-	-	-
	-	-	-
Total liabilities	54,166	14,071	1,585
Fund Balances:			
Reserved for:			
MOU costs	11,940	-	-
Land held for development	-	-	-
Housing	-	-	-
Unreserved:			
Undesignated	97,031	(3,586)	-
	97,031	(3,586)	-
Total fund balances	108,971	(3,586)	-
Total liabilities and fund balances	\$ 163,137	\$ 10,485	\$ 1,585

**Special Revenue Funds**

<b>Traffic Congestion Relief AB2928</b>	<b>Sewer Reconstruction</b>	<b>Proposition A Local Transit Assistance</b>	<b>Proposition C Local Transit Assistance</b>	<b>State Transit Program (Local)</b>	<b>Narcotics Forfeiture</b>
\$ 216,327	\$ 159,320	\$ 976,780	\$ 1,929,682	\$ 10,962	\$ 24,808
67,696	-	-	-	-	-
751	-	3,364	6,592	38	86
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 284,774</u>	<u>\$ 159,320</u>	<u>\$ 980,144</u>	<u>\$ 1,936,274</u>	<u>\$ 11,000</u>	<u>\$ 24,894</u>
\$ 122,200	\$ -	\$ 80,623	\$ -	\$ -	\$ -
-	433	3,853	2,678	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>122,200</u>	<u>433</u>	<u>84,476</u>	<u>2,678</u>	<u>-</u>	<u>-</u>
-	580	5,180	5,120	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>162,574</u>	<u>158,307</u>	<u>890,488</u>	<u>1,928,476</u>	<u>11,000</u>	<u>24,894</u>
<u>162,574</u>	<u>158,887</u>	<u>895,668</u>	<u>1,933,596</u>	<u>11,000</u>	<u>24,894</u>
<u>\$ 284,774</u>	<u>\$ 159,320</u>	<u>\$ 980,144</u>	<u>\$ 1,936,274</u>	<u>\$ 11,000</u>	<u>\$ 24,894</u>

(Continued)

**CITY OF LAWDALE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2009**

	<b>Special Revenue Funds</b>		
		<b>California Law</b>	
	<b>State COPS Grant</b>	<b>Enforcement Equipment Program</b>	<b>Community Development Block Grant</b>
<b>Assets:</b>			
Cash and investments	\$ 100,343	\$ 16,110	\$ -
Receivables:			
Accounts	1,808	-	58,267
Interest	352	-	-
Loans receivable	-	-	347,105
Land held for development	-	-	-
	-	-	-
Total assets	\$ 102,503	\$ 16,110	\$ 405,372
<b>Liabilities and fund balances:</b>			
Liabilities:			
Accounts payable	\$ 28,499	\$ -	\$ 20,041
Accrued wages	-	-	-
Due to other funds	-	-	33,457
Retentions payable	-	-	4,769
Deferred revenue	-	-	347,105
	-	-	347,105
Total liabilities	28,499	-	405,372
Fund Balances:			
Reserved for:			
MOU costs	-	-	-
Land held for development	-	-	-
Housing	-	-	-
Unreserved:			
Undesignated	74,004	16,110	-
	74,004	16,110	-
Total fund balances	74,004	16,110	-
Total liabilities and fund balances	\$ 102,503	\$ 16,110	\$ 405,372

**Special Revenue Funds**

<b>Used Oil Recycling Grant</b>	<b>Lawndale Cable Usage Corporation</b>	<b>Hawthorne Boulevard Maintenance</b>	<b>Urban Parks Grant</b>	<b>Office of Traffic and Safety Grant</b>	<b>Department of Conservation Grant</b>
\$ -	\$ 4,038	\$ 894,574	\$ -	\$ -	\$ 35,860
-	8,251	-	-	-	-
-	-	3,161	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 12,289</u>	<u>\$ 897,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,860</u>
\$ 1,236	\$ 7,488	\$ 35,787	\$ -	\$ -	\$ -
-	694	-	-	-	-
11,873	-	-	30,678	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>13,109</u>	<u>8,182</u>	<u>35,787</u>	<u>30,678</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(13,109)</u>	<u>4,107</u>	<u>861,948</u>	<u>(30,678)</u>	<u>-</u>	<u>35,860</u>
<u>(13,109)</u>	<u>4,107</u>	<u>861,948</u>	<u>(30,678)</u>	<u>-</u>	<u>35,860</u>
<u>\$ -</u>	<u>\$ 12,289</u>	<u>\$ 897,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,860</u>

(Continued)

**CITY OF LAWDALE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2009**

	<b>Special Revenue Funds</b>		
	<b>County Specified Grant</b>	<b>Low - Moderate Income Housing</b>	<b>State of California Bond Act of 2000/2002</b>
<b>Assets:</b>			
Cash and investments	\$ -	\$ 3,428,154	\$ -
Receivables:			
Accounts	-	39,823	-
Interest	-	11,784	-
Loans receivable	-	467,991	-
Land held for development	-	492,083	-
	<u>-</u>	<u>492,083</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 4,439,835</u>	<u>\$ -</u>
<b>Liabilities and fund balances:</b>			
Liabilities:			
Accounts payable	\$ -	\$ 86,365	\$ -
Accrued wages	-	-	-
Due to other funds	-	-	-
Retentions payable	-	958	-
Deferred revenue	-	467,991	-
	<u>-</u>	<u>467,991</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>555,314</u>	<u>-</u>
Fund Balances:			
Reserved for:			
MOU costs	-	-	-
Land held for development	-	492,083	-
Housing	-	3,392,438	-
Unreserved:			
Undesignated	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>3,884,521</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 4,439,835</u>	<u>\$ -</u>

**Special Revenue Funds**

<b>Justice Assisted Grant</b>	<b>Park Development</b>	<b>Economic Development Initiative</b>	<b>Cons Appr Act of 05 Grant</b>	<b>Roberti Zberg Harris</b>	<b>Prop 1 B</b>
\$ 9,117	\$ 10,576	\$ -	\$ -	\$ -	\$ 650,081
-	-	-	316,169	71,859	-
32	161	-	-	-	1,683
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 9,149</u>	<u>\$ 10,737</u>	<u>\$ -</u>	<u>\$ 316,169</u>	<u>\$ 71,859</u>	<u>\$ 651,764</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,367
-	-	-	-	-	-
-	-	-	421,620	158,870	-
-	5,956	-	5,880	18,960	30,671
-	-	-	-	-	-
-	5,956	-	427,500	177,830	66,038
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,149	4,781	-	(111,331)	(105,971)	585,726
9,149	4,781	-	(111,331)	(105,971)	585,726
<u>\$ 9,149</u>	<u>\$ 10,737</u>	<u>\$ -</u>	<u>\$ 316,169</u>	<u>\$ 71,859</u>	<u>\$ 651,764</u>

(Continued)

**CITY OF LAWNDALE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2009**

	<b>Special Revenue Funds</b>		
	<b>Prop A Grant</b>	<b>Metro STP-L</b>	<b>Totals</b>
<b>Assets:</b>			
Cash and investments	\$ -	\$ 484,338	\$ 9,113,949
Receivables:			
Accounts	-	-	575,943
Interest	-	1,121	29,383
Loans receivable	-	-	815,096
Land held for development	-	-	492,083
	-	-	492,083
Total assets	\$ -	\$ 485,459	\$ 11,026,454
<b>Liabilities and fund balances:</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 461,683
Accrued wages	-	-	17,747
Due to other funds	230,165	-	902,319
Retentions payable	25,000	-	92,194
Deferred revenue	-	-	815,096
	-	-	815,096
Total liabilities	255,165	-	2,289,039
Fund Balances:			
Reserved for:			
MOU costs	-	-	22,820
Land held for development	-	-	492,083
Housing	-	-	3,392,438
Unreserved:			
Undesignated	(255,165)	485,459	4,830,074
	(255,165)	485,459	4,830,074
Total fund balances	(255,165)	485,459	8,737,415
Total liabilities and fund balances	\$ -	\$ 485,459	\$ 11,026,454



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**CITY OF LAWNSDALE**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2009**

	<u>Special Revenue Funds</u>		
	<u>Gas Tax</u>	<u>Air Quality</u>	<u>TDA Article 3 Local Transportation</u>
<b>Revenues:</b>			
Sales and use taxes	\$ 686,163	\$ -	\$ -
Property taxes	-	-	-
Subventions and grants	-	39,102	1,585
Use of money and property	4,521	-	-
Charges for services	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>690,684</u>	<u>39,102</u>	<u>1,585</u>
<b>Expenditures:</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Municipal services	751,039	41,471	-
Planning and community development	-	-	-
Recreation and community services	-	-	-
Capital outlay	<u>7,787</u>	<u>-</u>	<u>1,585</u>
Total expenditures	<u>758,826</u>	<u>41,471</u>	<u>1,585</u>
Excess (deficiency) of revenues over expenditures	(68,142)	(2,369)	-
<b>Other financing sources:</b>			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(68,142)	(2,369)	-
Fund balances (deficits), beginning of year	<u>177,113</u>	<u>(1,217)</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 108,971</u>	<u>\$ (3,586)</u>	<u>\$ -</u>

**Special Revenue Funds**

<b>Traffic Congestion Relief AB2928</b>	<b>Sewer Reconstruction</b>	<b>Proposition A Local Transit Assistance</b>	<b>Proposition C Local Transit Assistance</b>	<b>State Transit Program (Local)</b>	<b>Narcotics Forfeiture</b>
\$ -	\$ -	\$ 484,250	\$ 403,164	\$ -	\$ -
-	-	-	-	-	-
283,894	-	-	-	78,611	-
1,993	-	20,032	37,385	39	492
-	-	204	-	-	-
-	-	-	-	-	2,451
<u>285,887</u>	<u>-</u>	<u>504,486</u>	<u>440,549</u>	<u>78,650</u>	<u>2,943</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	24,450	-	175,784	-	-
-	-	-	-	-	-
-	-	462,660	-	-	-
123,463	-	4,739	-	-	-
<u>123,463</u>	<u>24,450</u>	<u>467,399</u>	<u>175,784</u>	<u>-</u>	<u>-</u>
162,424	(24,450)	37,087	264,765	78,650	2,943
-	-	-	45,449	-	-
162,424	(24,450)	37,087	310,214	78,650	2,943
150	183,337	858,581	1,623,382	(67,650)	21,951
<u>\$ 162,574</u>	<u>\$ 158,887</u>	<u>\$ 895,668</u>	<u>\$ 1,933,596</u>	<u>\$ 11,000</u>	<u>\$ 24,894</u>

(Continued)

**CITY OF LAWDALE**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**For the Year Ended June 30, 2009**

	<b>Special Revenue Funds</b>		
	<b>State COPS Grant</b>	<b>California Law Enforcement Equipment Program</b>	<b>Community Development Block Grant</b>
<b>Revenues:</b>			
Sales and use taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
Subventions and grants	76,807	-	579,867
Use of money and property	2,277	-	-
Charges for services	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>79,084</u>	<u>-</u>	<u>579,867</u>
<b>Expenditures:</b>			
Current:			
General government	-	-	-
Public safety	98,998	609	-
Municipal services	14,998	-	-
Planning and community development	-	-	108,696
Recreation and community services	-	-	-
Capital outlay	-	-	471,171
Total expenditures	<u>113,996</u>	<u>609</u>	<u>579,867</u>
Excess (deficiency) of revenues over expenditures	(34,912)	(609)	-
<b>Other financing sources:</b>			
Transfers in	-	-	-
Net change in fund balances	(34,912)	(609)	-
Fund balances (deficits), beginning of year	<u>108,916</u>	<u>16,719</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 74,004</u>	<u>\$ 16,110</u>	<u>\$ -</u>

**Special Revenue Funds**

<b>Used Oil Recycling Grant</b>	<b>Lawndale Cable Usage Corporation</b>	<b>Hawthorne Boulevard Maintenance</b>	<b>Urban Parks Grant</b>	<b>Office of Traffic and Safety Grant</b>	<b>Department of Conservation Grant</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	13,940	-
-	-	21,006	-	-	-
-	53,529	-	-	-	-
-	256	-	-	-	-
<u>-</u>	<u>53,785</u>	<u>21,006</u>	<u>-</u>	<u>13,940</u>	<u>-</u>
-	42,369	-	-	-	-
-	-	-	-	13,940	-
4,882	18,713	220,390	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,882</u>	<u>61,082</u>	<u>220,390</u>	<u>-</u>	<u>13,940</u>	<u>-</u>
(4,882)	(7,297)	(199,384)	-	-	-
-	-	-	-	6,607	-
(4,882)	(7,297)	(199,384)	-	6,607	-
<u>(8,227)</u>	<u>11,404</u>	<u>1,061,332</u>	<u>\$ (30,678)</u>	<u>(6,607)</u>	<u>35,860</u>
<u>\$ (13,109)</u>	<u>\$ 4,107</u>	<u>\$ 861,948</u>	<u>\$ (30,678)</u>	<u>\$ -</u>	<u>\$ 35,860</u>

(Continued)

**CITY OF LAWDALE**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**For the Year Ended June 30, 2009**

	<b>Special Revenue Funds</b>		
	<b>County Specified Grant</b>	<b>Low- Moderate Income Housing</b>	<b>State of California Bond Act of 2000/2002</b>
<b>Revenues:</b>			
Sales and use taxes	\$ -	\$ -	\$ -
Property taxes	-	1,053,905	-
Subventions and grants	244,891	-	-
Use of money and property	-	62,252	-
Charges for services	-	-	-
Miscellaneous	-	12,195	-
Total revenues	<u>244,891</u>	<u>1,128,352</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Municipal services	-	-	-
Planning and community development	-	317,620	-
Recreation and community services	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>317,620</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	244,891	810,732	-
<b>Other financing sources:</b>			
Transfers in	<u>27,209</u>	<u>-</u>	<u>35,280</u>
Net change in fund balances	272,100	810,732	35,280
Fund balances (deficits), beginning of year	<u>(272,100)</u>	<u>3,073,789</u>	<u>(35,280)</u>
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ 3,884,521</u>	<u>\$ -</u>

**Special Revenue Funds**

<b>Justice Assisted Grant</b>	<b>Park Development</b>	<b>Economic Development Initiative</b>	<b>Cons Appr Act of 05 Grant</b>	<b>Roberti Zberg Harris</b>	<b>Prop 1 B</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
21,320	-	-	316,169	71,859	499,093
164	1,275	-	-	-	7,860
-	1,200	-	-	-	-
-	-	-	-	-	-
<u>21,484</u>	<u>2,475</u>	<u>-</u>	<u>316,169</u>	<u>71,859</u>	<u>506,953</u>
-	-	-	-	-	-
19,477	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	59,560	-	427,500	177,830	463,850
<u>19,477</u>	<u>59,560</u>	<u>-</u>	<u>427,500</u>	<u>177,830</u>	<u>463,850</u>
2,007	(57,085)	-	(111,331)	(105,971)	43,103
-	-	149,115	-	-	-
2,007	(57,085)	149,115	(111,331)	(105,971)	43,103
7,142	61,866	(149,115)	-	-	542,623
<u>\$ 9,149</u>	<u>\$ 4,781</u>	<u>\$ -</u>	<u>\$ (111,331)</u>	<u>\$ (105,971)</u>	<u>\$ 585,726</u>

(Continued)

**CITY OF LAWNSDALE**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**For the Year Ended June 30, 2009**

	<b>Special Revenue Fund</b>		
	<b>Prop A Grant</b>	<b>Metro STP-L</b>	<b>Total</b>
<b>Revenues:</b>			
Sales and use taxes	\$ -	\$ -	\$ 1,573,577
Property taxes	-	-	1,053,905
Subventions and grants	-	481,890	2,709,028
Use of money and property	-	3,569	162,865
Charges for services	-	-	54,933
Miscellaneous	-	-	14,902
	-	485,459	5,569,210
<b>Total revenues</b>	<b>-</b>	<b>485,459</b>	<b>5,569,210</b>
<b>Expenditures:</b>			
Current:			
General government	-	-	42,369
Public safety	-	-	133,024
Municipal services	-	-	1,251,727
Planning and community development	-	-	426,316
Recreation and community services	-	-	462,660
Capital outlay	255,165	-	1,992,650
	255,165	-	4,308,746
<b>Total expenditures</b>	<b>255,165</b>	<b>-</b>	<b>4,308,746</b>
Excess (deficiency) of revenues over expenditures	(255,165)	485,459	1,260,464
<b>Other financing sources:</b>			
Transfers in	-	-	263,660
	-	-	263,660
<b>Net change in fund balances</b>	<b>(255,165)</b>	<b>485,459</b>	<b>1,524,124</b>
Fund balances (deficits), beginning of year	-	-	7,213,291
	-	-	7,213,291
<b>Fund balances (deficits), end of year</b>	<b>\$ (255,165)</b>	<b>\$ 485,459</b>	<b>\$ 8,737,415</b>



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**CITY OF LAWNSDALE**  
**Nonmajor Gas Tax Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Sales and use taxes	\$ 601,000	\$ 686,163	\$ 85,163
Use of money and property	8,000	4,521	(3,479)
	<u>609,000</u>	<u>690,684</u>	<u>81,684</u>
<b>Expenditures:</b>			
Current:			
Municipal services	995,909	751,039	244,870
Capital outlay	89,947	7,787	82,160
	<u>1,085,856</u>	<u>758,826</u>	<u>327,030</u>
Net change in fund balance	(476,856)	(68,142)	408,714
Fund balance, beginning of year	<u>177,113</u>	<u>177,113</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (299,743)</u>	<u>\$ 108,971</u>	<u>\$ 408,714</u>

**CITY OF LAWNSDALE**  
**Nonmajor Air Quality Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Subventions and grants	\$ 40,200	\$ 39,102	\$ (1,098)
<b>Expenditures:</b>			
Current:			
Municipal services	40,000	41,471	(1,471)
Net change in fund balance	200	(2,369)	(2,569)
Fund balance (deficit), beginning of year	(1,217)	(1,217)	-
Fund balance (deficit), end of year	\$ (1,017)	\$ (3,586)	\$ (2,569)

**CITY OF LAWNSDALE**  
**Nonmajor TDA Article 3 Local Transportation Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Subventions and grants	\$ 19,380	\$ 1,585	\$ (17,795)
<b>Expenditures:</b>			
Capital outlay	1,585	1,585	-
Net change in fund balance	17,795	-	(17,795)
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ 17,795	\$ -	\$ (17,795)

**CITY OF LAWNSDALE**  
**Nonmajor Traffic Congestion Relief - AB2928 Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Subventions and grants	\$	\$ 283,894	\$ 283,894
Use of money and property	7,200	1,993	(5,207)
	<u>7,200</u>	<u>285,887</u>	<u>278,687</u>
<b>Expenditures:</b>			
Current:			
Municipal services	6,000	-	6,000
Capital outlay	469,991	123,463	346,528
	<u>475,991</u>	<u>123,463</u>	<u>352,528</u>
Net change in fund balance	(468,791)	162,424	631,215
Fund balance, beginning of year	<u>150</u>	<u>150</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (468,641)</u>	<u>\$ 162,574</u>	<u>\$ 631,215</u>

**CITY OF LAWNSDALE**  
**Nonmajor Sewer Reconstruction Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Municipal services	\$ 40,904	\$ 24,450	\$ 16,454
Net change in fund balance	(40,904)	(24,450)	16,454
Fund balance, beginning of year	<u>183,337</u>	<u>183,337</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 142,433</u></u>	<u><u>\$ 158,887</u></u>	<u><u>\$ 16,454</u></u>

**CITY OF LAWDALE**  
**Nonmajor Proposition A Local Transit Assistance Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Sales and use taxes	\$ 540,550	\$ 484,250	\$ (56,300)
Use of money and property	33,516	20,032	(13,484)
Charges for services	300	204	(96)
	<u>574,366</u>	<u>504,486</u>	<u>(69,880)</u>
<b>Expenditures:</b>			
Current:			
Recreation and community services	653,409	462,660	190,749
Capital outlay	9,140	4,739	4,401
	<u>662,549</u>	<u>467,399</u>	<u>195,150</u>
Total expenditures	<u>662,549</u>	<u>467,399</u>	<u>195,150</u>
Net change in fund balance	(88,183)	37,087	125,270
Fund balance, beginning of year	<u>858,581</u>	<u>858,581</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 770,398</u></u>	<u><u>\$ 895,668</u></u>	<u><u>\$ 125,270</u></u>

**CITY OF LAWNSDALE**  
**Nonmajor Proposition C Local Transit Assistance Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Sales and use taxes	\$ 448,460	\$ 403,164	\$ (45,296)
Use of money and property	56,000	37,385	(18,615)
Total revenues	504,460	440,549	(63,911)
<b>Expenditures:</b>			
Current:			
Municipal services	276,520	175,784	100,736
Excess of revenues over expenditures	227,940	264,765	(36,825)
<b>Other financing sources:</b>			
Transfers in	-	45,449	45,449
Net change in fund balance	227,940	310,214	82,274
Fund balance, beginning of year	1,623,382	1,623,382	-
Fund balance, end of year	\$ 1,851,322	\$ 1,933,596	\$ 82,274



**CITY OF LAWNSDALE**  
**Nonmajor State Transit Program (Local) Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Subventions and grants	\$ -	\$ 78,611	\$ 78,611
Use of money and property	-	39	39
	-	78,650	78,650
Fund balance (deficit), beginning of year	<u>(67,650)</u>	<u>(67,650)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (67,650)</u></u>	<u><u>\$ 11,000</u></u>	<u><u>\$ 78,650</u></u>

**CITY OF LAWNSDALE**  
**Nonmajor Narcotics Forfeiture Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Use of money and property	\$ 840	\$ 492	\$ (348)
Miscellaneous	-	2,451	2,451
	<hr/>	<hr/>	<hr/>
Net change in fund balance	840	2,943	2,103
	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	21,951	21,951	-
	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 22,791</u>	<u>\$ 24,894</u>	<u>\$ 2,103</u>

**CITY OF LAWNSDALE**  
**Nonmajor State COPS Grant Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Subventions and grants	\$ -	\$ 76,807	\$ 76,807
Use of money and property	3,000	2,277	(723)
	<u>3,000</u>	<u>79,084</u>	<u>76,084</u>
<b>Expenditures:</b>			
Current:			
Public safety	103,800	98,998	4,802
Municipal services	6,200	14,998	(8,798)
	<u>110,000</u>	<u>113,996</u>	<u>(3,996)</u>
Net change in fund balance	(107,000)	(34,912)	72,088
Fund balance, beginning of year	<u>108,916</u>	<u>108,916</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,916</u>	<u>\$ 74,004</u>	<u>\$ 72,088</u>

**CITY OF LAWNSDALE**  
**Nonmajor California Law Enforcement Equipment Program Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Public safety	\$ -	\$ 609	\$ (609)
Net change in fund balance	-	(609)	(609)
Fund balance, beginning of year	<u>\$ 16,719</u>	<u>16,719</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 16,719</u></u>	<u><u>\$ 16,110</u></u>	<u><u>\$ (609)</u></u>

**CITY OF LAWNSDALE**  
**Nonmajor Community Development Block Grant Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Subventions and grants	\$ 451,859	\$ 579,867	\$ 128,008
<b>Expenditures:</b>			
Current:			
Planning and community development	108,696	108,696	-
Capital outlay	1,017,000	471,171	545,829
Total expenditures	1,125,696	579,867	545,829
Net change in fund balance	(673,837)	-	673,837
Fund balance, beginning of year	-	-	-
Fund balance (deficit), end of year	\$ (673,837)	\$ -	\$ 673,837

**CITY OF LAWNSDALE**  
**Nonmajor Used Oil Recycling Grant Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Municipal Services	\$ -	\$ 4,882	\$ (4,882)
Net change in fund balance	-	(4,882)	(4,882)
Fund balance (deficit), beginning of year	\$ (8,227)	(8,227)	-
Fund balance (deficit), end of year	<u>\$ (8,227)</u>	<u>\$ (13,109)</u>	<u>\$ (4,882)</u>

**CITY OF LAWNSDALE**  
**Nonmajor Lawnsdale Cable Usage Corporation Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Charges for service	\$ 66,254	\$ 53,529	\$ (12,725)
Miscellaneous	3,800	256	(3,544)
	<u>70,054</u>	<u>53,785</u>	<u>(16,269)</u>
<b>Expenditures:</b>			
Current:			
General government	39,184	42,369	(3,185)
Municipal services	30,870	18,713	12,157
	<u>70,054</u>	<u>61,082</u>	<u>8,972</u>
Net change in fund balance	-	(7,297)	(7,297)
Fund balance, beginning of year	<u>11,404</u>	<u>11,404</u>	<u>-</u>
Fund balance, end of year	<u>\$ 11,404</u>	<u>\$ 4,107</u>	<u>\$ (7,297)</u>

**CITY OF LAWNSDALE**  
**Nonmajor Hawthorne Boulevard Maintenance Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Use of money and property	\$ 44,983	\$ 21,006	\$ (23,977)
<b>Expenditures:</b>			
Current:			
Municipal services	192,500	220,390	(27,890)
Net change in fund balance	(147,517)	(199,384)	(51,867)
Fund balance, beginning of year	1,061,332	1,061,332	-
Fund balance, end of year	\$ 913,815	\$ 861,948	\$ (51,867)



**CITY OF LAWNSDALE**  
**Nonmajor Urban Parks Grant Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Fund balance (deficit), beginning of year	\$ (30,678)	\$ (30,678)	\$ -
Fund balance (deficit), end of year	<u>\$ (30,678)</u>	<u>\$ (30,678)</u>	<u>\$ -</u>

**CITY OF LAWNSDALE**  
**Nonmajor Office of Traffic and Safety Grant Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Subventions and grants	\$ -	\$ 13,940	\$ 13,940
<b>Expenditures:</b>			
Current:			
Public safety	-	13,940	(13,940)
Excess of revenues over expenditures	-	-	-
<b>Other financing sources:</b>			
Transfers in	-	6,607	6,607
Net change in fund balance	-	6,607	6,607
Fund balance (deficit), beginning of year	(6,607)	(6,607)	-
Fund balance (deficit), end of year	\$ (6,607)	\$ -	\$ 6,607

**CITY OF LAWNSDALE**  
**Nonmajor Department of Conservation Grant Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Fund balance, beginning of year	\$ 35,860	\$ 35,860	\$ -
Fund balance, end of year	<u>\$ 35,860</u>	<u>\$ 35,860</u>	<u>\$ -</u>

**CITY OF LAWNSDALE**  
**Nonmajor County Specified Grant Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Subventions and grants	\$ 272,100	\$ 244,891	\$ (27,209)
<b>Other financing sources:</b>			
Transfers in	-	27,209	27,209
Net change in fund balance	272,100	272,100	-
Fund balance (deficit), beginning of year	(272,100)	(272,100)	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LAWNSDALE**  
**Nonmajor Low-Moderate Income Housing Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Property taxes	\$ 924,870	\$ 1,053,905	\$ 129,035
Subventions and grants	-	-	-
Use of money and property	104,970	62,252	(42,718)
Miscellaneous	-	12,195	12,195
	<u>1,029,840</u>	<u>1,128,352</u>	<u>98,512</u>
<b>Expenditures:</b>			
Current:			
Planning and community development	<u>3,518,700</u>	<u>317,620</u>	<u>3,201,080</u>
Net change in fund balance	(2,488,860)	810,732	3,299,592
Fund balance, beginning of year	<u>3,073,789</u>	<u>3,073,789</u>	-
Fund balance, end of year	<u>\$ 584,929</u>	<u>\$ 3,884,521</u>	<u>\$ 3,299,592</u>

**CITY OF LAWNSDALE**  
**Nonmajor State of California Bond Act of 2000/2002 Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Other financing sources:</b>			
Transfers in	\$ -	\$ 35,280	\$ 35,280
Net change in fund balance	-	35,280	35,280
Fund balance (deficit), beginning of year	<u>(35,280)</u>	<u>(35,280)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (35,280)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 35,280</u></u>

**CITY OF LAWNSDALE**  
**Nonmajor Justice Assisted Grant Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Subventions and grants	\$ 16,500	\$ 21,320	\$ 4,820
Use of money and property	600	164	(436)
	<u>17,100</u>	<u>21,484</u>	<u>4,384</u>
<b>Expenditures:</b>			
Current:			
Public safety	16,500	19,477	(2,977)
	600	2,007	1,407
Fund balance, beginning of year	<u>7,142</u>	<u>7,142</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,742</u>	<u>\$ 9,149</u>	<u>\$ 1,407</u>

**CITY OF LAWNSDALE**  
**Nonmajor Park Development Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Use of money and property	\$ 2,000	\$ 1,275	\$ (725)
Charges for services	10,000	1,200	(8,800)
Total revenues	<u>12,000</u>	<u>2,475</u>	<u>(9,525)</u>
<b>Expenditures:</b>			
Capital outlay	<u>59,560</u>	<u>59,560</u>	<u>-</u>
Net change in fund balance	(47,560)	(57,085)	(9,525)
Fund balance, beginning of year	<u>61,866</u>	<u>61,866</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 14,306</u></u>	<u><u>\$ 4,781</u></u>	<u><u>\$ (9,525)</u></u>



**CITY OF LAWNSDALE**  
**Nonmajor Economic Development Initiative Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Other financing sources (uses):</b>			
Transfers in	\$ -	\$ 149,115	\$ 149,115
Net change in fund balance	-	149,115	149,115
Fund balance (deficit), beginning of year	<u>(149,115)</u>	<u>(149,115)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (149,115)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 149,115</u></u>

**CITY OF LAWNSDALE**  
**Nonmajor Cons Appr Act of 05 Grant Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Subventions and grants	\$ -	\$ 316,169	\$ 316,169
<b>Expenditures:</b>			
Capital outlay	427,500	427,500	-
Net change in fund balance	(427,500)	(111,331)	316,169
Fund balance, beginning of year	-	-	-
Fund balance (deficit), end of year	<u>\$ (427,500)</u>	<u>\$ (111,331)</u>	<u>\$ 316,169</u>

**CITY OF LAWNSDALE**  
**Nonmajor Roberti Zberg Harris Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Subventions and grants	\$ 177,830	\$ 71,859	\$ (105,971)
<b>Expenditures:</b>			
Capital outlay	177,830	177,830	-
Net change in fund balance	-	(105,971)	(105,971)
Fund balance, beginning of year	-	-	-
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ (105,971)</u>	<u>\$ (105,971)</u>

**CITY OF LAWNSDALE**  
**Nonmajor Prop 1 B Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Subventions and grants	\$ 1,040,000	\$ 499,093	\$ (540,907)
Use of money and property	-	7,860	7,860
 Total Revenues	 1,040,000	 506,953	 (533,047)
<b>Expenditures:</b>			
Capital outlay	427,500	463,850	(36,350)
 Net change in fund balance	 612,500	 43,103	 (569,397)
Fund balance, beginning of year	542,623	542,623	-
Fund balance, end of year	<u>\$ 1,155,123</u>	<u>\$ 585,726</u>	<u>\$ (569,397)</u>

**CITY OF LAWNSDALE**  
**Nonmajor Prop A Grant Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Subventions and grants	\$ 250,000	\$ -	\$ (250,000)
<b>Expenditures:</b>			
Capital outlay	350,000	255,165	94,835
Net change in fund balance	(100,000)	(255,165)	(155,165)
Fund balance, beginning of year	-	-	-
Fund balance (deficit), end of year	\$ (100,000)	\$ (255,165)	\$ (155,165)

**CITY OF LAWNSDALE**  
**Nonmajor Metro STP-L Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Subventions and grants	\$ -	\$ 481,890	\$ 481,890
Use of money and property	-	3,569	3,569
	<hr/>	<hr/>	<hr/>
Total revenues	-	485,459	485,459
 Fund balance, beginning of year	 -	 -	 -
	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ -	\$ 485,459	\$ 485,459
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CITY OF LAWNSDALE  
FIDUCIARY FUNDS  
JUNE 30, 2009**

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

**AGENCY FUNDS**

Section 8 Rental Assistance Program Fund

This fund is used to account for the deposit of monies from the Federal Department of Housing and Urban Development for the City's Housing Assistance Payment Program authorized under the United States Housing Act of 1937, with the objective of providing decent, safe, and sanitary housing for eligible families pursuant to Section 8 of the Act. The Program is administered by the Housing Authority of the County of Los Angeles, California.

**CITY OF LAWNSDALE**  
**Statement of Changes in Assets and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2009**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Assets:</b>				
Cash and investments	\$ 587,625	\$ 1,695,370	\$ 1,684,708	\$ 598,287
Accounts receivable	536	7,651	536	7,651
	<u>588,161</u>	<u>1,703,021</u>	<u>1,685,244</u>	<u>605,938</u>
Total Assets	<u>\$ 588,161</u>	<u>\$ 1,703,021</u>	<u>\$ 1,685,244</u>	<u>\$ 605,938</u>
<b>Liabilities:</b>				
Due to other governments	<u>\$ 588,161</u>	<u>\$ 605,938</u>	<u>\$ 588,161</u>	<u>\$ 605,938</u>



**STATISTICAL SECTION**

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**CITY OF LAWNSDALE**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2009**  
**Statistical Section**

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

*Table of Contents*

	<i>Page(s)</i>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	115
<b>Revenue Capacity</b> <i>These schedules contain trend information to help the reader assess the City's most significant current local revenue source, the property tax.</i>	119
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	123
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	128
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.</i>	131

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:			
Invested in capital assets, net of related debt	\$ 18,904,353	\$ 20,933,963	\$ 22,816,674
Restricted	6,478,534	7,856,975	9,552,507
Unrestricted	<u>24,046,074</u>	<u>23,639,533</u>	<u>22,757,234</u>
Total primary government net assets	<u>\$ 49,428,961</u>	<u>\$ 52,430,471</u>	<u>\$ 55,126,415</u>

*The City of Lawndale implemented GASB 34 for the fiscal year ended June 30, 2003*

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

**CITY OF LAWDALE**  
**Changes in Net Assets**  
**Last Three Fiscal Years**  
**(accrual basis of accounting)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses:</b>			
Governmental activities:			
General government	\$ 2,879,316	\$ 3,485,632	\$ 3,422,817
Public safety	4,254,862	4,765,368	4,841,606
Municipal services	4,823,633	3,865,148	5,734,422
Community development	2,774,214	5,351,549	4,482,731
Recreation and community services	1,473,821	1,635,332	1,563,899
Interest and fiscal charges	639,643	589,002	362,679
Total Primary Government Expenses	<u>16,845,489</u>	<u>19,692,031</u>	<u>20,408,154</u>
<b>Program Revenues:</b>			
Governmental activities:			
Charges for services:			
General government	987,351	787,712	800,969
Public safety	756,883	776,842	622,823
Planning and community development	334,278	271,779	494,481
Other activities	156,824	148,256	138,118
Operating grants and contributions	100,000	108,086	76,807
Capital grants and contributions	1,790,309	2,281,805	3,072,002
Total Primary Government Program Revenues	<u>4,125,645</u>	<u>4,374,480</u>	<u>5,205,200</u>
Total net revenues (expenses)	(12,719,844)	(15,317,551)	(15,202,954)
<b>General Revenues and Other Changes in Net Assets:</b>			
<b>Governmental activities:</b>			
Taxes:			
Property tax, levied for general purpose	1,069,124	1,040,634	1,052,038
Property tax, Redevelopment			
Agency tax increment	4,038,644	4,658,285	5,269,527
Transient occupancy taxes	519,745	557,274	474,874
Franchise tax	844,642	797,021	513,893
Sales tax	4,530,740	4,326,972	4,025,805
Motor vehicle in lieu tax	2,678,853	2,887,207	2,988,042
Utility users tax	2,060,126	2,135,388	2,260,924
Other taxes	-	-	-
	-	46,387	955,121
	-	69,891	358,674
Total Primary Government	<u>18,112,312</u>	<u>18,319,059</u>	<u>17,898,898</u>
Primary Government Changes in Net Assets	<u>\$ 5,392,468</u>	<u>\$ 3,001,508</u>	<u>\$ 2,695,944</u>

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>General fund:</b>			
Reserved	\$ 3,314,970	\$ 3,152,238	\$ 3,471,915
Unreserved	14,199,210	14,840,892	13,559,656
Total General Fund	<u>\$ 17,514,180</u>	<u>\$ 17,993,130</u>	<u>\$ 17,031,571</u>
<b>All other governmental funds:</b>			
Reserved	\$ 13,879,065	\$ 16,446,414	\$ 17,173,234
Unreserved, undesignated:			
Special revenue funds	4,382,949	4,899,303	5,636,186
Capital projects funds	(1,886,236)	(4,919,550)	(7,449,584)
Debt service	(3,594,475)	(1,226,749)	1,657,701
Total All Other Governmental Funds	<u>\$ 12,781,303</u>	<u>\$ 15,199,418</u>	<u>\$ 17,017,537</u>

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

**CITY OF LAWDALE**  
**Changes in Fund Balances of Governmental Funds**  
**Last Three Fiscal Years**  
**(modified accrual basis of accounting)**

	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Revenues:</b>			
Sales and use taxes	\$ 4,530,740	\$ 4,326,972	\$ 4,025,805
Utility user tax	2,060,126	2,135,388	2,260,924
Other taxes	6,179,966	6,736,622	7,310,332
Motor vehicle in-lieu	2,678,853	2,887,207	2,988,042
Licenses and permits	618,407	615,866	632,599
Fines and forfeitures	756,883	776,842	622,823
Subventions and grants	1,878,238	2,381,805	3,148,809
Use of money and property	1,814,959	1,772,108	955,121
Charges for services	1,153,234	899,657	800,969
Miscellaneous	457,387	156,752	187,262
Total revenues	22,128,793	22,689,219	22,932,686
<b>Expenditures</b>			
Current:			
General government	2,742,964	3,344,310	3,131,735
Public safety	4,233,836	4,744,132	4,825,791
Municipal services	5,385,186	4,207,438	4,146,429
Planning and community development	2,699,454	5,213,030	3,959,836
Recreation and community services	1,453,112	1,611,861	1,543,562
Capital outlay	9,888	1,406	4,056,611
Debt service:			
Principal retirement	104,207	79,449	48,742
Interest and fiscal charges	640,185	590,530	363,420
Total expenditures	17,268,832	19,792,156	22,076,126
Excess (deficiency) of revenues over (under) expenditures	4,859,961	2,897,063	856,560
<b>Other financing sources (uses):</b>			
Proceeds from long-term debt	200,000	-	-
Transfers in	318,288	540,166	1,307,887
Transfers out	(318,288)	(540,166)	(1,307,887)
Total other financing sources (uses)	200,000	-	-
		<u>53</u>	<u>\$ 856,560</u>
Debt service as a percentage of noncapital expenditures	4.4%	3.4%	2.2%

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

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

<b>Fiscal Year</b>	<b>City</b>			<b>Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
	<b>Secured</b>	<b>Unsecured</b>	<b>Less: Exemptions</b>		
<b>Ended June 30</b>					
2000	\$ 925,326,486	\$ 19,574,013	\$ 16,805,089	\$ 961,705,588	1.000%
2001	970,315,650	21,681,349	16,770,894	1,008,767,893	1.000%
2002	1,024,233,772	23,485,188	16,770,894	1,064,489,854	1.000%
2003	1,076,186,143	22,682,702	18,286,289	1,117,155,134	1.000%
2004	1,162,128,846	22,827,872	18,674,620	1,203,631,338	1.000%
2005	1,297,749,815	23,082,592	11,674,401	1,332,506,808	1.000%
2006	1,617,734,962	25,639,912	10,873,740	1,654,248,614	1.000%
2007	1,773,312,259	29,473,330	9,614,916	1,812,400,505	1.000%
2008	1,792,280,469	29,734,952	9,614,916	1,831,630,337	1.000%
2009	1,880,433,599	31,553,224	10,085,159	1,922,071,982	1.000%

**NOTE:**

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

Source: Los Angeles County Assessor's Office



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

	<b>2008</b>	<b>2009</b>
<b>City direct rates:</b>		
City basic rate:	1.000000	1.000000
<b>Overlapping rates:</b>		
Elementary Schools	0.048140	0.048150
High Schools	0.102410	0.096670
Co: Community College	0.016470	0.017030
Metro Water District	0.004500	0.004300
Total Direct Rate	1.171520	1.166150

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

**NOTE:**

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

Source: Los Angeles County Assessor's Office

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

<b>Taxpayer</b>	<b>2009</b>		<b>2000</b>	
	<b>Taxable Assessed Value</b>	<b>Percent of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Percent of Total City Taxable Assessed Value</b>
Lawndale Market Place LLC	\$ 11,246,906	0.59%	N/A	N/A
SCP Limited Partnership	8,160,000	0.43%	N/A	N/A
Lawndale LLC	7,004,362	0.37%	N/A	N/A
Baytower Corporate Center	6,579,256	0.35%	N/A	N/A
Ban Development LLC	6,444,359	0.34%	N/A	N/A
Mario and Maria Alvarez	6,338,380	0.33%	N/A	N/A
Rich Lawndale LLC	6,239,816	0.33%	N/A	N/A
Fariba Tabibi	5,980,569	0.31%	N/A	N/A
SBP Enterprises	5,792,145	0.30%	N/A	N/A
Satnaam Investments Inc	5,439,106	0.29%	N/A	N/A
Totals	<u>\$ 69,224,899</u>	<u>3.78%</u>	<u>N/A</u>	<u>N/A</u>

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

The City does not have data for year of 2000.

Source: HdL Coren & Cone

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

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2000	\$ 550,891	\$ 580,310	105.34%	\$ 29,419	\$ 533,347	96.82%
2001	577,489	623,165	107.91%	45,676	577,489	100.00%
2002	657,777	659,693	100.29%	1,916	625,833	95.14%
2003	671,960	688,525	102.47%	16,565	649,620	96.68%
2004	670,011	692,397	103.34%	22,386	694,349	103.63%
2005	708,836	587,951	82.95%	22,386	730,619	103.07%
2006	763,620	733,412	96.04%	N/A	N/A	N/A
2007	840,552	967,088	115.05%	126,536	N/A	N/A
2008	909,030	991,339	109.05%	82,309	N/A	N/A
2009	1,033,020	1,052,038	101.84%	19,018	N/A	N/A

Source: Los Angeles County Auditor Controller's Office

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

<b>Fiscal Year Ended June 30</b>	<b>Governmental Activities</b>			<b>Percentage of Personal Income</b>	<b>Debt Per Capita <sup>1</sup></b>
	<b>Notes Payable</b>	<b>Capital Leases</b>	<b>Total Governmental Activities</b>		
2006	\$ 1,713,997	\$ 91,260	\$ 1,805,257	N/A	\$ 54
2007	1,868,627	32,423	1,901,050	N/A	57
2008	1,821,601	-	1,821,601	N/A	54
2009	1,772,859	-	1,772,859	N/A	53

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

<sup>1</sup> These ratios are calculated using personal income for the prior calendar year.

**CITY OF LAWNSDALE**  
**Direct and Overlapping Debt**  
**June 30, 2009**

City Assessed Valuation \$ 1,831,630,337

	<u>Percentage Applicable</u> <sup>1</sup>	<u>Outstanding Debt 6/30/09</u>	<u>Estimated Share of Overlapping Debt</u>
<b><u>Direct<sup>2</sup> and Overlapping Tax and Assessment Debt:</u></b>			
Centinela Vly Union HS Dist 2002 Ref Bd Ser A	13.678%	\$ 16,675,000	\$ 2,280,807
Centinela Vly Union HS Dist 2004 Ref Ser A	13.678%	34,550,000	4,725,749
Centinela Vly Union HS Dist 2000 Ref Ser D	13.678%	22,995,151	3,145,277
El Camino Com Col Dist 2002 S-2003A	2.432%	8,175,000	198,816
El Camino Com Col Dist 2005 Ref Bonds	2.432%	30,176,173	733,885
El Camino Com Col Dist 2002 Ser 2006B	2.432%	142,150,000	3,457,088
Hawthorne USD DS 1997 Series E	0.658%	8,260,000	54,351
Hawthorne S.D. DS 1997 Series B	0.658%	5,465,043	35,960
Hawthorne SD DS 1997 Series C	0.658%	3,314,844	21,812
Hawthorne Elem Sch Dist 1997 Ser D 2004 D DS	0.658%	1,622,115	10,674
Hawthorne SD 2004/2005 Series A	0.658%	8,305,061	54,647
Hawthorne S.D DS 2004 Series 2005B	0.658%	5,108,625	33,615
Lawndale Elem Sch Dist 1998 Ser A Debt Svc	60.039%	8,270,000	4,965,225
Lawndale Elem Sch Dist 1998 Ser B Debt Svc	60.069%	11,735,000	7,049,097
West Basin MWD Area 1111 DS	0.171%	137,096,151	234,434
Total Overlapping Debt		<u>\$ 443,898,163</u>	<u>\$ 27,001,436</u>

Notes:

<sup>1</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

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

<sup>2</sup> The City has no direct debt.

Source: HdL Coren & Cone

**CITY OF LAWNSDALE**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Assessed valuation	\$ 961,705,588	\$ 1,008,767,893	\$ 1,064,489,854	\$ 1,117,155,134
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	144,255,838	151,315,184	159,673,478	167,573,270
<b>Total net debt applicable to limit:</b>				
General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 144,255,838</u>	<u>\$ 151,315,184</u>	<u>\$ 159,673,478</u>	<u>\$ 167,573,270</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Lawndale CAFR Statistical Section-Computation of Legal Debt Margin

<b>Fiscal Year</b>					
<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
\$ 1,203,631,338	\$ 1,332,506,808	\$ 1,654,248,614	\$ 1,812,400,505	\$ 1,831,630,337	\$ 1,922,071,982
15%	15%	15%	15%	15%	15%
180,544,701	199,876,021	248,137,292	271,860,076	274,744,551	288,310,797
-	-	-	-	-	-
<u>\$ 180,544,701</u>	<u>\$ 199,876,021</u>	<u>\$ 248,137,292</u>	<u>\$ 271,860,076</u>	<u>\$ 274,744,551</u>	<u>\$ 288,310,797</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**CITY OF LAWNSDALE  
Pledged-Revenue Coverage  
Last Two Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Tax Allocation Loan Agreement <sup>1</sup></b>				
	<b>Tax Increment</b>	<b>Debt Service</b>		<b>Coverage Ratio</b>	
		<b>Principal</b>	<b>Interest</b>		
2008	\$ 1,477,800	\$ 47,026	\$ 67,346	12.92	
2009	1,477,800	48,742	65,599	12.92	

Note: <sup>1</sup> The Lawndale Redevelopment Agency entered into a Tax Allocation Loan Agreement on June 30, 2004. Principal and interest payments began August 2005.

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

Source: City Finance Department



**CITY OF LAWDALE**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income (in thousands) (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>Unemployment Rate (3)</b>
2000	30,862	279,050	29,233	5.1%
2001	32,034	294,508	30,499	5.3%
2002	32,463	302,123	30,943	6.4%
2003	32,851	311,285	31,569	6.6%
2004	33,209	329,048	33,179	6.1%
2005	33,260	N/A	N/A	5.0%
2006	33,343	N/A	N/A	4.4%
2007	33,572	N/A	N/A	4.4%
2008	33,450	N/A	N/A	6.9%
2009	33,593	N/A	N/A	12.6%

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

**CITY OF LAWDALE**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<u>Employer</u>	<u>2009</u>		<u>2000</u>	
	<u>Number of Employees</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
City of Lawndale	105	3.64%	N/A	N/A
Valu Plus Food Warehouse	91	3.15%	N/A	N/A
La Vida Medical Group Inc.	82	2.84%	N/A	N/A
American Drilling Company	68	2.36%	N/A	N/A
Big Saver Foods	66	2.29%	N/A	N/A
McDonalds of California	60	2.08%	N/A	N/A
Carbro Corporation	56	1.94%	N/A	N/A
Guitar Center Stores, Inc.	47	1.63%	N/A	N/A
El Polla Inka	44	1.52%	N/A	N/A
Wems Inc.	42	1.46%	N/A	N/A
Property Prep Inc.	41	1.42%	N/A	N/A
Advanced Veterinary Care Center	40	1.39%	N/A	N/A
Spires Restaurant	36	1.25%	N/A	N/A
99 Cents Only Store	36	1.25%	N/A	N/A
Westwood Building Materials	32	1.11%	N/A	N/A

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

The City does not have data for 2000.

Source: State Department of Commerce  
City of Lawndale

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

<b><u>Function</u></b>	<b>Fiscal Year</b>									
	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
General government	39	39	40	34	26	34	34	37	38	41
Public safety	14	11	11	13	11	12	14	12	14	14
Community development	5	6	6	6	5	5	6	6	7	7
Culture and leisure	37	37	34	36	18	29	31	42	43	43
Total	<u>95</u>	<u>93</u>	<u>91</u>	<u>89</u>	<u>60</u>	<u>80</u>	<u>85</u>	<u>97</u>	<u>102</u>	<u>105</u>

Source: City Budget Office

**CITY OF LAWNSDALE**  
**Operating Indicators**  
**by Function**  
**Last Ten Fiscal Years**

	<b>Fiscal Year</b>				
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Police:</b>					
Arrests	N/A	N/A	723	612	675
Parking citations issued	N/A	N/A	N/A	N/A	14,046
<b>Parks and recreation:</b>					
Number of recreation classes	N/A	N/A	8	8	8
Number of facility rentals	4	4	4	4	4

Source: City of Lawndale

<b>Fiscal Year</b>				
<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
716	710	753	751	760
16,627	16,378	19,190	19,190	15,432
8	15	15	15	15
4	4	4	4	4

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

	Fiscal Year				
	2000	2001	2002	2003	2004
<b>Police:</b>					
Stations	1	1	1	1	1
<b>Public works:</b>					
Streets (miles)	67	67	67	67	67
<b>Parks and recreation:</b>					
Parks	4	4	4	4	4
Community centers	1	1	1	1	1

Source: City of Lawndale

<b>Fiscal Year</b>				
<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
1	1	1	1	1
67	67	67	67	67
4	4	4	4	5
1	1	1	1	1

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