

**DRAFT**

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS**

**FINANCIAL STATEMENTS**

**June 30, 2013**

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS  
ANNUAL FINANCIAL STATEMENTS  
June 30, 2013**

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CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
South Bay Cities Council of Governments  
Torrance, California

We have audited the accompanying financial statements of the governmental activities and the major fund of the South Bay Cities Council of Governments ("the Authority") as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of June 30, 2013, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Change in Accounting Principles**

As discussed in Note 1 of the notes to the basic financial statements, effective July 1, 2012, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60 – *Accounting and Financial Reporting for Service Concession Arrangements*, GASB Statement No. 61 – *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and GASB Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

**Other Matters**

*Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2013 on our consideration of the Authority’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
November 4, 2013

## **BASIC FINANCIAL STATEMENTS**

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS**  
**STATEMENT OF NET POSITION**  
**As of June 30, 2013**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and investments	\$ 353,238
Accounts receivable	641,610
Interest receivable	32
Deposits	<u>10,739</u>
Total Assets	<u>1,005,619</u>
<b>Liabilities</b>	
Accounts payable	143,498
Accrued liabilities	107,847
Unearned revenue	<u>316,823</u>
Total Liabilities	<u>568,168</u>
<b>Net Position</b>	
Unrestricted	<u>437,451</u>
Total Net Position	<u><u>\$ 437,451</u></u>

See notes to financial statements

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2013**

		Program Revenues		Net (Expense) Revenue and Change in Net Position Governmental Activities
Expenses	Charges for Services	Operating Grants and Contributions		
Functions/programs Governmental activities:				
General government	\$ 3,137,801	\$ 439,602	\$ 2,680,072	\$ (18,127)
Total Governmental activities	\$ 3,137,801	\$ 439,602	\$ 2,680,072	(18,127)
		General revenues:		
		Interest		158
		Total general revenues		158
		Change in net position		(17,969)
		Net position, beginning of fiscal year		455,420
		Net position, end of fiscal year		\$ 437,451

See notes to financial statements

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUND  
As of June 30, 2013**

	<u>General Fund</u>
<b>Assets</b>	
Cash and investments	\$ 353,238
Accounts receivable	641,610
Interest receivable	32
Deposits	10,739
Total Assets	\$ 1,005,619
<b>Liabilities and Fund Balance</b>	
Accounts payable	\$ 143,498
Accrued liabilities	107,847
Unearned revenue	316,823
Total Liabilities	568,168
Fund balance:	
Nonspendable:	
Deposits	10,739
Unassigned	426,712
Total Fund Balance	437,451
Total Liabilities and Fund Balance	\$ 1,005,619

See notes to financial statements



**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS  
RECONCILIATION OF BALANCE SHEET OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF NET POSITION  
As of June 30, 2013**

Fund balance of the governmental fund	<u>\$ 437,451</u>
Net position of governmental activities	<u><u>\$ 437,451</u></u>

See notes to financial statements

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
For the Fiscal Year Ended June 30, 2013**

	<u>General Fund</u>
<b>Revenues:</b>	
Intergovernmental from members	\$ 294,373
Grant revenue and contributions	2,825,301
Investment earnings	<u>158</u>
Total Revenues	<u>3,119,832</u>
<b>Expenditures:</b>	
Current:	
General government	<u>3,137,801</u>
Total Expenditures	<u>3,137,801</u>
Net change in fund balance	(17,969)
Fund balance, beginning of fiscal year	<u>455,420</u>
Fund balance, end of fiscal year	<u><u>\$ 437,451</u></u>

See notes to financial statements

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2013**

Net change in fund balance of the governmental fund	<u>\$ (17,969)</u>
Change in net position of governmental activities	<u><u>\$ (17,969)</u></u>

See notes to financial statements

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 1: Organization and Summary of Significant Accounting Policies**

**a. Description of the Reporting Entity**

The South Bay Cities Council of Governments (“the Authority”) is a reporting entity which consists of the primary government:

Reporting Entity:

Primary Government:

The South Bay Cities Council of Governments Joint Powers Authority

The Authority was created pursuant to the California Government Code. The Authority is a voluntary establishment created by its members for the purpose of providing a vehicle for the members to engage in regional and cooperative planning and coordination of government services and responsibilities to assist the members in the conduct of their affairs. In addition, the Authority provides a regional organization for the review of federal, state and/or regional projects and studies that involve the use of federal, state and/or regional funds in various forms.

The Authority’s organizational documents consist of a joint powers agreement and a set of bylaws. Among other things, these organizational documents establish a governing board to conduct the affairs of the Authority. The legislative body of each member agency selects one of its members to be the Authority’s representative to the Authority’s governing board, and another of its members to be the Authority’s alternative representative.

The Authority has the following members:

- Carson
- County of Los Angeles —  
Districts 2 & 4
- El Segundo
- Gardena
- Hawthorne
- Hermosa Beach
- Inglewood
- Lawndale
- Lomita
- Los Angeles
- Manhattan Beach
- Palos Verdes Estates
- Rancho Palos Verdes
- Redondo Beach
- Rolling Hills
- Rolling Hills Estates
- Torrance

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. Governmental activities are normally supported by taxes and intergovernmental revenues.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the entity considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**d. Assets, Liabilities, and Net Position or Equity**

1. Investments

Investments for the Authority are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and Payables

All trade receivables are shown net of an allowance for uncollectibles.

3. Prepaid/Deposit Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. As of June 30, 2013, the Authority has prepaid deposits, in the amount of \$10,739, for the security deposit of the Torrance Facility lease.

4. Unearned Revenue

Receipts totaling \$292,623 for membership dues and assessment for climate action plan for the 2013/2014 fiscal year have been recorded as unearned revenue at June 30, 2013. In addition, \$24,200 received from the South Coast Air Quality Management District grant has been recorded as unearned revenue since related expenditures have not been incurred at June 30, 2013.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

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

**5. Fund Equity**

In the fund financial statements, governmental funds report the following fund balance classifications:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications.

**e. Estimates**

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

**f. Net Position**

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**g. New Accounting Pronouncements**

Governmental Accounting Standards Board Statement No. 60

For the fiscal year ending June 30, 2013, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 60 "Accounting and Financial Reporting for Service Concession Arrangements." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to improve financial reporting by addressing issues related to Service Concession Arrangements. This Statement improves consistency in reporting and enhances the comparability of the accounting and financial reporting of Service Concession Arrangements among state and local governments. Implementation of the GASB Statement No. 60 did not have an impact on the Authority's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 61

For the fiscal year ending June 30, 2013, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 61 "The Financial Reporting Entity: Omnibus." This Statement is effective for periods beginning after June 15, 2012. The objective of this Statement is to improve financial reporting for component units. This Statement modifies certain requirements for inclusion of component units in financial reporting entity and clarifies the reporting of equity interests in legally separate organizations. Implementation of the GASB Statement No. 61 did not have an impact on the Authority's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 62

For the fiscal year ending June 30, 2013, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." This Statement is effective for periods after December 15, 2011. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989. This Statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments. Implementation of the GASB Statement No. 62 did not have an impact on the Authority's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 63

For the fiscal year ending June 30, 2013, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to establish guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The Statement sets forth framework that specifies where deferred outflows of resources and deferred inflows of resources, as well as assets and liabilities should be displayed. This Statement also specifies how net position, no longer referred to as net assets, should be displayed. Implementation of the Statement and the impact of the Authority's financial statements are explained in Note 1 f-Net Position.



**Note 2: Stewardship, Compliance, and Accountability**

**Budgetary Data**

General Budget Policies

The Authority adopts a budget as a management tool. It is prepared in accordance with accounting principles generally accepted in the United States of America. The annual budget is prepared by the administrator and is presented to the Authority Board of Directors by June of the prior fiscal year. The budget is adopted in July.

There is a separate grant budget. Since this grant budget is separate it is not included in the budget amounts in the Schedule of Revenues, Expenditures, and Changes in Fund Balance. This is the reason there is large budget to actual variances in the Grant Revenue and Special Project's accounts.

**Note 3: Cash and Investments**

As of June 30, 2013, cash and investments were reported in the accompanying financial statements as follows:

Total Cash and Investments	<u>\$ 353,238</u>
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The Authority maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The Authority has adopted an investment policy which authorizes it to invest in various investments.

Deposits

The California Government Code requires California banks and savings and loan associations to secure a government entity's deposits by pledging government securities with a value of 110% of an Authority's deposits. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of an Authority's total deposits. The Authority Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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**Note 3: Cash and Investments (Continued)**

Investments

Under provision of the Authority's investment policy and in accordance with the California Government Code, the following investments are authorized:

- Local Agency Investment Fund (State Pool)
- Los Angeles County Pooled Investment Fund
- Certificates of Deposit
- U.S. Government Agency Securities
- Money Market Savings Account

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the Authority's investment policy.

Investments in State Investment Pool

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

GASB Statement No. 31

The Authority adopted GASB Statement No. 31, *Accounting and Financial Reporting for certain investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the Authority reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Credit Risk

The Authority's cash consists of one demand deposit account and an investment in the State Treasury Investment Pool. Investments in U.S. government securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2013, the Authority's investments in external investment pools and money market mutual funds are unrated.

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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**Note 3: Cash and Investments (Continued)**

Credit Risk (Continued)

On Aug. 5, 2012, Standard & Poor's Ratings Services lowered its long-term sovereign credit rating on the United States of America to AA+ from AAA. As a result, on Aug. 8, 2012, Standard & Poor's Ratings Services lowered its issuer credit ratings and related issue ratings on various Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac to AA+ from AAA. The Authority invests in LAIF which invests in various underlying securities, including the federal agency securities listed above. While LAIF is not rated, the federal agency securities are, and these have been affected by this rating change.

Custodial Credit Risk

The 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 deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2013, none of the Authority's deposits or investments was exposed to custodial credit risk.

Concentration of Credit Risk

The Authority's investment policy imposes restrictions on the percentage that the Authority can invest in certain types of investments. As of June 30, 2013, in accordance with GASB 40 requirements, the Authority has not invested more than 5% of its total investments in any one issuer. Investments guaranteed by the U.S. government, and investments in mutual funds and external investment pools are excluded from this requirement.

Interest Rate Risk

The Authority's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Authority has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2013, the Authority had the following investments and original maturities:

	<u>Remaining Investment Maturities</u>	<u>Fair Value</u>
	6 months or less	
California Local Agency Investment Fund	\$ 53,111	\$ 53,111
Total Investments	<u>\$ 53,111</u>	<u>\$ 53,111</u>

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

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**Note 4: Leases**

The Authority maintains a sublease at the Torrance facility. Future minimum payments under this non-cancelable operating lease are as follows:

2013-2014	\$ 112,566
2014-2015	<u>115,943</u>
Total	<u>\$ 228,509</u>

In addition, the Authority leases two copiers at the total monthly payment of \$838.

**Note 5: Management's Review of Subsequent Events**

In preparing the accompanying financial statement, Management has reviewed all known events that have occurred after June 30, 2013 and through November 4, 2013, the date when this financial statement was available to be issued, for inclusion in the financial statements and footnotes.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND**

**For the Fiscal Year Ended June 30, 2013**

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Membership dues and assessments	\$ 292,625	\$ 292,625	\$ 294,373	\$ 1,748
Investment earnings	200	200	158	(42)
Grant revenue	120,000	120,000	2,680,072	2,560,072
Miscellaneous	110,410	110,410	145,229	34,819
<b>Total Revenues</b>	<b>523,235</b>	<b>523,235</b>	<b>3,119,832</b>	<b>2,596,597</b>
<b>Expenditures:</b>				
Current:				
General government:				
Contractual services	342,000	342,000	342,000	
Special projects	79,200	81,720	2,620,834	(2,539,114)
Supplies and services	168,200	168,200	174,967	(6,767)
<b>Total Expenditures</b>	<b>589,400</b>	<b>591,920</b>	<b>3,137,801</b>	<b>(2,545,881)</b>
Excess (Deficiency) of Revenues over Expenditures	(66,165)	(68,685)	(17,969)	50,716
Fund balance, beginning of fiscal year	455,420	455,420	455,420	
Fund balance, end of fiscal year	<u>\$ 389,255</u>	<u>\$ 386,735</u>	<u>\$ 437,451</u>	<u>\$ 50,716</u>