

Lynwood



Comprehensive Annual Financial Report

For The Year Ended June 30, 2005

Lynwood, California

CITY OF LYNWOOD

CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2005

N. Enrique Martinez • City Manager
Marianna Marysheva • Assistant City Manager

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2005

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February 27, 2006

Honorable Mayor and
Members of the City Council
City of Lynwood, California

We are pleased to present to you and the Lynwood residents the City's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2004-05. The CAFR presents the City's financial position and changes therein, for its various funding sources. The basic financial statements and supporting schedules have been prepared in compliance with California Government Code Sections 25250 and 25253, and in accordance with the accounting principles generally accepted in the United States of America (US GAAP), as established by the Government Accounting Standards Board (GASB).

Our Comprehensive Annual Financial Report is presented in three sections:

The Introductory Section includes the management's transmittal letter, the organizational structure of the City, and the profile of the government.

The Financial Section is prepared in accordance with the GASB 34 requirements, and contains the Management's Discussion and Analysis (MD&A), the Basic Financial Statements including notes, and the Required Supplemental Information. The Basic Financial Statements include the government-wide financial statements that present an overview of the City's entire financial operations, and the fund financial statements that present the financial information of each of the City's major funds, as well as non-major governmental and fiduciary funds. Also included in this section is the Independent Auditor's Report.

The Statistical Section includes ten years of financial data, debt computations, and a variety of demographic, economic and social information that may be of interest to potential investors in the City's bonds and to other inquiring readers.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the governments assets from loss, theft, or misuse, to compile sufficient reliable information for the preparation of the City's financial statements in conformity with US GAAP, and to comply with laws and regulations. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that

the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by an independent auditing firm that is licensed as certified public accountants, Moss, Levy and Hartzheim. The object of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2005, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion on the City's financial statements for the fiscal year ended June 30, 2005. The Independent Auditor's Report is presented as the first component of the Financial Section of this report.

GASB Statement No. 34 (GASB 34) requires that management provide a narrative introduction, 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 City's MD&A can be found immediately following the report of the independent auditor.

THE REPORTING ENTITY AND ITS SERVICES

The City has defined its reporting entity in accordance with the accounting principles generally accepted in the United States of America (US GAAP), which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. This Basic Financial Statements present information on the activities of the City and its component units.

Pursuant to the requirements of GASB 34, the following elements are included in the City's CAFR:

- Government-wide financial reporting;
- Management's Discussion and Analysis (MD&A);
- Separate presentation of major funds; and
- Expanded budgetary reporting.

Moreover, GASB 34 requires that state and local governments annually disclose the full net value of all capital assets, including infrastructure assets, in order to comply with the accounting principles generally accepted in the United States of America (US GAAP).

The US GAAP require that the component units be separated into blended or discretely presented units for reporting purposes. The City does not have any discretely presented component units, and only the blended units. The latter include the Lynwood Redevelopment Agency (LRA), Lynwood Public Financing Authority (LFA), the Lynwood Information Incorporated, and the Lynwood Utility Authority (LUA). The Lynwood Unified School District was not included because they have a limited relationship with the City. The City is also represented on a number of regional agencies that are excluded from the City's reporting entity.

PROFILE OF THE GOVERNMENT

The City of Lynwood voters approved the City's incorporation on July 1, 1921. The City is situated approximately 13 miles south of downtown Los Angeles at the intersection of the 710 and 105 freeways in Los Angeles County. The City has grown from basically an agricultural area in the early nineteen hundreds to its present residential and growing industrial and commercial importance. The City covers 4.8 square miles.

The population of Lynwood grew rather slowly in early years. In 1921, there were about 786 people, and the City grew to 1,326 in 1930, 10,968 in 1940, 31,614 in 1960, and 55,071 in 1988. Presently, there are over 70,000 residents in Lynwood.

The City Council is the governing body of the City and comprises five elected officials. All Council members are elected at large to serve four-year terms. One of the Council members is elected by the other four members to be Mayor for the upcoming year. The City Council appoints a City Manager who carries out the City Council policies and provides administrative direction to the City.

The City provides a full range of services contemplated by statute, including those functions delegated to cities under state law. These services include public safety (which are contracted to Los Angeles County), public works, recreational and cultural activities, public improvements, planning, zoning, and general administrative services. In addition to fire and police, animal control and health services are provided through a contract by the County of Los Angeles. Other services – such as sanitation, flood control and transportation – are provided by special districts with the City being a member.

The City's budget is a detailed operating plan that identifies estimated costs in relation to estimated revenues. The budget includes: (1) the programs, services, and activities to be carried out during the fiscal year; (2) the estimated revenue available to finance the operating plan; and (3) the estimated spending requirements for the operating plan. The budget represents a process wherein policy decisions by the City Council are adopted, implemented and controlled. The notes to the basic financial statements summarize the budgetary roles of various City officials and timetable for their budgetary actions according to City Policy.

City Policy prohibits expending monies for which there is no legal appropriation. The City Manager is authorized to administer the budget and may transfer monies from one activity, program or project to another within the same fund and department. Supplemental appropriations or transfer of appropriations that affect a fund or department level budget must be approved by the City Council.

The City also maintains an encumbrance accounting system to provide budgetary controls for governmental funds. Encumbrances, which would result in an overrun of an account balance, are suspended until additional funding is made available via budget change requests or withdrawn due to lack of funding. Encumbrances outstanding at June 30 and carried forward are reported as reservations of the appropriate governmental fund's fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in-process at fiscal year-end are completed. They do not constitute expenditures or liabilities.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy.

Lynwood is home to a host of booming retail centers including Atlantic Crossing that consists of Walgreens, Starbucks, and Panda Express. Another center is the Long Beach Pluma Shopping Center, which is anchored by Smart & Final and 99 Cent Only Store. One of the City's largest redevelopment projects is Plaza Mexico, situated in the downtown area of Lynwood. This 36-

acre project is known for its architecture reminiscent of old town Mexico, while showcasing an authentic look of towns such as San Miguel de Allende and other cities located in the State of Guanajuato.

In addition, the Lynwood Redevelopment Agency is focusing on reviving the City's downtown area, in which Long Beach Boulevard will be the focal point. The Agency's goal is to enter into exclusive contracts to recreate a downtown area through projects that will contain traditional commercial retail projects, including mixed-use projects that will contain design features to encourage pedestrian activity. Pedestrian nodes, street furniture, hardscape and landscape, and unique paving patterns will be used to reshape the area and encourage economic development.

The Agency is also focusing on the construction of new housing and plans to develop 215 Single-Family homes within the next 18 months. In years to come, Lynwood's redevelopment progress will change the city's physical landscape—making Lynwood the desirable place to be.

The City already has a strong economic base, and with the above projects, the City's property tax, sales tax and business tax revenues will be strengthened even further. The construction-related revenue will also be positively impacted, especially in the next few years, as new projects are being developed and built in the City.

Long-Term Financial Planning

The City is serious about the long-term planning. The City's focus on performance measurement afforded it the opportunity to identify performance deficiencies and correct them through the budget process. The City further has engaged in the process of identifying the core "issue areas" requiring special attention, and staff is addressing them through the White Papers that will later lead to the Strategic Plan development. On a parallel track, the City's revenues and expenditures are being analyzed and forecast for the next five years, with the results planned for presentation during the forthcoming City Council retreat. Lastly, the City recently released the Resident Survey to gauge the resident's input on a variety of issues, programs and services. The survey results will be used by the City Council to set their long-term goals, and by management – to set budget and strategic priorities.

CASH MANAGEMENT POLICIES AND PRACTICES

To maximize interest income and maintain liquidity, the City pools operating cash for its various funds and invests the monies in securities of various maturities. These monies and operating funds of the Redevelopment Agency are invested pursuant to the City's Investment Policy in compliance with Section 53601 of the California Government Code. The objectives of the Investment Policy are to preserve capital, provide adequate liquidity to meet cash disbursements of the City, and to reduce overall portfolio needs while maintaining market-average rates of return. Investments are secured by collateral as required under law, with maturity dates staggered to ensure that cash is available as needed. The City Council receives regular reports on the performance of the City's pooled investment program and on the cash position of all funds.

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy. The investment types authorized for investments in the City include the Local Agency Investment Fund (state pool), U.S. Treasury Obligations, U.S. Government Agency Issues, Certificates of Deposit, Commercial Paper, as well as Mutual Funds and Money Market Funds comprised of eligible securities.

The City manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

RISK MANAGEMENT

To finance its risks of general liability and worker's compensation, the City maintains a joint powers membership in the Independent Cities Risk Management Authority (ICRMA). The ICRMA, a group of 30 cities, purpose is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurances or reinsurances, and to arrange for group-purchased insurance for property and other coverage.

The City participates in programs for worker's compensation and general liability coverage administered by ICRMA. Worker's comp limit is \$10,000,000 with the City's retention of \$325,000 for each accident. General liability coverage is \$20,000,000 with the City's retention set at \$200,000 for each accident. The City Attorney believes that the above designation is adequate to cover any losses. Costs related to litigation of claims are expensed as incurred.

In addition the City participates in the Property Insurance Program including earthquake and flood insurance. The "all risk", including earthquake and flood, property coverage is \$135,000 for each occurrence. The property coverage limit is shared by 14 cities with a \$5,000 per loss deductible. The deductible for earthquake and flood is 5% of loss value. Premiums for these policies are paid annually and not subject to retroactive adjustments.

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

ACKNOWLEDGEMENTS

We would like to express our sincere appreciation to the entire staff of the Finance and Administration Department and most particularly the Accounting and Water Billing staff, for their professionalism, dedication, and efficiency in the preparation of this report. We also thank Moss, Levy & Hartzheim, Certified Public Accountants, for their assistance and guidance. Finally, we would like to thank the Mayor and members of the City Council for their interest and continued support in planning and conducting the City's financial operations in a responsible and progressive manner.

Respectfully submitted,



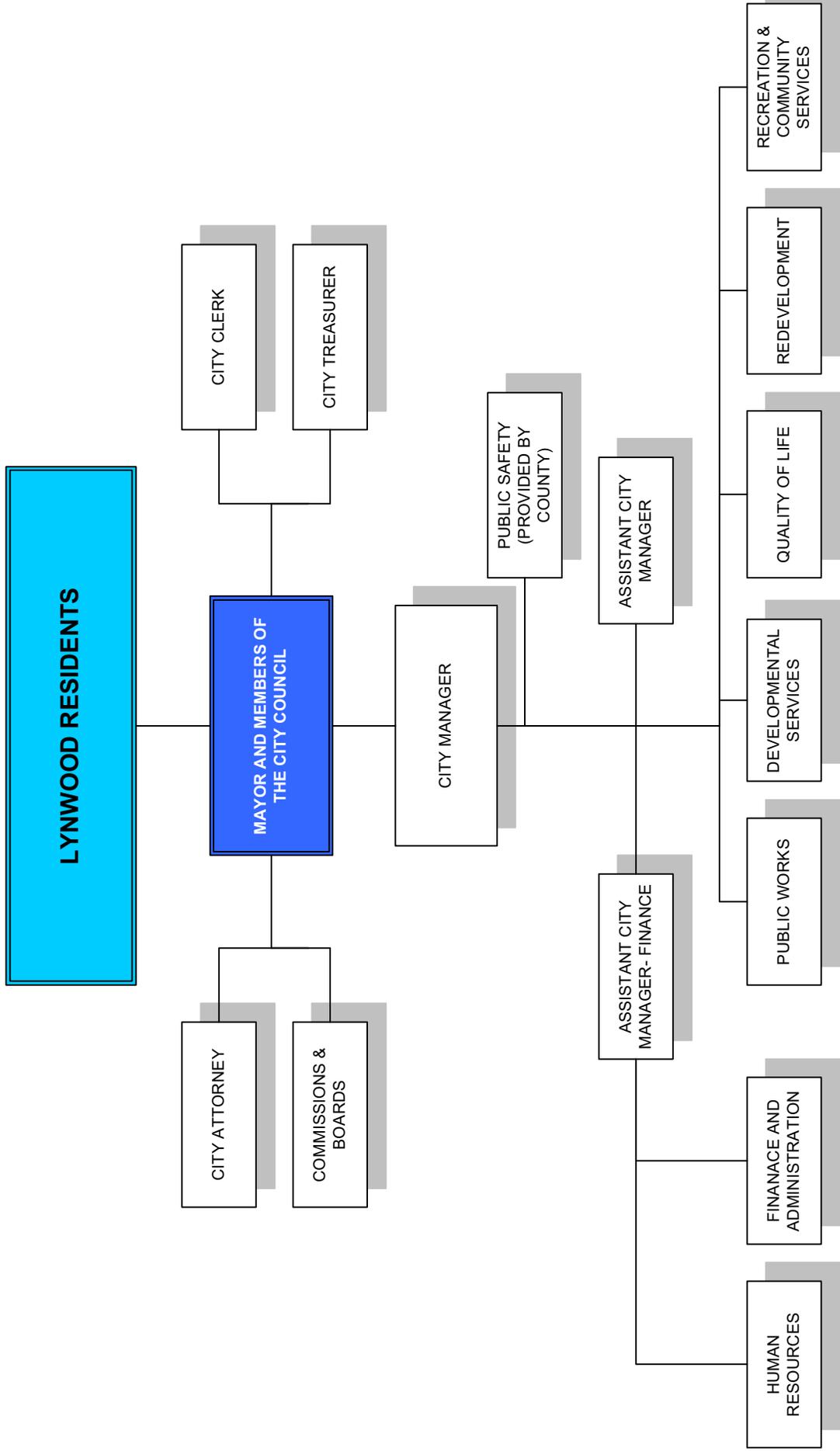
N. Enrique Martinez,
City Manager



Marianna A. Marysheva
Assistant City Manager / Finance

City Organization

FY 2005-06



**DIRECTORY OF CITY OFFICIALS
CITY MANAGER/COUNCIL FORM OF GOVERNMENT**

June 30, 2005

MAYOR

Leticia Vasquez

MEMBERS OF THE CITY COUNCIL

Alfreddie Johnson – Mayor Pro-Tem
Maria Teresa Santillan – Council Member
Fernando Pedroza – Council Member
Louis Byrd – Council Member

ELECTED OFFICIALS

Andrea Hooper – City Clerk
Iris Pygatt – City Treasurer

COUNCIL APPOINTED OFFICERS

N. Enrique Martinez – City Manager

DEPARTMENT DIRECTORS

Marianna Marysheva – Assistant City Manager
Lorry Hempe – Assistant City Manager
Paul Nguyen – Public Works
Grant Taylor – Development Services
Jim Given – Recreation and Community Services
Sandra Rocha – Human Resources
Kirk Pelser – Redevelopment
Deborah Jackson – Quality of Life

CITY OF LYNWOOD

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PROJECT TEAM

Marianna Marysheva – Assistant City Manager
Christy Valencia – Director of Finance
Annette Potts – Deputy Director of Administration
May Tan – Water Billing Manager
Maria Luna – Customer Relations Specialist
Chondra Handley – Executive Assistant
Miguel Cervantes – Administrative Aide
Jaime Rivas – Payroll Analyst
Lily Mojarro – Accounting Technician
Tamu Ledbetter – Accounting Technician
Monica Castellanos – Accounting Technician
Carol Denure – Account Clerk
Charnell Baker – Account Clerk

SPECIAL ASSISTANCE

Mike Moon
Vikki Irwin

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MOSS, LEVY & HARTZHEIM

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RONALD A. LEVY, C.P.A.*
CRAIG A. HARTZHEIM, C.P.A.*
HADLEY HUI, C.P.A.

MEMBER:

AMERICAN INSTITUTE OF C.P.A.S
CALIFORNIA SOCIETY OF C.P.A.S
CALIFORNIA SOCIETY OF
MUNICIPAL FINANCE OFFICERS
CALIFORNIA ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS

OFFICES:

BEVERLY HILLS, CALIFORNIA
SANTA MARIA, CALIFORNIA

THOMAS LEUNG, C.P.A.

*DENOTES PROFESSIONAL CORPORATION

Independent Auditor's Report

The Members of the City Council of the
City of Lynwood
Lynwood, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lynwood, California (City) as of and for the fiscal year ended June 30, 2005, 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'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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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.

Management has not compiled a complete and accurate schedule of land held for resale in the governmental activities statement of net assets and the Low/Mod Housing Area "A" Fund and the Redevelopment Project Area "A" Fund balance sheets. It is unknown if the amounts reported in the Low/Mod Housing Area "A" Fund and the Redevelopment Project Area "A" Fund would be materially different than actual amounts and how this would impact net assets, assets, and fund balances.

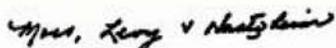
In our opinion, except for the effects, if any, of not providing an adequate accounting for land held for resale as described in the preceding paragraph, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the Low/Mod Housing Area "A" Fund, and the Redevelopment Project Area "A" Fund of the City of Lynwood, California, as of June 30, 2005, and the respective changes in financial position and the respective budgetary comparison statement of the Redevelopment Low/Mod Housing Area "A" Fund. In our

opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the Housing and Community Development Fund, the Park Replacement Fund, Capital Improvement Project Fund, and the 2002 HUD Section 108 Loan Fund, and the aggregate remaining fund information of the City of Lynwood, California, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Housing and Community Development Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 13, 2005, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 9 through 15 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standard Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and therefore express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lynwood's basic financial statements. The introductory section, the budget to actual comparison schedules for major capital projects funds, the nonmajor governmental funds combining statements, the budget to actual comparison schedules of nonmajor governmental funds, the combining internal service funds financial statements, the statement of changes in assets and liabilities – agency fund, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budget to actual comparison schedules for major capital projects funds, the nonmajor governmental funds combining statements, the budget to actual comparison schedules of nonmajor governmental funds, the combining internal service funds financial statements, and the statement of changes in assets and liabilities – agency fund, 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 section and the statistical section have been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Moss, Levy and Hartzheim
Beverly Hills, California
December 13, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the City of Lynwood's financial performance provides readers of the City's financial statements an overview of the City's financial activities for the fiscal year ended June 30, 2005. We encourage readers to consider information noted below in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's total assets as of June 30, 2005 were \$164.64 million and total liabilities were \$59.65 million. The assets exceeded liabilities by \$104.99 million (net assets); of this amount, \$31.95 million represents funding for the Ham Park Replacement Project.
- During the fiscal year, the City's general fund sources (including revenues and transfers in) exceeded uses (including expenditures and transfers out) by \$0.96 million, resulting in an equal increase in the general fund balance. The year-end fund balance for the General Fund was \$13.32 million, of which \$1.63 million was reserved for long-term liabilities, prepaid items and encumbrances.
- Total revenues from all sources were \$46.63 million and total expenditures were \$46.30 million. Of the total revenues, program revenues were \$23.51 million. Program revenues are broken into three categories: Charges for services at \$15.22 million, operating contributions and grants at \$7.71 million; and capital contributions and grants at \$0.58 million.

ROAD MAP FOR THE FY 2004-2005 FINANCIAL AUDIT REPORT

The Management's Discussion and Analysis section is intended to serve as the introduction to the City's basic financial statements, which contain the basic financial data, as well as important supplemental information. Included in this report are the activities of the City of Lynwood and its component units (the Lynwood Redevelopment Agency, the Lynwood Public Financing Authority, the Lynwood Utility Authority, and the Lynwood Information Incorporated). The activities are presented using the integrated approach prescribed by the Government Accounting Standards Board (GASB) Statement No. 34. Also per GASB Statement No. 34, certain interfund receivables, payables, and other interfund activities have been eliminated from the financials statements as they do not have any net impact.

The City's basic financial statements contain a number of elements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund Financial Statements explain how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements, by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole: Statement of Net Assets and Statement of Activities

One of the most important questions on the City's finances is, "Is the City as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements provide detail on the City's net assets and changes affecting them. The City's net assets – the difference between the total assets and liabilities – is one way to measure the City's overall financial health, or financial position. Over time, increases or decreases in the City's net assets may be a good indicator of whether its financial health is improving or deteriorating. However, the need exists to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

The Statement of Net Assets and the Statement of Activities present information about the following:

- **Governmental Activities** - All of the City's basic services are considered to be governmental activities, including general government, community development, public safety, public works, parks and recreation, and redevelopment. Property taxes, sales taxes, charges for services, franchise fees and other similar revenue sources pay for most of these activities.
- **Component Units** - The City's governmental activities include the blending of three separate legal entities - the Lynwood Redevelopment Agency, the Lynwood Public Financing Authority, and the Lynwood Information Incorporated. Although legally separate, these "component units" are important because the City is financially accountable for them. The Lynwood Utility Authority is included in the business-type activities in the Statement of Net Assets and Activities.

Reporting the City's Most Significant Funds: Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, and not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many others funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other restricted sources. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

- **Governmental Funds** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds, and the balance left at year-end that is available for spending. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in the reconciliation following the fund financial statements.
- **Proprietary Funds** – Proprietary funds are used to account for operations that are financed and operated in a manner similar to business enterprises. When the City charges other entities or its own department for certain services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way as in the Statement of Net Assets and the Statement of Activities. The City uses internal service funds to report activities that provide services for the City's other programs and activities, such as the City's Garage Fund and Insurance Fund.

Reporting the City's Fiduciary Responsibilities: Fiduciary Funds

The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, property owners, and others. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. These activities have been excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE

Table 1 below provides a summary of the City's assets, liabilities and net assets, for the Governmental and Business-Type Activities. Table 2 reflects changes in the net assets due to differences in actual revenues and expenditures. The City reports its sewer, water, and transportation activities as business-type activities.

Table 1
Assets, Liabilities and Net Assets

	Fiscal Year 2004-05 (CURRENT)			Fiscal Year 2003-04 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and Other Assets	74,901,626	19,507,387	94,409,013	78,773,582	22,423,485	101,197,067
Capital Assets	63,311,529	6,923,652	70,235,181	59,158,227	7,179,174	66,337,401
Total	138,213,155	26,431,039	164,644,194	137,931,809	29,602,659	167,534,468
Liabilities:						
Long-Term Debt Outstanding	38,647,324	15,811,679	54,459,003	37,806,299	16,073,814	53,880,113
Other Liabilities	4,769,969	416,084	5,186,053	4,769,726	492,746	5,262,472
Total	43,417,293	16,227,763	59,645,056	42,576,025	16,566,560	59,142,585
Net Assets:						
Invested in Capital Assets, Net of Related Debt	28,104,285		28,104,285	36,637,087	4,824,744	41,461,831
Restricted	57,339,342	12,033,198	69,372,540	57,487,760	12,896,690	70,384,450
Unrestricted	9,352,235	(1,829,922)	7,522,313	1,230,937	(4,685,335)	(3,454,398)
Total	94,795,862	10,203,276	104,999,138	95,355,784	13,036,099	108,391,883

The City's overall assets decreased from \$167.53 million a year ago (in FY 2003-04), and the overall liabilities increased from \$59.14 million over the same period. As a result, the net assets decreased from \$108.39 million to \$105.00 million. The Business-Type Activities accounted for the majority of this decrease, declining from \$13.04 million to \$10.20 million, while the net assets of the Governmental Activities decreased from \$95.36 million to \$94.80 million.

Table 2
Changes in Net Assets

	Fiscal Year 2004-05 (CURRENT)			Fiscal Year 2003-04 (PRIOR)		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities		Activities	Activities	
REVENUES						
<i>Program Revenues</i>						
Charges for services	8,689,850	6,527,008	15,216,858	7,287,768	6,618,706	13,906,474
Operating contributions and grants	7,714,006		7,714,006	7,269,731		7,269,731
Capital contributions and grants	575,179		575,179	32,559,483		32,559,483
General Revenues						
Property taxes	10,205,679		10,205,679	7,696,553		7,696,553
Utility users tax	5,533,166		5,533,166	5,077,227		5,077,227
Sales taxes	3,198,615		3,198,615	3,075,281		3,075,281
Franchise taxes	1,278,192		1,278,192	2,027,649		2,027,649
Business licenses	394,083		394,083	384,645		384,645
Other taxes	150,623		150,623	103,270		103,270
Motor vehicle in lieu	474,591		474,591	3,315,792		3,315,792
Use of money/property	1,354,489	313,212	1,667,701	671,926	112,551	784,477
Other	219,998	3,363	223,361	591,230	3,566	594,796
Transfers	1,709,871	(1,709,871)	0	(718,944)	718,944	0
Total	41,498,342	5,133,712	46,632,054	69,341,611	7,453,767	76,795,378
EXPENSES						
General government	6,936,325		6,936,325	7,942,266		7,942,266
Public safety	13,182,693		13,182,693	13,533,160		13,533,160
Public works	5,791,864		5,791,864	5,333,050		5,333,050
Community development	7,550,558		7,550,558	3,048,594		3,048,594
Parks & recreation	2,761,444		2,761,444	2,671,467		2,671,467
Interest on long-term debt	2,235,271		2,235,271	2,329,344		2,329,344
Unallocated depreciation				725,591		725,591
Water		6,517,910	6,517,910		6,111,741	6,111,741
Transit		1,320,016	1,320,016		1,352,061	1,352,061
Total	38,458,155	7,837,926	46,296,081	35,583,472	7,463,802	43,047,274
Change in net assets	3,040,187	(2,704,214)	335,973	33,758,139	(10,035)	33,748,104
Net assets at beginning of fiscal year	95,355,784	13,036,099	108,391,883	63,074,333	11,135,434	74,209,767
Prior period adjustments	(3,600,109)	(128,609)	(3,728,718)	(1,476,688)	1,910,700	434,012
Net assets at beginning of fiscal year, restated	91,755,675	12,907,490	104,663,165	61,597,645	13,046,134	74,643,779
Net assets at end of fiscal year	94,795,862	10,203,276	104,999,138	95,355,784	13,036,099	108,391,883

The City's overall net assets increased slightly since the beginning of the year, from \$104.66 million to \$105.00 million. The reason for the increase is the positive difference between the actual revenues of \$46.63 million and the actual expenditures of \$46.30 million. As reflected in the above table, the positive revenue/expenditure difference is significantly larger for the Governmental Activities (where a surplus of \$3.04 million was recorded), while the revenues were actually lower than expenditures for the Business-Type Activities (resulting in a gap of \$2.70 million).

Compared to FY 2003-04, the City's overall revenues decreased from \$76.79 million to \$46.63 million. The majority of this decrease is due to recording a one-time Ham Park Replacement funding in the prior year. The overall expenditures grew from \$43.05 million to \$46.30 million. The major portion of the expenditure increase is in the Community Development category.

GOVERNMENTAL ACTIVITIES

Table 3 presents the cost of each of the City's Governmental Activities: general government, public safety, public works, community development, parks and recreation, and interest on long-term debt, along with each program's net cost (total cost less revenues generated by the activities.) The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3
Governmental Activities
Net Cost of Services

Functions/Programs	Fiscal Year 2004-05 (CURRENT)			Fiscal Year 2003-04 (PRIOR)		
	Expenses	Program Revenues	Net Cost of Services	Expenses	Program Revenues	Net Cost of Services
General government	6,936,325	2,479,554	4,456,771	7,942,266	-	7,942,266
Public safety	13,182,693	1,121,784	12,060,909	13,533,160	1,074,213	12,458,947
Public works	5,791,864	9,783,918	(3,992,054)	5,333,050	10,154,324	(4,821,274)
Community development	7,550,558	2,664,353	4,886,205	3,048,594	3,330,874	(282,280)
Parks and recreation	2,761,444	587,601	2,173,843	2,671,467	32,197,453	(29,525,986)
Interest on long-term debt	2,235,271	341,825	1,893,446	2,329,344	360,118	1,969,226
Unallocated depreciation				725,591		725,591
Total	38,458,155	16,979,035	21,479,120	35,583,472	47,116,982	(11,533,510)

The cost of the City's Governmental Activities increased from \$35.58 million in FY 2003-04 to \$38.46 million in FY 2004-05. The program revenue generated by these activities has decreased from \$47.12 million to \$16.98 million. The majority of this decrease is due to recording a one-time Ham Park Replacement funding in the prior year. As a result of the respective changes in the revenues and expenditures, the net cost of the Government Activities was \$21.48 million in FY 2004-05, as opposed to the net revenue of \$11.53 million recorded in FY 2003-04.

Overall, **the cost of government in FY 2004-05 exceeded the revenues generated to support it.** The only exception was the Public Works program, which generated more revenues than needed to fully cover the program's cost. See the Statement of Activities for further detail on program revenues and general revenues.

BUSINESS-TYPE ACTIVITIES

Table 4 reflects the cost of the City's Business-Type Activities: water and sewer, along with the programs' net cost. The net cost for both activities was \$1.31 million in FY 2004-05, with the water program costing \$14,858 and the transit services having the net cost of \$1.30 million.

Table 4
Business-Type Activities
Net Cost of Services

Functions/Programs	Fiscal Year 2004-05 (CURRENT)			Fiscal Year 2003-04 (PRIOR)		
	Expenses	Program Revenues	Net Cost of Services	Expenses	Program Revenues	Net Cost of Services
Water	6,517,910	6,503,052	14,858	6,111,741	6,614,089	(502,348)
Transit	1,320,016	23,956	1,296,060	1,352,061	4,617	1,347,444
Total	7,837,926	6,527,008	1,310,918	7,463,802	6,618,706	845,096

The cost of the City's Business-Type Activities increased from \$7.46 million in FY 2003-04 to \$7.84 million in FY 2004-05. The program revenue generated by these activities has decreased slightly, from \$6.62 million to \$6.53 million. As a result, the net cost of the Government Activities increased from \$0.85 million in FY 2003-04 to \$1.31 million in FY 2004-05. Overall, **the cost of the City's business operations continues to exceed the revenues generated to support by these activities.**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At fiscal year-end, the City's governmental funds reported combined fund balances of \$69.41 million, which is a \$2.03 million increase from the prior fiscal year. The General Fund had a net increase of \$0.95 million in its fund balance, to \$13.32 million.

General Fund Budgetary Highlights

The year-end actual revenues for the General Fund (including transfers in) were \$25.72 million; the actual expenditures (including transfers out) totaled \$24.76 million. The actual revenues including transfers exceeded the budgeted estimate by \$0.45 million, while the actual spending with transfers was \$2.52 million below budget. The budget to actual variance in expenditures was principally due to conservative estimates at mid-year by management. Budget adjustments were made during the fiscal year to avoid cost overruns and to bring expenditures in line with the actual revenues.

Capital Assets

At the end of Fiscal Year 2004-05, the City had \$70.24 million invested in capital assets. Of this amount, \$63.31 million related to Governmental Activities and another \$6.92 million – to Business-Type Activities. These amounts represent an increase from the previous year (FY 2003-04), when the City's overall capital assets were \$66.34 million, including \$59.16 million in Governmental Activities and \$7.18 million in Business-Type Activities.

Table 5
Capital Assets

	Fiscal Year 2004-05 (CURRENT)			Fiscal Year 2003-04 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	40,353,751	37,252	40,391,003	35,130,409	37,252	35,167,661
Capital assets, net of accumulated depreciation	22,957,778	6,886,400	29,844,178	24,027,818	7,141,922	31,169,740
Total	63,311,529	6,923,652	70,235,181	59,158,227	7,179,174	66,337,401

The City has a number of capital projects planned or in progress. The amount budgeted for these in FY 2005-06 was \$50.69 million, including \$49.20 million carried forward from prior years. The City's major projects include the replacement of the Ham Park (at \$31.30 million as of the FY 2005-06 adopted budget), various street improvements (totaling \$3.85 million), and the construction of the Senior Citizens Center (estimated at \$2.4 million).

Long-Term Debt

At fiscal year-end, the City's governmental activities accounted for approximately \$38.65 million in tax allocation and revenue bonds, a HUD loan, claims payable, and compensated absences. Another \$15.81 million was outstanding for the business-type activities. The outstanding bond amounts have increased from \$37.81 million in FY 2003-04 for the Government Activities, mainly due to the higher claims payable, and decreased from \$15.92 million for the Business-Type Activities.

Table 6
Outstanding Long-Term Debt

	Balance at June 30, 2005	Due Within One Year	Balance at June 30, 2004
Governmental Activities:			
Compensated absences	1,442,380		1,438,271
Capital leases payable	1,753,372	421,841	2,151,859
Tax Allocation bonds	13,880,000	265,000	14,130,000
HUD loan payable	6,775,000	240,000	7,000,000
Claims payable	2,876,572		696,169
Revenue bonds	<u>11,920,000</u>	<u>475,000</u>	<u>12,390,000</u>
Total	<u>38,647,324</u>	<u>1,401,841</u>	<u>37,806,299</u>
Business-type Activities:			
Water Fund:			
Compensated absences	174,317	0	0
Revenue bonds	<u>15,637,362</u>	<u>295,979</u>	<u>15,918,341</u>
Total	<u>15,811,679</u>	<u>295,979</u>	<u>15,918,341</u>

In the interest of full disclosure, management reports that Standard & Poor's recently suspended ratings on the City's and the Lynwood Redevelopment Agency's outstanding bonds. The suspension was in response to the City's independent auditor's concerns regarding the internal controls, and the resulting audit findings in FY 2002-03 and FY 2003-04. The FY 2004-05 audit is clear of the reportable conditions concerning the internal controls, and management will be seeking the reinstatement of the ratings from Standard & Poor's in March 2006.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The FY 2005-06 Fiscal Year Budget reflects a conservative and realistic revenue forecast and controlled expenditures. More importantly, the City has developed a budget that protects the core services – law enforcement, fire, and recreation – and meets the community's needs. It maintains services to residents and businesses at the current level and provides a level of emergency reserves. The budget also provides for a continuation of the ongoing capital improvement program that will provide better facilities and services for citizen use and enjoyment.

The City's tax base remains strong, with the general government taxes increasing from prior years. The recent interest in Lynwood by the developers has also strengthened the construction-related revenues, such as permit fees. The City is now considering implementing impact fees to pay for the infrastructure expansions and improvements to support the new developments.

The FY 2005-06 budget was amended on February 7, 2006, to reflect major differences in revenues and to use the additional funding for the essential new services and functions. Additional revenues of over \$2 million were identified, while only \$1.16 million in expenditures were added.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Comprehensive Annual Financial Report is intended to provide Lynwood citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances. If you have any questions about this report, or need additional fiscal information, contact the Department of Finance and Administration at 11330 Bullis Road, Lynwood, CA 90262, phone (310) 603-0220.

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CITY OF LYNWOOD
Statement of Net Assets
June 30, 2005

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 57,956,491	\$ 5,133,788	\$ 63,090,279
Restricted Assets:			
Cash and investments	1,441,472		1,441,472
Cash and investments with fiscal agents	5,472,822	12,033,198	17,506,020
Receivables:			
Intergovernmental	2,354,578		2,354,578
Accounts	493,675	1,890,737	2,384,412
Interest	189,710	31,209	220,919
Notes and loans	2,468,675		2,468,675
Prepaid items	142,401		142,401
Internal balances	222,875	(222,875)	
Land held for resale	2,161,227		2,161,227
Deferred charges, net of accumulated amortization	1,997,700	641,330	2,639,030
Capital assets not being depreciated	40,353,751	37,252	40,391,003
Capital assets, net of accumulated depreciation	22,957,778	6,886,400	29,844,178
	<u>138,213,155</u>	<u>26,431,039</u>	<u>164,644,194</u>
Liabilities:			
Accounts payable	3,507,142	257,613	3,764,755
Accrued interest payable	631,709	71,696	703,405
Unearned revenue	58,082		58,082
Deposits payable	573,036	86,775	659,811
Noncurrent liabilities:			
Due within one year	1,401,841	295,979	1,697,820
Due in more than one year	37,245,483	15,515,700	52,761,183
	<u>43,417,293</u>	<u>16,227,763</u>	<u>59,645,056</u>
Net Assets:			
Invested in capital assets, net of related debt	36,453,679	3,960,818	40,414,497
Restricted for:			
Retirement	2,052,326		2,052,326
Public safety	121,922		121,922
Housing	7,860,305		7,860,305
Debt service	5,258,708	895,790	6,154,498
Development projects	7,372,922		7,372,922
Water improvement		11,065,712	11,065,712
Streets, roads, and transportation	2,211,087		2,211,087
Business promotion	182,467		182,467
Air and streets cleaning	332,266		332,266
Parks project	31,947,339		31,947,339
Unrestricted	1,002,841	(5,719,044)	(4,716,203)
	<u>\$ 94,795,862</u>	<u>\$ 10,203,276</u>	<u>\$ 104,999,138</u>

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Activities
For the Fiscal Year Ended June 30, 2005

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Contributions and Grants
Primary Government:			
Governmental Activities:			
General government	\$ 6,936,325	\$ 369,070	\$ 2,110,484
Public safety	13,182,693	829,237	280,719
Public works	5,791,864	7,202,653	2,017,914
Community development	7,550,558	5,564	2,658,789
Parks and recreation	2,761,444	283,326	304,275
Interest on long-term debt	2,235,271		341,825
Total governmental activities	<u>38,458,155</u>	<u>8,689,850</u>	<u>7,714,006</u>
Business-type Activities:			
Water	6,517,910	6,503,052	
Transit	1,320,016	23,956	
Total business-type activities	<u>7,837,926</u>	<u>6,527,008</u>	
Total primary government	<u>\$ 46,296,081</u>	<u>\$ 15,216,858</u>	<u>\$ 7,714,006</u>

General Revenues:

Taxes:

Property taxes

Utility users tax

Sales taxes

Franchise taxes

Business license taxes

Other taxes

Motor vehicle in lieu tax, unrestricted

Use of money and property

Other

Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of fiscal year

Prior period adjustments

Net assets at beginning of fiscal year, restated

Net assets at end of fiscal year

Capital Contributions and Grants	Net (Expenses) Revenues and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (4,456,771)	\$ -	\$ (4,456,771)
11,828	(12,060,909)		(12,060,909)
563,351	3,992,054		3,992,054
	(4,886,205)		(4,886,205)
	(2,173,843)		(2,173,843)
	(1,893,446)		(1,893,446)
<u>575,179</u>	<u>(21,479,120)</u>		<u>(21,479,120)</u>
		(14,858)	(14,858)
		(1,296,060)	(1,296,060)
		(1,310,918)	(1,310,918)
<u>\$ 575,179</u>	<u>(21,479,120)</u>	<u>(1,310,918)</u>	<u>(22,790,038)</u>
	10,205,679		10,205,679
	5,533,166		5,533,166
	3,198,615		3,198,615
	1,278,192		1,278,192
	394,083		394,083
	150,623		150,623
	474,591		474,591
	1,354,489	313,212	1,667,701
	219,998	3,363	223,361
	1,709,871	(1,709,871)	
	<u>24,519,307</u>	<u>(1,393,296)</u>	<u>23,126,011</u>
	<u>3,040,187</u>	<u>(2,704,214)</u>	<u>335,973</u>
	95,355,784	13,036,099	108,391,883
	(3,600,109)	(128,609)	(3,728,718)
	<u>91,755,675</u>	<u>12,907,490</u>	<u>104,663,165</u>
	<u>\$ 94,795,862</u>	<u>\$ 10,203,276</u>	<u>\$ 104,999,138</u>

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Balance Sheet
Governmental Funds
June 30, 2005

	Special Revenue Funds		
		Redevelopment Low/Mod Housing Area "A"	Housing and Community Development (HUD)
	General		
Assets:			
Cash and investments	\$ 6,469,319	\$ 3,285,118	\$ -
Restricted Assets			
Cash and investments	25,384		373,010
Cash and investments with fiscal agents			
Receivables:			
Intergovernmental	1,273,273		372,807
Accounts	57,279		
Interest	57,022	1,155	
Notes and loans	1,620	729,437	732,671
Prepaid items	142,401		
Due from other funds	6,462,724		
Advances to other funds	1,218,720		
Land held for resale		1,334,127	
	\$ 15,707,742	\$ 5,349,837	\$ 1,478,488
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,833,827	\$ 102,299	\$ 21,018
Due to other funds			691,789
Deferred revenue	103,241	729,437	732,671
Deposits payable	450,559		
Advances from other funds			
	2,387,627	831,736	1,445,478
Fund balances:			
Reserved:			
Reserved for special accounts	25,384		
Reserved for long term advances	1,218,720		
Reserved for notes receivable	1,620		
Reserved for projects			
Reserved for housing		3,183,974	
Reserved for retirement			
Reserved for debt service			
Reserved for land held for resale		1,334,127	
Reserved for prepaid items	142,401		
Reserved for encumbrances	240,700		68
Unreserved reported in:			
General Fund	11,691,290		
Special Revenue Funds			32,942
Debt Service Funds			
Capital Projects Funds			
	13,320,115	4,518,101	33,010
Total liabilities and fund balances	\$ 15,707,742	\$ 5,349,837	\$ 1,478,488

See Notes to Basic Financial Statements

Capital Projects Funds					
Park Replacement	Redevelopment Project Area "A"	Capital Improvement Projects	2002 HUD Section 108 Loan	Nonmajor Governmental Funds	Total Governmental Funds
\$ 31,653,104	\$ 1,147,749	\$ 146,158	\$ 5,640,938	\$ 9,614,105	\$ 57,956,491
	58,082			984,996	1,441,472
				5,472,822	5,472,822
				708,498	2,354,578
				436,396	493,675
	410			24,554	83,141
	2,487,335			2,687,612	6,638,675
					142,401
				14,876	6,477,600
					1,218,720
	827,100				2,161,227
<u>\$ 31,653,104</u>	<u>\$ 4,520,676</u>	<u>\$ 146,158</u>	<u>\$ 5,640,938</u>	<u>\$ 19,943,859</u>	<u>\$ 84,440,802</u>
\$ -	\$ 525,754	\$ 250,740	\$ -	\$ 684,891	\$ 3,418,529
	2,545,417			2,332,078	3,023,867
	122,477			2,687,612	6,798,378
					573,036
				1,218,720	1,218,720
	3,193,648	250,740		6,923,301	15,032,530
					25,384
					1,218,720
					1,620
31,653,104			5,640,938	2,551,158	39,845,200
				1,074,513	4,258,487
				2,052,326	2,052,326
				5,755,942	5,755,942
	827,100				2,161,227
					142,401
		167,589		4,894	413,251
					11,691,290
				1,584,017	1,616,959
	499,928	(272,171)		(2,292)	225,465
<u>31,653,104</u>	<u>1,327,028</u>	<u>(104,582)</u>	<u>5,640,938</u>	<u>13,020,558</u>	<u>69,408,272</u>
<u>\$ 31,653,104</u>	<u>\$ 4,520,676</u>	<u>\$ 146,158</u>	<u>\$ 5,640,938</u>	<u>\$ 19,943,859</u>	<u>\$ 84,440,802</u>

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2005

Fund balances of governmental funds	\$ 69,408,272
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of accumulated depreciation have not been included as financial resources in governmental funds. (Including internal service fund capital assets in the amount of \$4,467,535).	63,311,529
Certain notes receivable are not available to pay for current period expenditures and, therefore, are offset by deferred revenue in the governmental funds.	
Notes receivable	6,637,055
Allowance for uncollectible notes and loans	(4,170,000)
Long-term debt and compensated absences have not been included in the governmental funds. (Including internal service fund long-term debt in the amount of \$2,787,785)	(38,647,324)
Certain intergovernmental receivables are not available to pay for current period expenditures and, therefore, are offset by deferred revenue in the governmental funds.	103,241
Interest receivable on certain loans has not been accrued in governmental funds due to the long-term nature of the loans and the fact that eventually the principal and interest may be forgiven.	106,569
Deferred charges, net of accumulated amortization for debt issuance costs on long-term debt have not been reported in the governmental funds.	1,997,700
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.	(631,709)
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service fund must be added to the statement of net assets (Net of capital assets and long-term liabilities reported above).	(3,319,471)
Net assets of governmental activities	<u>\$ 94,795,862</u>

CITY OF LYNWOOD
Statement of Revenues,
Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2005

	General	Special Revenue Funds	
		Redevelopment Low/Mod Housing Area "A"	Housing and Community Development (HUD)
Revenues:			
Taxes	\$ 16,671,681	\$ -	\$ -
Licenses and permits	607,075		
Fines and forfeits	831,051		
Use of money and property	564,217	55,045	
Intergovernmental	695,257		1,648,434
Charges for services	2,889,741		
Administrative support	1,476,834		
Other	433,234		
	<hr/>	<hr/>	<hr/>
Total revenues	24,169,090	55,045	1,648,434
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	4,918,417		
Public safety	10,317,689		319,906
Public works	2,801,748		
Community development	2,183,572	294,287	491,774
Parks and recreation	2,601,140		
Capital outlay	72,861		
Debt service:			
Principal		39,600	
Interest and fiscal charges		141,038	240,638
	<hr/>	<hr/>	<hr/>
Total expenditures	22,895,427	474,925	1,052,318
	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures	1,273,663	(419,880)	596,116
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses):			
Transfers in	1,547,995	618,664	
Transfers out	(1,863,869)		(574,290)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(315,874)	618,664	(574,290)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	957,789	198,784	21,826
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of fiscal year	12,362,326	4,319,317	11,184
	<hr/>	<hr/>	<hr/>
Fund balances, end of fiscal year	\$ 13,320,115	\$ 4,518,101	\$ 33,010
	<hr/>	<hr/>	<hr/>

Capital Project Funds					
Park Replacement	Redevelopment Project Area "A"	Capital Improvement Projects	2002 HUD Section 108 Loan	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 10,306,488	\$ 26,978,169
				62,844	607,075
385,513	11,455		85,839	2,245,691	893,895
				3,978,515	3,347,760
				217,255	6,322,206
	18,337				3,106,996
					1,476,834
					451,571
<u>385,513</u>	<u>29,792</u>		<u>85,839</u>	<u>16,810,793</u>	<u>43,184,506</u>
				979,034	5,897,451
				2,125,624	12,763,219
	1,182,373			1,592,574	4,394,322
				3,335,617	7,487,623
		5,784,465		193,061	2,601,140
				1,082,953	6,050,387
				1,635,681	1,122,553
	<u>1,182,373</u>	<u>5,784,465</u>		<u>10,944,544</u>	<u>2,017,357</u>
<u>385,513</u>	<u>(1,152,581)</u>	<u>(5,784,465)</u>	<u>85,839</u>	<u>5,866,249</u>	<u>850,454</u>
	941,330	6,264,270		3,713,715	13,085,974
(663,018)				(8,801,966)	(11,903,143)
<u>(663,018)</u>	<u>941,330</u>	<u>6,264,270</u>		<u>(5,088,251)</u>	<u>1,182,831</u>
(277,505)	(211,251)	479,805	85,839	777,998	2,033,285
<u>31,930,609</u>	<u>1,538,279</u>	<u>(584,387)</u>	<u>5,555,099</u>	<u>12,242,560</u>	<u>67,374,987</u>
<u>\$ 31,653,104</u>	<u>\$ 1,327,028</u>	<u>\$ (104,582)</u>	<u>\$ 5,640,938</u>	<u>\$ 13,020,558</u>	<u>\$ 69,408,272</u>

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2005

Net change in fund balances - Total governmental funds	\$ 2,033,285
Amounts reported for governmental activities in the statement of activities differ because:	
Accrued interest on long-term receivables is not a current item and therefore is not reported in the governmental funds. This is the net charge.	32,299
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.	4,654,830
Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. Likewise, when the note is collected it is reflected in revenue. This is a net change between notes receivable collected and issued.	(2,538,910)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of bond principal is an other financing source and repayment of bond principal is an expenditure in governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net assets.	1,092,267
Dispositions of capital assets result in no gain or loss on the governmental funds statements, however, on the statement of activities gains and losses on sales and dispositions are reported.	(305,741)
Debt issuance costs are expenditures in the governmental funds, but these costs are capitalized on the statement of net assets. This is the amortization in the current period.	(157,308)
Accrued interest for long-term debt payable. This is the net change in accrued interest for the current period.	(60,606)
Certain revenues are offset by deferred revenue in the governmental funds because they are not available to pay for current period expenditures. This amount represents the amount by which prior year deferred revenue exceeded current year.	(120,019)
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.	<u>(1,589,910)</u>
Change in net assets of governmental activities	<u>\$ 3,040,187</u>

CITY OF LYWOOD
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For The Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 10,498,700	\$ 14,720,800	\$ 16,671,681	\$ 1,950,881
Licenses and permits	295,950	295,950	607,075	311,125
Fines and forfeits	843,200	843,200	831,051	(12,149)
Use of money and property	409,000	409,000	564,217	155,217
Intergovernmental	4,448,050	849,098	695,257	(153,841)
Charges for services	3,895,650	3,745,650	2,889,741	(855,909)
Administrative support	3,278,900	2,704,900	1,476,834	(1,228,066)
Other	10,650	455,550	433,234	(22,316)
Total revenues	23,680,100	24,024,148	24,169,090	144,942
Expenditures:				
General government:				
City council	449,600	464,600	374,759	89,841
City clerk	242,750	218,450	180,071	38,379
City attorney	420,000	420,000	417,688	2,312
City manager	733,450	695,001	809,918	(114,917)
Accounting and auditing	402,000	368,670	390,534	(21,864)
City treasurer	142,350	139,850	156,314	(16,464)
Business license	310,300	314,408	308,978	5,430
Human resources	255,850	294,850	347,385	(52,535)
Building maintenance	652,650	625,100	764,570	(139,470)
Administrative services	176,850	150,806	130,885	19,921
Community promotion	659,700	415,370	387,629	27,741
General services	385,500	382,500	378,486	4,014
Media services	391,500	295,950	271,200	24,750
Total general government	5,222,500	4,785,555	4,918,417	(132,862)
Public safety:				
Parking enforcement	346,050	344,726	370,923	(26,197)
Police	5,679,450	5,890,726	5,808,244	82,482
Fire	4,214,350	4,214,350	3,779,252	435,098
Animal control	110,500	110,500	84,556	25,944
Code enforcement	347,300	347,187	274,714	72,473
Total public safety	10,697,650	10,907,489	10,317,689	589,800
Parks and recreation:				
Parks, recreation, and community services	2,535,950	2,616,275	2,601,140	15,135
Total parks and recreation	2,535,950	2,616,275	2,601,140	15,135

(Continued)

CITY OF LYNWOOD
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For The Fiscal Year Ended June 30, 2005
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works:				
Weed abatement	\$ 51,550	\$ 46,450	\$ 26,200	\$ 20,250
Administration	146,400	133,078	133,164	(86)
Street maintenance-right-of-way	611,050	591,687	415,561	176,126
Sanitation	3,044,700	2,600,000	1,991,456	608,544
City engineering	211,250	212,300	235,367	(23,067)
Total public works	<u>4,064,950</u>	<u>3,583,515</u>	<u>2,801,748</u>	<u>781,767</u>
Community development:				
Community development	<u>2,632,200</u>	<u>2,383,923</u>	<u>2,183,572</u>	<u>200,351</u>
Total community development	<u>2,632,200</u>	<u>2,383,923</u>	<u>2,183,572</u>	<u>200,351</u>
Capital outlay	<u>102,800</u>	<u>112,383</u>	<u>72,861</u>	<u>39,522</u>
Total expenditures	<u>25,256,050</u>	<u>24,389,140</u>	<u>22,895,427</u>	<u>1,493,713</u>
Excess (deficiency) of revenues over expenditures	<u>(1,575,950)</u>	<u>(364,992)</u>	<u>1,273,663</u>	<u>1,638,655</u>
Other Financing Sources (Uses):				
Transfers in	1,162,900	1,242,097	1,547,995	305,898
Transfers out	<u>(1,582,950)</u>	<u>(2,877,130)</u>	<u>(1,863,869)</u>	<u>1,013,261</u>
Total other financing sources (uses)	<u>(420,050)</u>	<u>(1,635,033)</u>	<u>(315,874)</u>	<u>1,319,159</u>
Net change in fund balance	(1,996,000)	(2,000,025)	957,789	2,957,814
Fund balance at beginning of fiscal year	<u>12,362,326</u>	<u>12,362,326</u>	<u>12,362,326</u>	
Fund balance at end of fiscal year	<u>\$ 10,366,326</u>	<u>\$ 10,362,301</u>	<u>\$ 13,320,115</u>	<u>\$ 2,957,814</u>

CITY OF LYNWOOD
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Redevelopment Agency Low/Mod Housing Area "A" Special Revenue Fund
For The Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ 45,450	\$ 45,450	\$ 55,045	\$ 9,595
Total revenues	<u>45,450</u>	<u>45,450</u>	<u>55,045</u>	<u>9,595</u>
Expenditures:				
Current:				
Community development	302,800	373,127	294,287	78,840
Debt service:				
Principal	36,900	36,900	39,600	(2,700)
Interest and fiscal charges	<u>143,400</u>	<u>143,400</u>	<u>141,038</u>	<u>2,362</u>
Total expenditures	<u>483,100</u>	<u>553,427</u>	<u>474,925</u>	<u>78,502</u>
Excess (deficiency) of revenues over expenditures	<u>(437,650)</u>	<u>(507,977)</u>	<u>(419,880)</u>	<u>88,097</u>
Other Financing Sources (Uses):				
Transfers in	<u>487,750</u>	<u>487,750</u>	<u>618,664</u>	<u>130,914</u>
Total other financing sources (uses)	<u>487,750</u>	<u>487,750</u>	<u>618,664</u>	<u>130,914</u>
Net change in fund balance	50,100	(20,227)	198,784	219,011
Fund balance at beginning of fiscal year	<u>4,319,317</u>	<u>4,319,317</u>	<u>4,319,317</u>	
Fund balance at end of fiscal year	<u>\$ 4,369,417</u>	<u>\$ 4,299,090</u>	<u>\$ 4,518,101</u>	<u>\$ 219,011</u>

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Housing and Community Development (HUD) Special Revenue Fund
For The Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,000,000	\$ 2,000,000	\$ 1,648,434	\$ (351,566)
Total revenues	2,000,000	2,000,000	1,648,434	(351,566)
Expenditures:				
Current:				
Public safety		364,602	319,906	44,696
Community development		530,864	491,774	39,090
Capital outlay		8,000		8,000
Debt service:				
Interest and fiscal charges		270,000	240,638	29,362
Total expenditures		1,173,466	1,052,318	121,148
Excess (deficiency) of revenues over expenditures	2,000,000	826,534	596,116	(230,418)
Other Financing Sources (Uses):				
Transfers out		(1,690,554)	(574,290)	1,116,264
Total other financing sources (uses)		(1,690,554)	(574,290)	1,116,264
Net change in fund balance	2,000,000	(864,020)	21,826	885,846
Fund balance at beginning of fiscal year	11,184	11,184	11,184	
Fund balance at end of fiscal year	\$ 2,011,184	\$ (852,836)	\$ 33,010	\$ 885,846

See Notes to Basic Financial Statements

CITY OF LYNNWOOD
Statement of Net Assets
Proprietary Funds
June 30, 2005

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Transit	Water	Totals	
Assets				
Current Assets:				
Cash and investments	\$ 122,070	\$ 5,011,718	\$ 5,133,788	\$ -
Restricted assets:				
Cash and investments with fiscal agents		12,033,198	12,033,198	
Accounts receivable, net		1,890,737	1,890,737	
Interest receivable		31,209	31,209	
Total current assets	<u>122,070</u>	<u>18,966,862</u>	<u>19,088,932</u>	
Noncurrent Assets:				
Deferred issuance costs, net		641,330	641,330	
Capital assets:				
Land		37,252	37,252	
Depreciable infrastructure, net		6,856,581	6,856,581	
Depreciable buildings and improvements, net		29,819	29,819	
Depreciable equipment, net				615,257
Total noncurrent assets		<u>7,564,982</u>	<u>7,564,982</u>	<u>615,257</u>
Total assets	<u>122,070</u>	<u>26,531,844</u>	<u>26,653,914</u>	<u>615,257</u>
Liabilities				
Current Liabilities:				
Accounts payable	122,070	135,543	257,613	88,613
Accrued interest payable		71,696	71,696	
Deposits payable		86,775	86,775	
Due to other funds				3,453,733
Current portion of long-term obligations		295,979	295,979	233,546
Total current liabilities	<u>122,070</u>	<u>589,993</u>	<u>712,063</u>	<u>3,775,892</u>
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations:				
Compensated absences		174,317	174,317	26,649
Claims payable				2,152,037
Revenue bonds payable		15,341,383	15,341,383	
Capital lease payable				375,553
Total noncurrent liabilities		<u>15,515,700</u>	<u>15,515,700</u>	<u>2,554,239</u>
Total liabilities	<u>122,070</u>	<u>16,105,693</u>	<u>16,227,763</u>	<u>6,330,131</u>
Net Assets				
Invested in capital assets, net of related debt		3,960,818	3,960,818	6,158
Restricted for debt service		895,790	895,790	
Restricted for projects		11,065,712	11,065,712	
Unrestricted		(5,496,169)	(5,496,169)	(5,721,032)
Total net assets	<u>\$ -</u>	<u>\$ 10,426,151</u>	10,426,151	<u>\$ (5,714,874)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(222,875)</u>	
Net assets of business type activities			<u>\$ 10,203,276</u>	

CITY OF LYNWOOD
Statement of Revenues, Expenses,
and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2005

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Transit	Water	Totals	
Operating Revenues:				
Sales and service charges	\$ 23,956	\$ 6,503,052	\$ 6,527,008	\$ 1,906,373
Total operating revenues	<u>23,956</u>	<u>6,503,052</u>	<u>6,527,008</u>	<u>1,906,373</u>
Operating Expenses:				
Administration		556,646	556,646	955,544
Insurance				439,863
Claims				2,090,534
Water utility		4,143,286	4,143,286	
Sewer utility		587,861	587,861	
Garage				482,212
Transit	1,320,016		1,320,016	
Depreciation		151,166	151,166	187,295
Total operating expenses	<u>1,320,016</u>	<u>5,438,959</u>	<u>6,758,975</u>	<u>4,155,448</u>
Operating income (loss)	<u>(1,296,060)</u>	<u>1,064,093</u>	<u>(231,967)</u>	<u>(2,249,075)</u>
Nonoperating Revenues (Expenses):				
Use of money and property		313,212	313,212	
Loss on disposal of capital assets		(4,278)	(4,278)	
Interest expense		(870,830)	(870,830)	(41,823)
Amortization expense		(29,895)	(29,895)	
Miscellaneous revenue		3,363	3,363	
Total nonoperating revenues (expenses)		<u>(588,428)</u>	<u>(588,428)</u>	<u>(41,823)</u>
Income (loss) before transfers	(1,296,060)	475,665	(820,395)	(2,290,898)
Transfers in	1,296,060	6,705,496	8,001,556	527,040
Transfers out		<u>(9,711,427)</u>	<u>(9,711,427)</u>	
Change in net assets		<u>(2,530,266)</u>	<u>(2,530,266)</u>	<u>(1,763,858)</u>
Net Assets				
Beginning of fiscal year		13,085,026	13,085,026	(359,399)
Prior period adjustments		(128,609)	(128,609)	(3,591,617)
Beginning of fiscal year, restated		<u>12,956,417</u>	<u>12,956,417</u>	<u>(3,951,016)</u>
End of fiscal year	<u>\$ -</u>	<u>\$ 10,426,151</u>	10,426,151	<u>\$ (5,714,874)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(173,948)</u>	
Change in net assets of business-type activities			<u>\$ (2,704,214)</u>	

See Notes to Basic Financial Statements

CITY OF LYWOOD
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2005

	Business-type Activities - Enterprise Funds			Governmental Activities
	Transit	Water	Totals	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 23,956	\$ 6,739,350	\$ 6,763,306	\$ 1,937,971
Payments to suppliers	(1,013,128)	(3,755,913)	(4,769,041)	(2,514,556)
Payments to employees	(277,180)	(1,599,968)	(1,877,148)	(360,383)
Internal activity payments to/from other funds				663,716
Net cash provided (used) by operating activities	<u>(1,266,352)</u>	<u>1,383,469</u>	<u>117,117</u>	<u>(273,252)</u>
Cash flows from noncapital financing activities:				
Miscellaneous revenue		3,363	3,363	
Transfer to/from other funds	1,296,060	(3,005,931)	(1,709,871)	527,040
Net cash provided (used) in noncapital financing activities	<u>1,296,060</u>	<u>(3,002,568)</u>	<u>(1,706,508)</u>	<u>527,040</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets		(28,531)	(28,531)	
Principal payments on long-term debt		(285,000)	(285,000)	(220,934)
Interest paid on long-term debt		(871,764)	(871,764)	(41,823)
Net cash provided (used) in capital and related financing activities		<u>(1,185,295)</u>	<u>(1,185,295)</u>	<u>(262,757)</u>
Cash flows from investing activities:				
Interest on investments		302,637	302,637	
Net cash provided by investing activities		<u>302,637</u>	<u>302,637</u>	
Net increase (decrease) in cash and cash equivalents	29,708	(2,501,757)	(2,472,049)	(8,969)
Cash and cash equivalents, beginning of fiscal year	92,362	19,546,673	19,639,035	8,969
Cash and cash equivalents, end of fiscal year	<u>\$ 122,070</u>	<u>\$ 17,044,916</u>	<u>\$ 17,166,986</u>	<u>\$ -</u>
Reconciliation of cash and cash equivalents to amounts reported on the statement of net assets:				
Reported on the statement of net assets:				
Cash and investments	\$ 122,070	\$ 5,011,718	\$ 5,133,788	\$ -
Cash and investments with fiscal agents		12,033,198	12,033,198	
Cash and cash equivalents - June 30, 2005	<u>\$ 122,070</u>	<u>\$ 17,044,916</u>	<u>\$ 17,166,986</u>	<u>\$ -</u>

(Continued)

CITY OF LYNWOOD
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2005
Continued

	Business-type Activities - Enterprise Funds			Governmental Activities
	Transit	Water	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operations:				
Operating income (loss)	\$ (1,296,060)	\$ 1,064,093	\$ (231,967)	\$ (2,249,075)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation		151,166	151,166	187,295
Decrease (increase) in accounts receivable		254,802	254,802	31,598
Increase (decrease) in accounts payable	29,708	(86,932)	(57,224)	(17,795)
Increase (decrease) in claim payable				1,108,820
Increase (decrease) in deposits payable		(18,504)	(18,504)	
Increase (decrease) in accrued employee benefits		18,844	18,844	2,189
Decrease (increase) in due to/from other funds				663,716
Total adjustments	29,708	319,376	349,084	1,975,823
Net cash provided (used) by operating activities	<u>\$ (1,266,352)</u>	<u>\$ 1,383,469</u>	<u>\$ 117,117</u>	<u>\$ (273,252)</u>

CITY OF LYNWOOD
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	<u>Agency Fund</u>
Assets:	
Receivables:	
Notes and loans	<u>\$ 54,506</u>
Total assets	<u> 54,506</u>
Liabilities:	
Deferred revenue	<u> 54,506</u>
Total liabilities	<u> 54,506</u>
Net Assets	<u><u> \$ -</u></u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Lynwood (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

a. **Description of The Reporting Entity**

The City of Lynwood was incorporated in 1921, under the laws of the State of California.

The City of Lynwood is a reporting entity which includes the following component units:

Lynwood Redevelopment Agency
Lynwood Public Financing Authority
Lynwood Information, Inc.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is either able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent upon the City (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

All of the City's component units are considered to be blended component units because in all cases the City Council serves as the governing board for each component unit. Blended component units, although legally separate entities, are, in substance, part of the City's operations, therefore data from these units are reported with the interfund data of the primary government.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 **Summary of Significant Accounting Policies (Continued)**

a. Description of The Reporting Entity (Continued)

The Lynwood Redevelopment Agency and the Lynwood Information, Inc. issue separate component unit statements. Upon their completion, the financial statements of the component units can be obtained at City Hall. The following entities are considered to be component units of the City.

Lynwood Redevelopment Agency

The Redevelopment Agency was established in 1973, pursuant to the State of California Health and Safety Code Section 33000. Its purpose is to prepare and carry out plans for the improvement, rehabilitation, and development of blighted areas within the territorial limits of the City of Lynwood.

Lynwood Public Financing Authority

The Lynwood Public Financing Authority was formed in 1993, by a joint powers agreement between the City of Lynwood and the Lynwood Redevelopment Agency. It was created to acquire and finance the acquisition of public capital improvements necessary or convenient for the operation of the City or Agency.

Lynwood Information, Inc.

Lynwood Information, Inc. (LII) was founded as a non-profit corporation in 1981. Its purpose was to educate and inform the residents of the City of Lynwood about matters of concern to the City and its residents through a bi-monthly newsletter. The newsletter has since evolved into a quarterly publication. In January 1983, the corporation was restructured so as to include cable television as an additional means of informing the public.

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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 Summary of Significant Accounting Policies (Continued)

b. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government 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 the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 Summary of Significant Accounting Policies (Continued)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, therefore they have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All 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 City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

Redevelopment Agency Area "A" and Alameda Low/Mod Income Housing Special Revenue Fund – This fund receives transfers from tax increment funds (20% of gross tax increment received) and uses these funds for redevelopment related purposes and set aside for low-and-moderate-income housing.

The Housing Community Development Act (HUD) Special Revenue Fund – This fund accounts for revenue received from the Federal Government's Community Development Block Grant Program. The City utilizes this grant to provide community programs such as housing rehabilitation loans, code enforcement, and capital improvement projects.

Park Replacement Capital Projects Fund - This fund accounts for grants received by various governmental agencies to replace and rehabilitate John D. Hann Park Youth Community Center and Park.

Redevelopment Agency Area "A" , Alameda Area, and Area "A" Taxable Bond Proceeds Capital Projects Fund – This fund accounts for redevelopment project capital outlays in each of their respective project areas.

The Capital Improvement Project Fund – This fund accounts for the financial resources used for the acquisition and construction of the City's capital projects. These improvements include improvements to the City's infrastructure, housing, and redevelopment projects.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 Summary of Significant Accounting Policies (Continued)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major governmental funds (Continued):

The 2002 HUD Section 108 Loan Fund – This fund accounts for the proceeds of the \$7 million loan the City received from HUD to be used for capital projects within the City.

The City reports the following major proprietary funds:

The Water Enterprise Fund – This fund accounts for revenue received from user fees for water and sewer usage. The Water Fund also pays for water billing, water utility, sewer services, and improvements to the water system.

The Transit Fund – This fund accounts for revenue received from Dial-A-Taxi fares and Prop “A” and Prop “C” transfers to cover costs of transportation programs such as Dial-A-Taxi and transportation administration.

Additionally, the City reports the following fund types:

The Internal Service Funds account for financial transactions related to City’s Garage Department and self-insurance programs. These services are provided to other departments or agencies of the City on a cost reimbursement basis.

The Agency Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 **Summary of Significant Accounting Policies (Continued)**

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). For proprietary fund type activities, the City has elected to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they contradict or conflict with GASB pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and of the Internal Service Fund are charges to customers for sales and services. Operating expenses for the Enterprises Funds and the Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 **Summary of Significant Accounting Policies (Continued)**

d. Assets, Liabilities, Net Assets or Equity

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures and funds for the Lynwood Redevelopment Agency. Cash equivalents have an original maturity date of three months or less from the date of purchase.

Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for nonparticipating certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

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

The City pools cash and investments of all funds, except assets held by fiscal agents. 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 cash and investment balance.

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 interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 **Summary of Significant Accounting Policies (Continued)**

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

Receivables and Payables (Continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and tax receivables are shown net of any allowance for uncollectible accounts if applicable, and estimated refunds due.

Property Taxes

Property taxes in the State of California are administered for all local agencies at the County level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations – are established by the Assessor of the County of Los Angeles for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies – are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation. The City's share of the \$1.00 varies depending on the tax rate area and it ranges from \$0.0125 to \$0.0730.

Tax Levy Dates – are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 Summary of Significant Accounting Policies (Continued)

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

Property Taxes (Continued)

Tax Levy Apportionments – Due to the nature of the City-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees – The State of California FY 1990-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

Restricted Assets

Certain proceeds of the City's long-term debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

In the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, these funds may be invested in accordance with the ordinance, resolutions, and indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the City's general investment policy. In no instance have additional types of investments been authorized that are not permitted by the City's general investment policy.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 **Summary of Significant Accounting Policies (Continued)**

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

Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2005.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30 to 50
Improvements other than buildings	30 to 50
Infrastructure	35 to 50
Utility systems	75
Vehicles	7 to 15
Other equipment and furnishings	5 to 15

Claims and Judgments

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability has been incurred prior to fiscal year end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the internal service fund which accounts for the City's self-insurance activities.

Compensated Absences

In accordance with GASB Statement No. 16, an employee benefits payable liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 **Summary of Significant Accounting Policies (Continued)**

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

Compensated Absences (Continued)

Under GASB Statement No. 16, a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee can not accrue more than one and one-half times their regular annual entitlement.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Initial-issue bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the life of the refunding debt or remaining life of the refunded debt. Bond issuance costs, including deferred refunding amounts, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, issuance costs, and deferred amounts on refunding is included in interest expense in the Statement of Activities.

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

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 **Summary of Significant Accounting Policies (Continued)**

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

Net Assets and Fund Equity

In the Government-wide financial statements and proprietary fund financial statements, net assets are reported in three categories: net assets invested in capital assets - net of related debt, restricted net assets, and unrestricted net assets. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, and laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net assets are temporarily restricted (ultimately expendable assets). All other net assets are considered unrestricted.

In the fiduciary fund statements, net assets for the expendable trust fund are reported as assets held in trust for specific purposes.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

e. Effects of New Pronouncements

In November 2003, GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This statement establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. This statement is effective for the City's fiscal year ending June 30, 2006.

In April 2004, GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This statement establishes uniform financial reporting standards for other postemployment benefits (OPEB) plans. The approach followed in this statement generally is consistent with the approach adopted for defined benefit pension plans with modifications to reflect differences between pension plans and OPEB plans. The statement applies for OPEB trust funds included in the financial reports of plansponsors or employers, as well as for the stand-alone financial reports of OPEB plans or the public employee retirement systems, or other third parties, that administer them.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 **Summary of Significant Accounting Policies (Continued)**

e. Effects of New Pronouncements (Continued)

This statement also provides requirements for reporting of OPEB funds by administrators of multiple-employer OPEB plans, when the fund used to accumulate assets and pay benefits or premiums when due is not a trust fund. This statement is effective for the City's fiscal year ending June 30, 2007.

In May 2004, GASB issued Statement No. 44, *Economic Condition Reporting: The Statistical Section—an amendment of NCGA Statement No.1*. This statement amends the portions of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*, that guide the preparation of the statistical section. The statistical section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to the basic financial statements, and required supplementary information to assess the economic condition of a government. This statement adds new information that financial statement users have identified as important and eliminates certain previous requirements. This statement is effective for the City's fiscal year ending June 30, 2006.

In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. Collectively, these benefits are commonly referred to as other postemployment benefits, or OPEB. The statement generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined benefits as they come due. This statement's provisions may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. This statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. This statement is effective for the City's fiscal year ending June 30, 2008.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 Summary of Significant Accounting Policies (Continued)

f. 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.

g. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The capital assets reported in the Statement of Net Assets are as follows:

Land	\$ 8,786,460
Rights of way	22,904,319
Construction in progress	8,415,832
Trees	247,140
Depreciable buildings and improvement, net	4,260,404
Depreciable machinery and equipment, net	797,362
Depreciable infrastructure, net	<u>17,900,012</u>
	<u>\$ 63,311,529</u>

One element of that reconciliation explains that “long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$38,647,324 adjustment are follows.

Compensated absences	\$ (1,442,380)
Capital leases payable	(1,753,372)
Tax allocation bonds	(13,880,000)
HUD Section 108 loans payable	(6,775,000)
Claims and judgments	(2,876,572)
Revenue bonds	<u>(11,920,000)</u>
	<u>\$ (38,647,324)</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1 Summary of Significant Accounting Policies (Continued)

g. Reconciliation of Government-wide and Fund Financial Statements (Continued)

2. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.”

The detail of this difference is as follows:

Capital outlay capitalized for fiscal year	\$ 5,596,128
Current year depreciation	<u>(1,128,593)</u>
	<u>\$ 4,467,535</u>

Another element of that reconciliation states that “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. The details of this adjustment are as follow:

Debt issued or incurred:	
Compensated absences	\$ 4,109
Claims payable	<u>2,142,879</u>
Subtotal	<u>2,146,988</u>
Debt principal repayments:	
Capital lease payable	398,487
Tax allocation bonds	250,000
HUD loan payable	225,000
Claims payable	1,005,693
Revenue bonds	<u>470,000</u>
Subtotal	<u>2,349,180</u>
Net debt adjustment	<u>\$ (202,192)</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

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

General Budget Policies

The City Council approves each fiscal year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the City Council. Supplemental appropriations, where required during the period, are also approved by the City Council. Budget transfers that affect the total appropriations for any fund require City Council approval. Budget transfers within a budget code with no change in appropriation within the budget code are approved by the City Manager only and do not require approval by the City Council.

A budget code could be a program or a division of a department or a department. In most cases, expenditures may not legally exceed appropriations at the budget code level for the General fund, and fund level for Special Revenue, Capital Projects, and Debt Service Funds.

Legally adopted budgets for all governmental funds are established on a basis consistent with accounting principles generally accepted in the United States of America. At fiscal year-end all operating budget appropriations lapse with the exception of encumbered and continuing appropriations. During the fiscal year, several supplementary appropriations were necessary.

Budgets are adopted for all general, special revenue, capital projects, and debt service funds.

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue, and similar governmental funds. Encumbrances outstanding at fiscal year-end are reported as a reservation of fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in-process at fiscal year-end are completed. They do not constitute expenditures or estimated liabilities.

Continuing Appropriations

The unexpended and unencumbered appropriations that are available and recommended for continuation are approved by the City Council for carryover to the following fiscal year. These commitments are reported as a reservation of fund balance.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 2 Stewardship, Compliance, and Accountability (Continued)

Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (US GAAP).

Deficit Fund Balances/Net Assets

The following funds contained a deficit fund balance/net assets as of June 30, 2005:

Major Governmental Fund:

Capital improvement project	\$	104,582
Garage internal service		610,185

Nonmajor Governmental Funds:

 Special Revenue Funds:

Traffic safety	513,374
State transportation partnership	2,692
Landscape maintenance	286,207
STP	523,228
ISTEA grant	304
DOVE grant	151,286
AB 2928 traffic congestion relief	17,108
Brownfield clean-up grant	2,827
Per-capita grant 2000	77,361
Safe school route	298,961
State homeland security grant	2,244

The above deficit fund balances/net assets have occurred due to the spending of funds prior to the receipt of revenues. The fund balances/net assets will be restored in the near future as revenues are received.

Excess of Expenditures Over Appropriations

Fund	Final Appropriation	Expenditures	Excess
Major Governmental Funds:			
General Fund			
General government:			
City manager	\$ 695,001	\$ 809,918	\$ 114,917
Accounting and auditing	368,670	390,534	21,864
City treasurer	139,850	156,314	16,464
Human resources	294,850	347,385	52,535
Building maintenance	625,100	764,570	139,470

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 2 Stewardship, Compliance, and Accountability (Continued)

Excess of Expenditures Over Appropriations (Continued)

<u>Fund</u>	<u>Final Appropriation</u>	<u>Expenditures</u>	<u>Excess</u>
Major Governmental Funds:			
General Fund			
Public safety			
Parking enforcement	\$ 344,726	\$ 370,923	\$ 26,197
Public works			
Administration	133,078	133,164	86
City engineering	212,300	235,367	23,067
Redevelopment Agency			
Low/Mod Housing Area "A"			
Debt service - principal	36,900	39,600	2,700
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Traffic Safety			
Public safety	1,836,977	1,918,924	81,947
Retirement			
General government	899,000	918,203	19,203
Landscape Maintenance			
Public works	796,513	809,573	13,060
BEDI Grant			
Debt service - principal		225,000	225,000
State Homeland Security			
Grant			
Public safety	2,374	2,750	376
Capital outlay	2,904	3,954	1,050
Redevelopment Agency			
Low/Mod Housing Alameda			
Area			
Community development	164,400	165,251	851
Debt Service Funds:			
Tax Increment Area "A"			
Community development	100	135	35
City of Lynwood			
Debt service - principal	475,100	647,553	172,453

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 3 **Cash and Investments**

Cash and investments are reported as follows:

	Governmental Activities	Business-type Activities	Totals
Cash and investments	\$ 57,956,491	\$ 5,133,788	\$ 63,090,279
Restricted cash and investments:			
Cash and investments	1,441,472		1,441,472
Cash and investments with fiscal agents	5,472,822	12,033,198	17,506,020
	\$ 64,870,785	\$ 17,166,986	\$ 82,037,771

Cash and investments at June 30, 2005 consisted of the following:

Petty cash	\$ 3,645
Deposits	8,649,904
Investments	73,384,222
Total	\$ 82,037,771

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

The table below identifies the **investment types** that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address **interest rate risk, credit risk, and concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California government Code or the City's investment policy.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 3 Cash and Investments (Continued)

A. Investments Authorized by the California Government Code and the City's Investment Policy (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
Local Agency Investment Fund (State Pool)	N/A	\$40 million	\$40 million
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	None	None
Time Deposits	N/A	25%	None
Insured Passbook Saving Deposits with Banks and Savings and Loans	N/A	None	None
Negotiable Certificates of Deposit	5 years	30%	Dependent on
Commercial Paper	180 days	15%	10%
Mutual Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Medium Term Corporate Notes	5 years	30%	15%

B. Investments Authorized by Debt Agreements

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (State Pool)	N/A	\$40 million	\$40 million
U.S. Treasury Obligations	N/A	None	None
U.S. Government Agency Issues	N/A	None	None
Certificates of Deposit	N/A	None	None
Commercial Paper	N/A	None	None
Mutual Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 3 Cash and Investments (Continued)

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Totals	Remaining maturity (in Months)			
		12 Months or Less	13 to 24 Months	25-60 Months	More Than 60 Months
State Investment Pool	\$ 17,263,900	\$ 17,263,900	\$ -	\$ -	\$ -
FHLMC	16,116,551	16,116,551			
FHLB	3,953,315	3,953,315			
FNMA	6,828,017	6,828,017			
Money Market Funds	7,428,712	7,428,712			
Passbook Savings	137,975	137,975			
Time Deposits	4,149,732	4,149,732			
Held by Bond Trustees:					
Money Market Funds	17,506,020	17,506,020			
Totals	<u>\$ 73,384,222</u>	<u>\$ 73,384,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 3 Cash and Investments (Continued)

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State Investment Pool	\$17,263,900	N/A	\$ -	\$ -	\$ -	\$ -	\$17,263,900
FHLMC	16,116,551	N/A		16,116,551			
FHLB	3,953,315	N/A		3,953,315			
FNMA	6,828,017	N/A		6,828,017			
Money Market Funds	7,428,712	N/A					7,428,712
Passbook Savings	137,975	N/A					137,975
Time Deposits	4,149,732	N/A					4,149,732
Held by Bond Trustees:							
Money Market Funds	17,506,020	N/A					17,506,020
Total	\$73,384,222		\$ -	\$26,897,883	\$ -	\$ -	\$46,486,339

F. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of **total City investments** are as follows:

Issuer	Investment Type	Reported Amount
FHLMC	Federal Agency Securities	\$ 16,116,551
FHLB	Federal Agency Securities	3,953,315
FNMA	Federal Agency Securities	6,828,017
US Bank	Time Deposits	4,091,650

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 3 Cash and Investments (Continued)

F. Concentration of Credit Risk (Continued)

Investments in any one issuer that represent 5% or more total investments by **reporting unit** (governmental activities, major funds, nonmajor funds) are as follows:

Governmental Activities:

FHLMC - Federal Agency Security	\$ 16,116,551
FHLB - Federal Agency Security	3,953,315
FNMA - Federal Agency Security	6,828,017
US Bank - Time Deposits	4,091,650

G. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2005, \$21,855,386 of the City's deposits with financial institutes, which include money market accounts, time deposits, and passbook savings accounts, are in excess of federal depository insurance limits and were held in collateralized accounts per the California Government Code. As of June 30, 2005, the City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
Federal Agency Securities	\$ 26,897,883

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

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

H. 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.

Note 4 **Investment – Land Held For Resale**

The City of Lynwood and Lynwood Redevelopment Agency have acquired several parcels of land as part of their primary purpose to develop or redevelop blighted properties. The City records these parcels as "land held for resale" in its financial records. The property is being carried at its net realizable value which is estimated to be equal to cost. At June 30, 2005, the net realizable value for land held for resale totaled \$2,161,227, with this amount offset by a reservation of fund balance.

Note 5 **Notes and Loans Receivable**

Outstanding
Balance
June 30, 2005

Governmental Activities

Parcels of land have been sold to commercial real estate developers in exchange for various loans. Such loans have terms ranging from 3 to 10 years, with interest rates ranging from 3% to 10%. The recognition of revenue from the sale of the land has been deferred on such loans until they are repaid since the amounts do not meet the availability criteria. In several loan agreements, a portion or the entire principal amount will be forgiven upon the completion of the project. In this case, an allowance account is established to reduce the balance of loans receivable. The City also extended rehabilitation loans to property owners for the rehabilitation and improvements of commercial buildings. As of June 30, 2005, the loans receivable balance was \$2,468,675 (This amount is net of an allowance in the amount of \$4,170,000). The following are descriptions of these loans:

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 5 **Notes and Loans Receivable (Continued)**

Outstanding
Balance
June 30, 2005

Governmental Activities (Continued)

In late 1999, the City extended a loan to a developer for building a restaurant on Long Beach Boulevard. The loan in the amount of \$125,000 will be forgiven after the restaurant operates for 5 years. An allowance of \$125,000 has been estimated due to future forgiveness of the loan.

\$ -

In late 1999, the City extended a loan to a developer for building a restaurant on Long Beach Boulevard. The loan in the amount of \$1,975,000 will be forgiven after the completion of the project. An allowance in the amount of \$1,975,000 has been established due to future forgiveness of the loan.

The City extended a rehabilitation loan to a property owner for the rehabilitation and improvements of real property known as Marketplace or Lynwood Town Center. The loan in the amount of \$2,000,000 bears no interest and was intended to be forgiven upon the City's issuance of a certificate of completion when the entire project is finished. An allowance in the amount of \$2,000,000 has been established due to future forgiveness of the loan.

In 2000, the City extended a loan to a developer for building single-family houses for low and moderate-income families. The developer will repay the principal of the loan plus accrued interest upon the sale of housing units built or three years from the date of the loan agreement.

645,975

In June 2002, the City extended a loan to a developer for building a vehicle storage and towing service center. The loan consists of two portions: \$125,000 for the site purchase and \$70,000 for the site and building improvements. The portion of the loan in the amount of \$125,000 bears interest at 3% per annum and is due in 2032. The portion of the loan in the amount of \$70,000 bears no interest and will be forgiven after 5 years provided that the developer operates the business and creates job opportunities on the site for 5 years. An allowance of \$70,000 has been established for the future amount to be forgiven.

116,695

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 5 **Notes and Loans Receivable (Continued)**

Outstanding
Balance
June 30, 2005

Governmental Activities (Continued)

In March 2002, the City extended a rehabilitation loan in the amount of \$250,000 to a property owner. The loan bears simple interest at 10% per annum and is fully due on the tenth (10th) anniversary date of the loan agreement.

\$ 200,640

The City has received funding from the Department of Housing and Urban Development for the purpose of assisting (through zero or low interest deferred loans) residents and commercial enterprises to rehabilitate their homes and businesses. Some of the loans have maturity date while others are due upon sale of the underlying property.

1,285,808

In April 2004, the City extended a 15 year loan at an interest rate of 10% to a developer (Southwest Los Angeles County Community Development Corporation) to facilitate completion of the low and moderate income housing located at 11300 Atlantic Avenue.

83,462

In September 2003, the City loaned a leaseholder at 2600 East Imperial Highway \$150,000 and granted them \$130,000. The loan bears interest at 7% and is payable in monthly payments of \$2,267 until September 23, 2009.

134,475

Other miscellaneous loans receivable.

1,620

Total governmental loans and notes receivable

\$ 2,468,675

Fiduciary

The City received funds from the State of California to assist residents who were affected by the Whittier earthquake. Two deferred loans are outstanding as of June 30, 2005. The loans were written in 1988 and 1990 with no stated interest rate. The loans become due when the property is sold.

\$ 54,506

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 6 **Accounts Receivable**

The following is a list of accounts receivable at June 30, 2005:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Governmental Activities			
Intergovernmental	\$ 2,354,578	\$ -	\$ 2,354,578
Accounts (including taxes)	493,675		493,675
	<u>\$ 2,848,253</u>	<u>\$ -</u>	<u>\$ 2,848,253</u>
Business-type Activities			
Accounts	<u>\$ 2,148,742</u>	<u>\$ 258,005</u>	<u>\$ 1,890,737</u>

Note 7 **Deferred Charges**

Deferred charges consist of issuance costs and deferred loss on the refunding of certain debt issues. The City has deferred a loss on the refunding of its 1993 Tax Allocation Bonds in the amount of \$642,800. This amount is being amortized over the shorter of the life of the old or new debt (164 months). Accumulated amortization as of June 30, 2005 was \$266,526.

The City also defers and amortizes the costs of issuance charged for each debt issue. The total costs deferred as a result of the issuance of the 1999 Tax Allocation Bonds was \$790,163. The amortization period ranges from 154 months to 346 months depending on the maturity date of the bonds. Accumulated amortization as of June 30, 2005 was \$197,523.

The City has deferred costs of issuance, discounts, and deferred loss on refunding on its 1999 Revenue Bonds. The total amount deferred at June 30, 2005 (net of accumulated amortization of \$52,632) was \$224,257. The 1993 issue is being amortized over 303 months and the 1999 issue over 358 months.

In September 2003, the City issued 2003 Lease Revenue Refunding Bonds. These bonds refunded the 1993 Revenue bonds and hence created a deferred loss on refunding in the amount of \$648,610. This deferred loss is being amortized over the shorter life of either the new debt or old debt which is 168 months. At June 30, 2005, the accumulated amortization was \$84,942.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 7 **Deferred Charges (Continued)**

The City also paid costs of issuance arising from the issuance of the 2003 Revenue Refunding Bonds. These costs amounted to \$277,155 and are also amortized over 168 months. The accumulated amortization of the costs as of June 30, 2005 was \$36,294.

The City's Water Enterprise Fund has issued 1995 and 1999 Revenue Bonds. Included in the issue were costs of issuance in the amounts of \$122,145 and \$265,000 for the 1995 and 1999 bonds respectively. The period of amortization of these costs is 306 months for the 1995 issue and 355 months for the 1999 issue. Accumulated amortization as of June 30, 2005 was \$45,904 and \$50,728 for the 1995 and 1999 bonds respectively.

In November 2003, the City of Lynwood issued \$6,930,000 of Enterprise Revenue Bonds. Total issue costs relating to the issue was \$370,026. The period of amortization is 366 months and the accumulated amortization as of June 30, 2005 was \$19,209.

All amortization is computed using the straight-line method which approximates the effective interest and bonds outstanding method.

All amortization is shown as a component of interest expense on long-term debt in the statement of activities.

Note 8 **Interfund Activity**

The following represents the interfund activity of the City for the fiscal year ended June 30, 2005.

a. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year.

The following is a summary of current interfund balances as of June 30, 2005.

Receivable Fund	Amount	Payable Fund	Amount
Major Fund:		Major Fund:	
General	\$ 6,462,724	Housing and Community Development	\$ 691,789
Non major Fund:		Nonmajor Funds:	
Tax Increment Alameda Area	14,876	Traffic Safety	465,208

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 8 Interfund Activity (Continued)

a. Current Interfund Balances (Continued)

Receivable Fund	Amount	Payable Fund	Amount
Non major Fund:		Nonmajor Funds:	
		Gas Tax	\$ 15,723
		State Transportation Partnership	2,692
		Landscape Maintenance	281,735
		HUD Home Program	301,509
		STP	523,228
		ISTEA Grant	304
		DOVE Grant	151,286
		AB 2928 Traffic Congestion Relief	17,108
		Brownfield Clean-up	2,827
		Per Capital Grant 2000	77,361
		Safe School Route	298,961
		State Homeland Security Grant	2,244
		Tax Increment Area "A"	14,876
		Capital Project Loan	177,016
		Internal Service Funds:	
		Garage	543,753
		Self-insurance	2,909,980
	<u>\$ 6,477,600</u>		<u>\$ 6,477,600</u>

b. Advances

As of June 30, 2005, the funds below have made advances that were not expected to be repaid within one year.

Fund	Advances Receivable	Advances Payable
Major Fund:		
General	\$ 1,218,720	\$ -
Nonmajor Fund:		
Redevelopment Tax Increment Area "A"		1,218,720
	<u>\$ 1,218,720</u>	<u>\$ 1,218,720</u>

These advances represent various operating advances for the Redevelopment Agency's Project Areas. The advances are to be repaid with future tax increment revenue.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 8 **Interfund Activity (Continued)**

c. Transfers

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of the transfers is to reimburse a fund that has made an expenditure on behalf of another fund.

<u>Fund</u>	<u>Transfer-in</u>	<u>Transfer-out</u>
Major Funds:		
General	\$ 1,547,995	\$ 1,863,869
Redevelopment Low/Mod Housing Area "A"	618,664	
Housing and Community Development (HUD)		574,290
Park Replacement		663,018
Redevelopment Project Area "A"	941,330	
Capital Improvement Projects	6,264,270	
Nonmajor Governmental Funds:		
Traffic Safety	1,657,765	
Lighting Maintenance		294,829
Gas Tax		1,352,358
Retirement		1,822,215
Air Quality Improvement		72,500
SB 821		4,263
HUD Earthquake Recovery	121	
Federal Aid Urban	5,646	
Prop A		1,082,920
Landscape Maintenance		237,983
Technical Assistance Grant	6,052	
California Department of Forestry	11,307	
Prop C		1,048,431
STP		189,145
LA County Park Maintenance Grant		1,263
1999 Brownfield Grant		3,003
AB 2928 Traffic Congestion Relief		109,425
Brownfield Clean-up		2,827
Safe School Route		298,247
Redevelopment Low/Mod Housing Alameda Area	195,719	
Tax Increment Area "A"		1,559,994
Tax Increment Alameda Area		690,964
Public Financing Authority	60,831	
City of Lynwood	1,281,029	
Redevelopment Project Alameda Area	495,245	
Capital Project Loan		31,599

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 8 Interfund Activity (Continued)

c. Transfers (Continued)

Fund	Transfer-in	Transfer-out
Major Enterprise Funds:		
Transit	\$ 1,296,060	\$ -
Water	6,705,496	9,711,427
Internal Service Funds:		
Garage	27,040	
Self Insurance	500,000	
	<u>\$ 21,614,570</u>	<u>\$ 21,614,570</u>

Note 9 Capital Assets

a. Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2005 was as follows:

	Balance at July 1, 2004	Prior Period Adjustment	Additions	Deletions	Balance at June 30, 2005
Capital Assets, not being depreciated:					
Land	\$ 9,079,797	\$ -	\$ 10,061	\$ 303,398	\$ 8,786,460
Rights of way	22,904,319				22,904,319
Trees	247,140				247,140
Construction in progress	2,899,153		5,516,679		8,415,832
Total	<u>35,130,409</u>	<u>-</u>	<u>5,526,740</u>	<u>303,398</u>	<u>40,353,751</u>
Capital Assets, being depreciated:					
Buildings and improvements	8,345,556				8,345,556
Machinery and equipment	744,760		69,388	2,450	811,698
Infrastructure:					
Roadways, curbs, and gutters	20,079,922				20,079,922
Sidewalks and medians	5,867,424				5,867,424
Other street appurtenances	4,323,832				4,323,832
Total	<u>39,361,494</u>	<u>-</u>	<u>69,388</u>	<u>2,450</u>	<u>39,428,432</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 9 Capital Assets (Continued)

a. Governmental Activities (Continued)

Capital asset governmental activity for the fiscal year ended June 30, 2005 was as follows:

	Balance at July 1, 2004	Prior Period Adjustment	Additions	Deletions	Balance at June 30, 2005
Capital Assets, being depreciated:					
Less accumulated depreciation for:					
Buildings and improvements	\$ 3,949,917	\$ -	\$ 135,235	\$ -	\$ 4,085,152
Machinery and equipment	547,797		81,903	107	629,593
Infrastructure:					
Roadways, curbs, and gutters	8,302,728	8,492	519,566		8,830,786
Sidewalks and medians	1,753,094		117,339		1,870,433
Other street appurtenances	1,582,692		87,255		1,669,947
Total	<u>16,136,228</u>	<u>8,492</u>	<u>941,298</u>	<u>107</u>	<u>17,085,911</u>
Capital Assets being depreciated, net	<u>23,225,266</u>	<u>(8,492)</u>	<u>(871,910)</u>	<u>2,343</u>	<u>22,342,521</u>
Capital Assets, net	<u>\$ 58,355,675</u>	<u>\$ (8,492)</u>	<u>\$ 4,654,830</u>	<u>\$ 305,741</u>	<u>\$ 62,696,272</u>

Internal Service Fund (Allocated to Governmental Activities)

	Balance at July 1, 2004	Additions	Deletions	Balance at June 30, 2005
Capital Assets, being depreciated:				
Machinery and equipment	\$ 2,426,977	\$ -	\$ -	\$ 2,426,977
Total	<u>2,426,977</u>			<u>2,426,977</u>
Less accumulated depreciation for:				
Machinery and equipment	1,624,425	187,295		1,811,720
Total	<u>1,624,425</u>	<u>187,295</u>		<u>1,811,720</u>
Capital Assets being depreciated, net	<u>802,552</u>	<u>(187,295)</u>		<u>615,257</u>
Capital Assets, net	<u>\$ 802,552</u>	<u>\$ (187,295)</u>	<u>\$ -</u>	<u>\$ 615,257</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 9 Capital Assets (Continued)

a. Governmental Activities (Continued)

Total Governmental Activities

	Balance at July 1, 2004	Prior Period Adjustment	Additions	Deletions	Balance at June 30, 2005
Capital Assets, not being depreciated:					
Land	\$ 9,079,797	\$ -	\$ 10,061	\$ 303,398	\$ 8,786,460
Rights of way	22,904,319				22,904,319
Trees	247,140				247,140
Construction in progress	2,899,153		5,516,679		8,415,832
Total	<u>35,130,409</u>		<u>5,526,740</u>	<u>303,398</u>	<u>40,353,751</u>
Capital Assets, being depreciated:					
Buildings and improvements	8,345,556				8,345,556
Machinery and equipment	3,171,737		69,388	2,450	3,238,675
Infrastructure:					
Roadways, curbs, and gutters	20,079,922				20,079,922
Sidewalks and medians	5,867,424				5,867,424
Other street appurtenances	4,323,832				4,323,832
Total	<u>41,788,471</u>		<u>69,388</u>	<u>2,450</u>	<u>41,855,409</u>
Less accumulated depreciation for:					
Buildings and improvements	3,949,917		135,235		4,085,152
Machinery and equipment	2,172,222		269,198	107	2,441,313
Infrastructure:					
Roadways, curbs, and gutters	8,302,728	8,492	519,566		8,830,786
Sidewalks and medians	1,753,094		117,339		1,870,433
Other street appurtenances	1,582,692		87,255		1,669,947
Total	<u>17,760,653</u>	<u>8,492</u>	<u>1,128,593</u>	<u>107</u>	<u>18,897,631</u>
Capital Assets being depreciated, net	<u>24,027,818</u>	<u>(8,492)</u>	<u>(1,059,205)</u>	<u>2,343</u>	<u>22,957,778</u>
Capital Assets, net	<u>\$ 59,158,227</u>	<u>\$ (8,492)</u>	<u>\$ 4,467,535</u>	<u>\$ 305,741</u>	<u>\$ 63,311,529</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 9 Capital Assets (Continued)

a. Governmental Activities (Continued)

Depreciation expense was charged to functions/programs of the City's governmental activities as follows:

	Governmental	Internal Service	Total
General government	\$ 39,726	\$ 37,733	\$ 77,459
Public safety	8,344	15,572	23,916
Public works	833,811	119,132	952,943
Community development	7,168	3,286	10,454
Parks and recreation	52,249	11,572	63,821
Total	\$ 941,298	\$ 187,295	\$ 1,128,593

b. Business-type activities

Capital asset business-type activity (Water activity) for the fiscal year ended June 30, 2005 was as follows:

	Balance at July 1, 2004	Prior Period Adjustment	Additions	Deletions	Balance at June 30, 2005
<u>Water Activity</u>					
Capital Assets, not being depreciated:					
Land	\$ 37,252	\$ -	\$ -	\$ -	\$ 37,252
Total	37,252				37,252
Capital Assets, being depreciated:					
Building and improvements	35,499				35,499
Infrastructure	11,503,295	(128,609)	28,531	26,329	11,376,888
Less - Accumulated depreciation	4,396,872		151,166	22,051	4,525,987
Total Capital Assets, being depreciated	7,141,922	(128,609)	(122,635)	4,278	6,886,400
Total Water Capital Assets, net	\$ 7,179,174	\$ (128,609)	\$ (122,635)	\$ 4,278	\$ 6,923,652

Depreciation expense was charged to functions/programs of the City's business-type activities as follows:

Business-Type Activities:

Water \$ 151,166

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 10 Long-Term Liabilities

- a. The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2005:

	Balance at July 1, 2004	Prior Period Adjustment	Additions	Repayments	Balance at June 30, 2005	Due Within One Year
Governmental Activities:						
Compensated absences	\$ 1,438,271	\$ -	\$ 4,109	\$ -	\$ 1,442,380	
Capital leases payable	2,151,859			398,487	1,753,372	421,841
Tax Allocation bonds	14,130,000			250,000	13,880,000	265,000
HUD loan payable	7,000,000			225,000	6,775,000	240,000
Claims payable	696,169	1,043,217	3,186,358	2,049,172	2,876,572	
Revenue bonds	12,390,000			470,000	11,920,000	475,000
Total	\$ 37,806,299	\$ 1,043,217	\$ 3,190,467	\$ 3,392,659	\$ 38,647,324	\$ 1,401,841
Business-type Activities:						
Water Fund:						
Compensated absences	\$ 155,473	\$ -	\$ 18,844	\$ -	\$ 174,317	\$ -
Revenue bonds	15,918,341			280,979	15,637,362	295,979
Total	\$ 16,073,814	\$ -	\$ 18,844	\$ 280,979	\$ 15,811,679	\$ 295,979

- b. Governmental long-term debt at June 30, 2005 consisted of the following:

Capital Lease Obligations

During fiscal year 2000, the City entered into a vehicles lease purchase agreement. During June 2002, the City purchased vehicles in the amount of \$1,609,401 under this arrangement. The lease obligation, proceeds, and the related assets were recorded in the internal service fund. Also, the City executed a financing agreement to improve its energy consuming systems in fiscal year 1998. Because of the nature of the agreement, the transaction is being accounted for as though the City owned and financed the related assets directly. The principal balances of the capital leases as of June 30, 2005 were \$1,144,273 for the City's energy management system and \$609,099 for the City's vehicles.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 10 Long-Term Liabilities (Continued)

- b. Governmental long-term debt at June 30, 2005 consisted of the following:
(Continued):

LRA 1999 Tax Allocation Bonds

On October 1, 1999, the Agency issued Tax Allocation Bonds Series A in the amount of \$10,235,000, Tax Allocation Bonds Series B in the amount of \$3,425,000, and Tax Allocation Bonds Alameda Project Area A in the amount of \$1,310,000. The interest rate varies from 4.45% to 7.65%. A portion of the proceeds was used to refund \$7,780,000 of outstanding 1993 Tax Allocation Bonds. The primary purpose of the issuance of the 1999 Tax Allocation Bonds is to establish more appropriate bond payment dates which correspond with tax roll collections and allow the Agency to capture the maximum tax increment allowed by the legislation. Also, the 1999 Tax Allocation Bonds provide a source of funding for the various proposed redevelopment projects. As of June 30, 2005, the total unpaid principal balance was \$13,880,000.

HUD Section 108 Loan Payable

On August 8, 2002, the Department of Housing and Urban Development loaned \$7 million to the City of Lynwood. The funds are to be used for expansion, rehabilitation, and development of the Plaza De Mexico project. The interest rate charged on the loan varies from 5.0% to 6.0% and the final maturity date of the loan is August 8, 2021. Principal payments are due every August 1 starting in 2004 and interest is to be paid semi-annually. The City has received \$875,000 in Federal Brownfield Grant funds to assist in the payment of principal and interest. The balance of the loan outstanding at June 30, 2005 was \$6,775,000.

Claims Payable

The City is self insured for general liability and workers' compensation claims. The City records losses for claims incurred but not reported when the probable amount of loss can be reasonably estimated. Total amount of estimated claims outstanding at June 30, 2005 is \$2,876,572.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 10 Long-Term Liabilities (Continued)

- b. Governmental long-term debt at June 30, 2005 consisted of the following (Continued):

Lynwood Public Financing Authority 1999 Revenue Bonds

On October 28, 1999 the Lynwood Public Financing Authority issued \$3,760,000 of 1999 Revenue Bonds. The proceeds plus bond funds from the 1996 Revenue Bonds in the amount of \$151,141 will be used to pay costs of issuance, fund a reserve account, finance improvements, and to refund the Authority's 1996 Revenue Bonds in the amount of \$1,440,000. Interest on the bonds is payable semi-annually each September 1 and March 1. The principal matures each September 1 beginning in 2019 and maturing in 2029. The bonds have interest rates of 6.25% and 6.30%. The outstanding balance of the bonds at June 30, 2005 is \$3,760,000.

Lynwood Public Financing Authority 2003 Lease Revenue Refunding Bonds Series A and B

On September 3, 2003, the Lynwood Public Financing Authority issued \$8,630,000 of 2003 Lease Revenue Refunding Bonds. The proceeds along with remaining funds from the 1993 issue will be used to advance refund the 1993 Lynwood Public Financing Authority Revenue Bonds Series A, pay costs of issuance, fund a reserve account, and fund certain projects within the City (corporate yard land purchase and improvements to the City owned property). Interest on the Bonds is payable semi-annually each March 1 and September 1 beginning on March 1, 2004. Principal matures each September 1 beginning in 2004 and maturing in 2018. Interest rates on the bonds vary between 2.125% and 5.00% for the Series A bonds and 1.65% and 2.36% for the Series B bonds. The outstanding balance of the bonds at June 30, 2005 was \$8,160,000.

- c. Business-type long-term debt at June 30, 2005 consisted of the following:

Revenue Bonds Payable, Water Fund 1995 Series A

On November 22, 1995, the City of Lynwood issued \$4,500,000 to Water Revenue Bonds, Series 1995. The proceeds were used to improve, renovate, and expand the City's water distribution system, fund a reserve, and pay cost of issuance.

The Bonds carry interest rates of 6.15%, 6.50%, and 7.25% and mature in 2021. Interest is payable semi-annually every December 1 and June 1 with principal due every June 1 beginning in 1997.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 10 Long-Term Liabilities (Continued)

- c. Business-type long-term debt at June 30, 2005 consisted of the following (Continued):

Revenue Bonds Payable, Water Fund 1995 Series A (Continued)

The bonds will be paid from and secured by the net revenues of the water distribution system and the wastewater collection system of the City. The City has covenanted that the net revenues in each year will be greater than or equal to the debt service payments on these bonds and all other debt of the Water Fund.

The principal balance of the bonds outstanding at June 30, 2005 net of unamortized discount of \$39,000 is \$3,571,000.

Revenue Bonds Payable, Water Fund Series 1999

On October 28, 1999, the Lynwood Public Financing Authority issued Revenue Bonds in the amount of \$5,850,000 in order to pay for discounts and costs of issuance, and finance improvements to the water distribution system.

The bonds consist of \$580,000 of serial bonds maturing in part each June 1 beginning in 2000 and ending in 2011. Interest rates on the serial bonds vary from 3.8% to 5.25%. The issue also consists of \$5,270,000 of term bonds with maturity dates beginning on June 1, 2022. These term bonds have interest rates at 5.85% and 5.90%.

The bonds will be paid from the net revenues (pledged revenue) of the water fund operations. The City has covenanted to provide net revenues equal to at least 1.25 times the annual amount of principal and interest due on the bonds. For the fiscal year ended June 30, 2005, the net revenues are equal to or greater than the required amount times the aggregate amount of principal and interest.

The outstanding amount of bonds at June 30, 2005 net of amortized discount of \$60,802 is \$5,474,198.

Lynwood Utility Authority 2003 Enterprise Revenue Bonds

On November 20, 2003, the Lynwood Utility Authority issued \$6,930,000 of 2003 Enterprise Revenue Bonds, the proceeds which were used to pay costs of issuance, and to improve, renovate and expand the City's Water and Sewer System. The City paid a reserve policy premium in-lieu of funding a reserve account.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 10 Long-Term Liabilities (Continued)

- c. Business-type long-term debt at June 30, 2005 consisted of the following (Continued):

Lynwood Utility Authority 2003 Enterprise Revenue Bonds (Continued)

The bonds consist of \$1,450,000 of serial bonds maturing from 2004 through 2013 and \$548,000 of term bonds maturing on June 1 of 2020, 2025, and 2034.

The serial bonds carry interest at rates of 1.00% to 3.625% and mature June 1, 2013. Interest is payable semi-annually every December 1 and June 1 with principal due June 1 beginning in 2005. The term bonds carry interest at 5%.

The bonds will be paid from and secured by the net revenues of the water distribution system and the wastewater collection system of the City. The City has covenanted that the net revenues in each year will be greater than or equal to the debt service payments on these bonds and any other parity debt.

The principal balance outstanding at June 30, 2005 including unamortized premium of \$32,164 was \$6,592,164.

- d. Defeased debt

Certain outstanding bonds have been defeased by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the financial statements. At June 30, 2005, the following bonds are considered defeased:

Bond Defeased	Unpaid Principal Balance
1996 Lease Revenue Bonds	\$ 920,000

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 10 Long-Term Liabilities (Continued)

e. Governmental Long-Term Debt Amortization:

The schedules of annual requirements to amortize all governmental (except for compensated absences and claims payable) long-term debt outstanding as of June 30, 2005 including interest are as follows:

<u>Fiscal Year(s)</u> <u>Ending June 30,</u>	<u>Capital Leases Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 421,841	\$ 93,388	\$ 515,229
2007	447,821	67,734	515,555
2008	388,275	42,098	430,373
2009	324,475	22,103	346,578
2010	170,960	3,778	174,738
	\$ 1,753,372	\$ 229,101	\$ 1,982,473

<u>Fiscal Year(s)</u> <u>Ending June 30,</u>	<u>1999 Tax Allocation Bonds A</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ -	\$ 602,483	\$ 602,483
2007		602,483	602,483
2008		602,483	602,483
2009		602,483	602,483
2010		602,483	602,483
2011-2015	395,000	2,965,466	3,360,466
2016-2020	2,370,000	2,423,320	4,793,320
2021-2025	3,195,000	1,560,993	4,755,993
2026-2029	4,275,000	430,700	4,705,700
	\$ 10,235,000	\$ 10,392,894	\$ 20,627,894

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 10 Long-Term Liabilities (Continued)

e. Governmental Long-Term Debt Amortization (Continued):

The schedules of annual requirements to amortize all governmental (except for compensated absences and claims payable) long-term debt outstanding as of June 30, 2005 including interest are as follows (Continued):

<u>Fiscal Year(s)</u> <u>Ending June 30,</u>	1999 Tax Allocation Bonds B		
	Principal	Interest	Total
2006	\$ 235,000	\$ 177,759	\$ 412,759
2007	255,000	159,713	414,713
2008	270,000	140,025	410,025
2009	295,000	118,838	413,838
2010	315,000	95,963	410,963
2011-2013	1,100,000	130,815	1,230,815
	\$ 2,470,000	\$ 823,113	\$ 3,293,113

<u>Fiscal Year(s)</u> <u>Ending June 30,</u>	1999 Tax Allocation Bonds Alameda		
	Principal	Interest	Total
2006	\$ 30,000	\$ 71,770	\$ 101,770
2007	35,000	70,046	105,046
2008	35,000	68,156	103,156
2009	35,000	66,231	101,231
2010	40,000	64,130	104,130
2011-2015	235,000	280,193	515,193
2016-2020	325,000	192,938	517,938
2021-2025	440,000	73,395	513,395
	\$ 1,175,000	\$ 886,859	\$ 2,061,859

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 10 Long-Term Liabilities (Continued)

e. Governmental Long-Term Debt Amortization (Continued):

The schedules of annual requirements to amortize all governmental (except for compensated absences and claims payable) long-term debt outstanding as of June 30, 2005 including interest are as follows (Continued):

<u>Fiscal Year(s)</u> <u>Ending June 30,</u>	HUD Section 108 Loan		
	Principal	Interest	Total
2006	\$ 240,000	\$ 351,220	\$ 591,220
2007	255,000	343,233	598,233
2008	270,000	333,704	603,704
2009	285,000	322,646	607,646
2010	300,000	310,073	610,073
2011-2015	1,805,000	1,306,121	3,111,121
2016-2020	2,440,000	729,352	3,169,352
2021-2022	1,180,000	72,030	1,252,030
	\$ 6,775,000	\$ 3,768,379	\$ 10,543,379

<u>Fiscal Year(s)</u> <u>Ending June 30,</u>	Public Financing Authority 1999 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2006	\$ -	\$ 236,340	\$ 236,340
2007		236,340	236,340
2008		236,340	236,340
2009		236,340	236,340
2010		236,340	236,340
2011-2015		1,181,700	1,181,700
2016-2020	505,000	1,174,044	1,679,044
2021-2025	1,580,000	884,349	2,464,349
2026-2030	1,675,000	336,105	2,011,105
	\$ 3,760,000	\$ 4,757,898	\$ 8,517,898

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 10 Long-Term Liabilities (Continued)

e. Governmental Long-Term Debt Amortization (Continued):

The schedules of annual requirements to amortize all governmental (except for compensated absences and claims payable) long-term debt outstanding as of June 30, 2005 including interest are as follows (Continued):

<u>Fiscal Year(s)</u> <u>Ending June 30,</u>	Public Financing Authority 2003 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2006	\$ 475,000	\$ 319,855	\$ 794,855
2007	480,000	309,150	789,150
2008	490,000	297,435	787,435
2009	500,000	283,570	783,570
2010	515,000	267,822	782,822
2011-2015	2,890,000	1,017,426	3,907,426
2016-2019	2,810,000	289,750	3,099,750
	\$ 8,160,000	\$ 2,785,008	\$ 10,945,008

<u>Fiscal Year(s)</u> <u>Ending June 30,</u>	Total Governmental Activities		
	Principal	Interest	Total
2006	\$ 1,401,841	\$ 1,852,815	\$ 3,254,656
2007	1,472,821	1,788,699	3,261,520
2008	1,453,275	1,720,241	3,173,516
2009	1,439,475	1,652,211	3,091,686
2010	1,340,960	1,580,589	2,921,549
2011-2015	6,425,000	6,881,721	13,306,721
2016-2020	8,450,000	4,809,404	13,259,404
2021-2025	6,395,000	2,590,767	8,985,767
2026-2030	5,950,000	766,805	6,716,805
	\$ 34,328,372	\$ 23,643,252	\$ 57,971,624

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 10 Long-Term Liabilities (Continued)

f. Business-type Long-Term Debt Amortization:

The schedules of annual requirements to amortize all business-type long-term debt outstanding as of June 30, 2005 including interest are as follows:

Fiscal Year(s) Ending June 30,	1995 Wate Revenue Bonds		
	Principal	Interest	Total
2006	\$ 135,000	\$ 233,128	\$ 368,128
2007	145,000	224,825	369,825
2008	155,000	215,907	370,907
2009	165,000	206,375	371,375
2010	175,000	195,650	370,650
2011-2015	1,050,000	793,325	1,843,325
2016-2020	1,440,000	404,300	1,844,300
2021-2025	345,000	22,425	367,425
Less - discount	(39,000)		(39,000)
	<u>\$ 3,571,000</u>	<u>\$ 2,295,935</u>	<u>\$ 5,866,935</u>

Fiscal Year(s) Ending June 30,	1999 Wate Revenue Bonds		
	Principal	Interest	Total
2006	\$ 40,000	\$ 323,551	\$ 363,551
2007	40,000	321,678	361,678
2008	45,000	319,759	364,759
2009	45,000	317,553	362,553
2010	45,000	315,281	360,281
2011-2015	285,000	1,534,765	1,819,765
2016-2020	375,000	1,442,050	1,817,050
2021-2025	2,115,000	1,182,145	3,297,145
2026-2029	2,545,000	385,860	2,930,860
Less - discount	(60,802)		(60,802)
	<u>\$ 5,474,198</u>	<u>\$ 6,142,642</u>	<u>\$ 11,616,840</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 10 Long-Term Liabilities (Continued)

f. Business-type Long-Term Debt Amortization (Continued):

The schedules of annual requirements to amortize all business-type long-term debt outstanding as of June 30, 2005 including interest are as follows (Continued):

Fiscal Year(s) Ending June 30,	<u>2003 Enterprise Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 125,000	\$ 303,669	\$ 428,669
2007	125,000	301,794	426,794
2008	130,000	299,450	429,450
2009	130,000	296,525	426,525
2010	135,000	293,113	428,113
2011-2015	750,000	1,393,263	2,143,263
2016-2020	935,000	1,202,000	2,137,000
2021-2025	1,190,000	944,250	2,134,250
2026-2029	1,525,000	615,000	2,140,000
2031-2034	1,515,000	194,000	1,709,000
Plus - premium	32,164		32,164
	<u>\$ 6,592,164</u>	<u>\$ 5,843,064</u>	<u>\$ 12,435,228</u>

Fiscal Year(s) Ending June 30,	<u>Total Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 300,000	\$ 860,348	\$ 1,160,348
2007	310,000	848,297	1,158,297
2008	330,000	835,116	1,165,116
2009	340,000	820,453	1,160,453
2010	355,000	804,044	1,159,044
2011-2015	2,085,000	3,721,353	5,806,353
2016-2020	2,750,000	3,048,350	5,798,350
2021-2025	3,650,000	2,148,820	5,798,820
2026-2029	4,070,000	1,000,860	5,070,860
2031-2034	1,515,000	194,000	1,709,000
Plus - premium	(67,638)		(67,638)
	<u>\$ 15,637,362</u>	<u>\$ 14,281,641</u>	<u>\$ 29,919,003</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 11 Defined Benefit Pension Plan

Plan Description

The City contributes to two single-employer defined benefit pension plans: Employees Retirement Plan (Miscellaneous Plan) and Fire Retirement Plan (Safety Plan). Each plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These plans are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for the participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The city selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report for each plan. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office; 400 P Street; Sacramento, CA 95814.

Effective November 1, 2000, the fire department was transferred to Los Angeles County (County). As a result, certain safety members (employees of the fire department) of CalPERS have ceased to be employed by the fire department of the City and have been employed by the County, and upon such transfer these safety members have become members of Los Angeles County Employees Retirement Association (LACERA).

Effective on June 28, 2002, CalPERS and the Board of Retirement of LACERA entered into an agreement to terminate CalPERS' liability related to these safety members and for LACERA to assume liability, and to transfer employee and employer contributions with interests from the City's safety plan with CalPERS to LACERA, for safety members transferred to the County. However, this agreement does not apply to safety members who have retired on or before the effective date of this agreement. These retirees continue to receive their pension benefits from the City's safety plan with CalPERS.

Funding Policy

Active plan members are required to contribute 7% for miscellaneous members and 9% for safety members of their annual covered salary. The City 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 rates for fiscal year 2004/05 were 14.093% for miscellaneous employees.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 11 Defined Benefit Pension Plan (Continued)

Funding Policy (Continued)

The contribution requirements of the plan members are established by State statute and the employer contribution rates are established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year 2004/05, the City's annual pension cost and required contribution were \$1,076,392. The required contribution for fiscal year 2004/05 was determined as part of the June 30, 2002 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.75% to 14.20%; and (c) 2% cost-of-living adjustment. Both (a) and (b) included an inflation component of 3.50%.

The actuarial value of the plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three-year period depending on the size of investment gains and/or losses. The Plan's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of pay on a closed 20-year period. Gains and losses that occur in the operation of the Plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains or losses each year. If the plan's accrued liability exceeds the actuarial value of the plan's assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

Three-Year Trend Information – Miscellaneous Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2003	\$ 24,200	100%	\$ -
6/30/2004	618,110	100%	-
6/30/2005	1,076,392	100%	-

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 11 Defined Benefit Pension Plan (Continued)

Three-Year Trend Information – Safety Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2003	\$ -	100%	\$ -
6/30/2004	-	100%	-
6/30/2005	-	100%	-

Schedule of Funding Progress – Miscellaneous Plan

Valuation Date	Entry Age Normal Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
6/30/2002	\$ 31,654,762	\$ 29,663,883	\$ 1,990,879	93.7%	\$ 7,654,541	26.0%
6/30/2003	36,874,987	30,519,884	6,355,103	82.8%	7,315,119	86.9%
6/30/2004	40,320,103	32,946,565	7,373,538	81.7%	7,587,069	97.2%

Schedule of Funding Progress – Safety Plan*

Valuation Date	Entry Age Normal Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
6/30/2002	\$ 25,227,352	\$ 21,628,531	\$ 3,598,821	85.7%	\$ -	N/A
6/30/2003	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2004	N/A	N/A	N/A	N/A	N/A	N/A

* The schedule of funding progress for safety plan presented above has not been adjusted for the effects on the transfer of safety members from CalPERS to LACERA on June 28, 2002.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 12 Fund Balance Reservations

The City has established certain fund balance reserve accounts to report amounts which represent resources not available for appropriation.

- a. The reserve for special accounts represents cash and investments which are to be used for specific purposes in the future.
- b. Amounts reserved for long-term advances indicate that repayments are not available as a resource to meet expenditures of the current fiscal year.
- c. The reserve for notes receivable indicates that repayments are not available as a resource to meet expenditures of the current fiscal year.
- d. Amounts reserved for continuing projects in governmental funds are unexpended appropriations on incomplete capital improvement projects which have been carried forward into the new fiscal year.
- e. The reserve for housing represents the 20% housing set aside money in the Lynwood Redevelopment Agency.
- f. The reserve for retirement represents amounts set aside to be used to fund employees' retirement in the future.
- g. The reserve for debt service represents funds available for the payment of principal and interest on long-term debt.
- h. The reserve for land held for resale in the capital projects funds is equal to the amount of land inventory available for sale to developers for development purposes in future years.
- i. The reserve for prepaid items represents expenditures set aside to be used for the new fiscal year.
- j. The reserve for encumbrances represents purchase orders that were issued, but invoices which were not received nor paid for goods and services prior to June 30, 2005.

Note 13 Risk Management

The City is a member of Independent Cities Risk Management Authority (ICRMA). The ICRMA is currently composed of 30 member cities and is organized under a joint exercise of powers agreement pursuant to California Government Code Section 6500-6515. The purpose of the ICRMA is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurances,

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 13 Risk Management (Continued)

and to arrange for group-purchased insurance for property and other coverage. The ICRMA is governed by a Governing Board comprised of one representative from each member city. Each representative has one vote on the Governing Board. The ICRMA has published its own financial report for the fiscal year ended June 30, 2005, which can be obtained from Independent Cities Risk Management Authority at Sherman Oaks, California.

The City participates in programs for workers' compensation and general liability insurance administered by the ICRMA. The limit of coverage for workers' compensation is \$10,000,000 with a member's retention of \$325,000 for each accident. The limit of coverage for general liability is \$20,000,000 with a member's retention of \$200,000 for each accident.

While the ultimate amount of losses incurred through June 30, 2005 are dependent on future developments, based upon information from the City Attorney, outside counsel, third party administrators, and others involved with the administration of the programs, management believes that the designation is adequate to cover such losses. Costs relating to the litigation of claims are expensed as incurred. Losses for claims incurred but not reported are recorded when the probable amount of loss can be reasonably estimated.

The following is a schedule of changes in claims and judgments for the fiscal year ended June 30, 2005:

	<u>Worker's Compensation</u>	<u>General Liability</u>	<u>Total</u>
Claims and judgments at July 1, 2003	\$ 1,037,058	\$ 668,914	\$ 1,705,972
Claim payments	(1,088,694)	(269,459)	(1,358,153)
Claims incurred and changes in estimates	1,094,853	296,714	1,391,567
Claims and judgments at June 30, 2004	<u>\$ 1,043,217</u>	<u>\$ 696,169</u>	<u>\$ 1,739,386</u>
Claims and judgments at July 1, 2004	\$ 1,043,217	\$ 696,169	\$ 1,739,386
Claim payments	(1,544,002)	(505,170)	(2,049,172)
Claims incurred and changes in estimates	2,652,822	533,536	3,186,358
Claims and judgments at June 30, 2005	<u>\$ 2,152,037</u>	<u>\$ 724,535</u>	<u>\$ 2,876,572</u>

As of June 30, 2005, the unpaid workers' compensation claims in the amount of \$2,152,037 was reported in the self-insurance fund. The unpaid general liability claims in the amount of \$724,535 was reported as long-term debt.

In addition, the City also participates in Property Insurance Program, which includes earthquake and flood insurance, administered by the ICRMA. The "all risk",

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 13 Risk Management (Continued)

including earthquake and flood, property coverage limit is \$135,000,000 for each occurrence. The property coverage limit is shared by 14 member cities. There is a \$5,000 per loss deductible. The deductible for earthquake and flood is 5% of loss value. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

The City purchases fidelity coverage for its key officials in the amounts of \$10,000 to \$50,000 with no deductible. Premiums for these policies are paid annually and are not subject to retroactive adjustments.

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

Note 14 Deferred Compensation Plans

The City offers a deferred compensation plan (Plan), created in accordance with the Internal Revenue Code Section 457, to its employees. Amounts deferred may not be paid to the employee during employment with the City, except for a catastrophic circumstance creating an undue financial hardship for the employee. The Plan is administered by an independent financial institution that has fiduciary responsibilities over the plan assets. Consistent with the amended IRC Section 457, which took effect on January 1, 1997, and GASB Statement No. 32, the City no longer reports the Plan assets and liabilities on its financial statements.

Note 15 Commitments and Contingencies

The City is a defendant in eminent domain and other personal injury lawsuits of a nature common to many similar jurisdictions. City management believes that the potential claims against the City, not covered by insurance, resulting from such litigation would not materially affect the financial statements of the City.

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 15 **Commitments and Contingencies (Continued)**

Single-Family Housing Project

In late 1999, Lynwood Redevelopment Agency (Agency) entered into a Disposition and Development Agreement (DDA) with Hub City Construction and Development Company (Hub City) to develop single-family houses in the City of Lynwood. The project site (Site) is located between Muriel Drive and Thorson Avenue adjacent to the south side of the I-105 Freeway, land owned by LRA. According to the DDA, the Agency will provide Hub City a loan in the amount of \$817,400 bearing simple interest of 5% per year. The loan consists of two portions: acquisition loan of \$210,000 and construction loan of \$607,400. According to the DDA, Hub City was to repay the principal of the loan plus accrued interest upon the sale of housing units built on the Site or within three years from the date the DDA was executed.

As of June 30, 2005, the Agency paid Hub City \$435,975 of the construction loan and \$210,000 of the acquisition loan. Subsequent to the fiscal year end, the Agency has taken the project back from Hub City for lack of compliance and completion of the project. The Agency is currently in litigation with Hub City. After a competitive bidding process, the Agency selected another Developer (Tabzac) to complete the project. Tabzac was to pay the Agency \$657,000 to take ownership and complete the project. As the case with Hub City was in litigation, Tabzac elected to wait until the tract map could be completed.

Marketplace/Lynwood Town Center

During fiscal year 2000, the Agency entered into various agreements in relation to the Marketplace Expansion Project (Project). The Project involves a 35 acre site that factors different ownership of property into one development project. The intent of the Project is to incorporate the Lynwood Town Center with the existing Marketplace by a corridor of shopping spaces with a uniform architectural design and theme.

The Agency agreed to provide \$7.5 million to assist in the acquisition of properties and provide common architectural approach to the existing Lynwood Town Center. On August 24, 1999, the Agency signed an Owner Participation Agreement with 3100 E. Imperial Hwy, LLC in the consideration of \$2.3 million to assist in the acquisition of properties and rehabilitate the annexed building. In December 1999, the Agency provided \$2 million in the form of a rehabilitation loan to the developer for upgrade of the façade of the Lynwood Town Center. Per the loan agreement, this loan was to be forgiven upon completion of the project in February 2005. The Redevelopment Agency has deeded various parcels to the M & D Properties as part of its commitment to assist this project. This total assistance was approximately \$3.49 million. The Agency also funded a portion of the commitment using \$1.5 million of a Section 108 Loan.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 15 **Commitments and Contingencies (Continued)**

Lynwood Gateway/Atlantic Crossing

On July 18, 2000, the Redevelopment Agency executed a Disposition and Development Agreement (DDA) with Grae Ventures, LLC for the development of a commercial project at the corner of Atlantic Avenue and Imperial Highway. Under the agreement, the Agency provided a grant of \$1,300,000 to Grae Ventures, LLC for the purchase of parcels owned by a third party on April 18, 2001. The funding of \$1,300,000 was provided by Section 108 of the Community Development Block Grant Program. The Agency also transferred an agency owned parcel (Parcel 901) valued at \$325,000 to Grae Ventures, LLC for the development plan in April 2001. As of June 30, 2005, the Agency's contribution totaled \$1,625,000.

The Agency is committed to contribute an additional \$325,000 to Grae Ventures, LLC through a Tax Increment Loan Agreement (Loan Agreement) in the future. Under the Loan Agreement, the Agency agrees to pay \$325,000 together with simple interest on the unpaid balance thereof at the rate of 11% per annum over a 10-year period. According to the DDA, in the event that the relocation costs for tenants on the Parcel 901 transferred to Grae Ventures, LLC exceed \$50,000, the excess amount will be added to the principal amount of the Loan Agreement.

Note 16 **Commitments of Agency Tax Increment**

On June 21, 1983, the Agency entered into an agreement with the City of Lynwood for the acquisition and construction of certain water main improvements in the Alameda Project Area. Accordingly, the Agency will be indebted to reimburse the City of Lynwood up to \$185,900 relating to the improvements. The Agency has agreed to finance these water main improvements with tax increment money; however, no expenses have been incurred on this contract as of June 30, 2005.

Note 17 **Subsequent Event**

The City is undergoing an audit of its land held for resale to determine the properties held and their original cost.

The City has determined that several projects meet HUD's definition of a terminated project. Terminated projects are HOME assisted projects that are terminated before completion, either voluntarily or otherwise, constitute an ineligible activity, and any HOME funds invested in the project must be repaid to the participating jurisdiction's HOME Investment Partnerships Program Trust Fund. The City is required to repay the HOME funds in an amount of \$983,797. HUD will receive the funds and then make them available to the City to spend on eligible activities until June 30, 2006. In addition, HUD requires that interest be paid on funds that have been drawn from the Treasury from the date of draw down.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 18 Fund Equity and Net Assets Restatements and Prior Period Adjustments

Beginning fund equity has been restated as follows:

Governmental Activities - Net Assets:

Understatement of the accumulated depreciation in the amount of \$8,492.

The City reclassified the Self-insurance fund as an internal service fund in the current fiscal year which was reported as a fiduciary fund in the past. As a result, beginning fund equity was restated in the amount of \$(3,591,617).

Business-type Activities - Net Assets:

Understatement of the accumulated depreciation in the amount of \$128,609

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Park Replacement Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 385,513	\$ 385,513
Total revenues	<u> </u>	<u>385,513</u>	<u>385,513</u>
Other Financing Sources (Uses):			
Transfers out	<u>(35,935,037)</u>	<u>(663,018)</u>	<u>35,272,019</u>
Total other financing sources (uses)	<u>(35,935,037)</u>	<u>(663,018)</u>	<u>35,272,019</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(35,935,037)	(277,505)	35,657,532
Fund balance - July 1, 2004	<u>31,930,609</u>	<u>31,930,609</u>	<u> </u>
Fund balance - June 30, 2005	<u>\$ (4,004,428)</u>	<u>\$ 31,653,104</u>	<u>\$ 35,657,532</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Redevelopment Project Area "A"
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 113,000	\$ 11,455	\$ (101,545)
Other revenues	4,200	18,337	14,137
Total revenues	117,200	29,792	(87,408)
Expenditures:			
Current:			
Community development	1,592,191	1,182,373	409,818
Total expenditures	1,592,191	1,182,373	409,818
Excess of revenues over (under) expenditures	(1,474,991)	(1,152,581)	322,410
Other Financing Sources (Uses):			
Transfers in	1,176,866	941,330	(235,536)
Total other financing sources (uses)	1,176,866	941,330	(235,536)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(298,125)	(211,251)	86,874
Fund balance - July 1, 2004	1,538,279	1,538,279	
Fund balance - June 30, 2005	\$ 1,240,154	\$ 1,327,028	\$ 86,874

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Capital Improvement Projects Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Capital outlay	\$ 61,421,465	\$ 5,784,465	\$ 55,637,000
Total expenditures	<u>61,421,465</u>	<u>5,784,465</u>	<u>55,637,000</u>
Excess of revenues over (under) expenditures	<u>(61,421,465)</u>	<u>(5,784,465)</u>	<u>55,637,000</u>
Other Financing Sources (Uses):			
Transfers in	<u>58,440,693</u>	<u>6,264,270</u>	<u>(52,176,423)</u>
Total other financing sources (uses)	<u>58,440,693</u>	<u>6,264,270</u>	<u>(52,176,423)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,980,772)	479,805	3,460,577
Fund balance - July 1, 2004	<u>(584,387)</u>	<u>(584,387)</u>	
Fund balance - June 30, 2005	<u>\$ (3,565,159)</u>	<u>\$ (104,582)</u>	<u>\$ 3,460,577</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
2002 HUD Section 108 Loan Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 85,839	\$ 85,839
Total revenues	<u> </u>	<u>85,839</u>	<u>85,839</u>
Other Financing Sources (Uses):			
Transfers out	(343,927)	<u> </u>	<u>343,927</u>
Total other financing sources (uses)	<u>(343,927)</u>	<u> </u>	<u>343,927</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(343,927)	85,839	429,766
Fund balance - July 1, 2004	<u>5,555,099</u>	<u>5,555,099</u>	<u> </u>
Fund balance - June 30, 2005	<u>\$ 5,211,172</u>	<u>\$ 5,640,938</u>	<u>\$ 429,766</u>

CITY OF LYNWOOD

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenue (other than those for major capital projects) that are restricted legally to expenditures for particular purposes.

Traffic Safety Fund – Accounts for Gas Tax transfers and Street sweeping fees, which are used to cover cost of street and traffic signal maintenance.

Lighting Maintenance Fund – This is a special assessment fund whereby revenue is received from the County of Los Angeles for which an assessment has been charged against property owners' front footage. Monies in this fund are used to pay the cost of maintenance and operations of the citywide streetlights.

Gas Tax Fund – This fund accounts for Gas Tax revenue received from the State of California to cover costs of street maintenance and improvements.

Retirement Fund – Accounts for revenue received from property tax levy to cover retirement costs.

Sheriff Drug Seizure Fund – This fund accounts for revenue received from the Lynwood Sheriff Department's drug confiscations. These monies are used to fund various law enforcement and public safety programs.

Air Quality Improvement Fund - Accounts for AB 2766 revenues collected by State of California on motor vehicle license registration fees. Revenues are used solely for the purpose of reducing air pollution from mobile sources.

SB 821 Fund – Accounts for revenue received from the State for the development of bicycle and pedestrian facilities.

HUD Earthquake Recovery Fund – Accounts for revenue recovered from Housing and Urban Development to provide for financial assistance for earthquake related expenditures.

State Transportation Partnership Fund – Accounts for amounts due from the State for money advanced by the City for transportation costs.

Business Improvement District Fund – Accounts for special tax assessments imposed on businesses in the District to promote various activities within the District.

HUD 108 Loan Fund – This fund accounts for loan monies received from HUD to assist in funding the construction of new Community Center and street improvements.

CITY OF LYNWOOD

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Federal Aid Urban Fund - Accounts for amounts due to the City for monies advanced by the City to assist with urban aid.

Prop “A” & Prop “C” Funds – These funds are used to record the City’s portion of sales tax dedicated to transportation programs. These programs include the Dial-A-Taxi service for senior citizens and the handicapped, the trolley system, MTA bus fare discounts, and transit route projects/programs.

Landscape Maintenance Fund – This is a special assessment fund whereby revenue is received from the County of Los Angeles for which an assessment has been charged against property owners’ front footage. Monies in this fund are used to provide services such as tree maintenance, park maintenance, and capital improvements.

HUD Home Program Fund – This fund accounts for revenue received from Housing and Urban Development and the State of California to provide financial assistance for affordable housing programs.

Anti-Litter Grant Fund – To account for revenue received to assist the City in its litter clean-up efforts.

Technical Assistance Grant Fund – To account for amounts to assist with technological improvements within the City.

California Department of Forestry Fund – To account for amounts due from the State for money advanced to help the City in its landscaping efforts.

STP Fund – Accounts for revenue received from the Federal Government and administered by the State of California to assist the City in the cost of major street reconstruction projects.

Graffiti Prevention Grant Fund– This fund accounts for a grant award from the County of Los Angeles Safe Neighborhood and Parks Program. The funds are being used to create via landscaping a buffer zone to eliminate graffiti in City Parks.

Local Law Enforcement Block Grant Fund – This fund accounts for the federal grant funds received from the Department of Justice for the purpose of reducing crime and improving public safety.

State COPS Program Fund – This fund accounts for the California statewide sales and use tax allocated by the State for local public safety services.

CITY OF LYNWOOD

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

ISTEA Grant Fund– To account for amounts due to the City for monies advanced to assist in transportation improvement projects.

Beverage Recycling Grant Fund– This fund accounts for grants received from the State of California for the purpose of implementing a Beverage Container Recycling Program.

Urban Tree Planting Grant Fund – This fund accounts for the Urban Tree Planting Project funded by Proposition A. These funds were provided to the County of Los Angeles and other public agencies for the purpose of acquiring and/or developing facilities for public recreational facilities and open space.

L.A. County Park Maintenance Grant Fund – This fund accounts for grant funds allocated by the County of Los Angeles for park landscape and maintenance.

1999 Brownfield Grant Fund– This fund accounts for the Federal Environmental Protection Grant awarded for the purpose of characterizing and assessing environmental conditions at specific sites and developing site-specific remedial action plans for the City of Lynwood.

Dove Grant Fund – This fund accounts for the State of California Office of Criminal Justice Planning Grant awarded for the purpose of funding programs that prevent juvenile delinquency by focusing on at-risk youth.

AB2928/Traffic Congestion Relief Fund – This fund accounts for revenue received from the State of California to be used for street and highway pavement maintenance, rehabilitation, and reconstruction of necessary associated facilities such as drainage and traffic control devices.

Highways-Thru-Cities Fund – This fund accounts for the financial assistance received from Los Angeles County for the roadside rehabilitation project on Imperial Highway from Bullis Road to the Long Beach Freeway.

Used Oil Recycling Grant Fund – This fund accounts for grants received by the City of Lynwood from the California Integrated Waste Management Board to cover costs associated with local or regional used oil collection programs.

Brownfield Clean-up Grant Fund – This fund accounts for the Federal Environmental Protection assistance that provides for the capitalization of a revolving loan to be used to provide rescues for sites clean up under the BCRLF program.

CITY OF LYNWOOD
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Per Capital Grant 2000 Fund – This grant from the State of California can be utilized for the acquisition, development, improvement, rehabilitation, restoration, enhancement, and interpretation of local parks and recreational lands and facilities.

Safe School Route Fund – This fund accounts for federal funds which will be used in installing lighted crosswalks in the vicinity of various schools.

BEDI Grant Fund – Accounts for revenues from the Federal Government to assist the City in making its debt service payments on its HUD Section 108 \$7 million loan.

Dupont/Lead Safety Grant Fund – This fund accounts for funds received to assist in the elimination of lead based paint and materials.

State Homeland Security Grant Fund – This fund accounts for grants received from the State and Federal governments to provide assistance to the City in recognizing and preventing terrorist acts.

Lynwood Information Inc. Fund – To account for transactions of the public service corporation for the public access cable television and other media services for the City.

Redevelopment Low/Mod Housing Alameda Area Fund – This fund account for the housing bond proceeds and the 20% set-aside of tax increment revenues used for low and moderate-income housing projects.

CITY OF LYNWOOD
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources and payment of the City's long-term debt.

Tax Increment Area "A" Fund, Special Funds Area "A" Fund, and Alameda Area Fund – These funds account for tax increment revenues collected by the County of Los Angeles and remitted to the Agency. Monies in these funds are used to repay principal and interest on debt service and redevelopment capital project and administrative expenses.

Public Financing Authority Fund – To account for the proceeds of debt issued by the City and Agency, debt service payments, and administration for long-term debt.

City of Lynwood Fund – This fund accounts for a debt service reserve held by a trustee as well as payments on all interest and principal on outstanding debt incurred by the City of Lynwood.

CITY OF LYNWOOD

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for resources used for the acquisition and construction of capital facilities by the City, except those financed by Proprietary Funds.

Redeveloped Project Alameda Area Fund and Area “A” Taxable Bond Proceeds Fund – These funds account for loans and advances from the City of Lynwood, bond proceeds available for project improvements, interest income on invested funds, and certain miscellaneous income. The monies expended in this fund are primarily used for acquisition, administrative expenses, construction, and improvements to the project areas.

Capital Project Loan Fund – Accounts for loan proceeds which are used to rehabilitate City Hall facilities (i.e. City Hall, Bateman Hall Building, etc.).

Lighting and Landscaping Bond Proceeds Fund – This fund accounts for Assessment District Bond proceeds used for street lighting and landscape projects. The projects included Residential and Commercial Street Lighting Rehab, Security Lighting, Sidewalk Reconstruction, Streetscaping, and Tree Planting.

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Special Revenue Funds			
	Traffic Safety	Lighting Maintenance	Gas Tax	Retirement
Assets:				
Cash and investments	\$ -	\$ 34,442	\$ -	\$ 1,984,199
Restricted assets:				
Cash and investments				
Cash and investments with fiscal agents				
Receivables:				
Intergovernmental		16,300	121,821	41,183
Accounts				26,944
Interest		356		
Notes and loans				
Due from other funds				
Total assets	\$ -	\$ 51,098	\$ 121,821	\$ 2,052,326
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 48,166	\$ 25,367	\$ -	\$ -
Due to other funds	465,208		15,723	
Deferred revenues				
Advances payable				
Total liabilities	513,374	25,367	15,723	
Fund Balances:				
Reserved:				
Reserved for projects				
Reserved for housing				
Reserved for retirement				2,052,326
Reserved for debt service				
Reserved for encumbrances	147			
Unreserved:				
Undesignated	(513,521)	25,731	106,098	
Total fund balances	(513,374)	25,731	106,098	2,052,326
Total liabilities and fund balances	\$ -	\$ 51,098	\$ 121,821	\$ 2,052,326

Special Revenue Funds

Sheriff Drug Seizure	Air Quality Improvement	SB 821	HUD Earthquake Recovery Grant	State Transportation Partnership	Business Improvement District	HUD 108 Loan
\$ 120,756	\$ 117,835	\$ 2,724	\$ -	\$ -	\$ 182,467	\$ 149,517
			121			
456	417	11				
<u>\$ 121,212</u>	<u>\$ 118,252</u>	<u>\$ 2,735</u>	<u>\$ 121</u>	<u>\$ -</u>	<u>\$ 182,467</u>	<u>\$ 149,517</u>
\$ 240	\$ -	\$ -	\$ -	\$ - 2,692	\$ -	\$ -
<u>240</u>				<u>2,692</u>		
<u>120,972</u>	<u>118,252</u>	<u>2,735</u>	<u>121</u>	<u>(2,692)</u>	<u>182,467</u>	<u>149,517</u>
<u>120,972</u>	<u>118,252</u>	<u>2,735</u>	<u>121</u>	<u>(2,692)</u>	<u>182,467</u>	<u>149,517</u>
<u>\$ 121,212</u>	<u>\$ 118,252</u>	<u>\$ 2,735</u>	<u>\$ 121</u>	<u>\$ -</u>	<u>\$ 182,467</u>	<u>\$ 149,517</u>

(Continued)

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005
(Continued)

	Special Revenue Funds			
	Federal Aid Urban	Prop A	Landscape Maintenance	HUD Home Program
Assets:				
Cash and investments	\$ -	\$ 348,355	\$ -	\$ -
Restricted assets:				
Cash and investments				984,996
Cash and investments with fiscal agents				
Receivables:				
Intergovernmental Accounts			16,351	512,722
Interest		2,165		
Notes and loans				553,137
Due from other funds				
	<u>\$ -</u>	<u>\$ 350,520</u>	<u>\$ 16,351</u>	<u>\$ 2,050,855</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 20,823	\$ 211,213
Due to other funds			281,735	301,509
Deferred revenues				553,137
Advances payable				
			<u>302,558</u>	<u>1,065,859</u>
Fund Balances:				
Reserved:				
Reserved for projects				984,996
Reserved for housing				
Reserved for retirement				
Reserved for debt service				
Reserved for encumbrances				2,455
Unreserved:				
Undesignated		350,520	(286,207)	(2,455)
		<u>350,520</u>	<u>(286,207)</u>	<u>984,996</u>
Total fund balances				
	<u>\$ -</u>	<u>\$ 350,520</u>	<u>\$ 16,351</u>	<u>\$ 2,050,855</u>

Special Revenue Funds

Anti-Litter Grant	Technical Assistance Grant	California Department of Forestry	Prop C	STP Grant	Graffiti Prevention Grant	Local Law Enforcement Block Grant
\$ 3,175	\$ -	\$ -	\$ 1,707,583	\$ -	\$ 36,319	\$ 19,709
13			6,973		146	347
<u>\$ 3,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,714,556</u>	<u>\$ -</u>	<u>\$ 36,465</u>	<u>\$ 20,056</u>
\$ -	\$ -	\$ -	\$ -	\$ - 523,228	\$ -	\$ 19,217
				<u>523,228</u>		<u>19,217</u>
<u>3,188</u>			<u>1,714,556</u>	<u>(523,228)</u>	<u>36,465</u>	<u>839</u>
<u>3,188</u>			<u>1,714,556</u>	<u>(523,228)</u>	<u>36,465</u>	<u>839</u>
<u>\$ 3,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,714,556</u>	<u>\$ -</u>	<u>\$ 36,465</u>	<u>\$ 20,056</u>

(Continued)

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005
(Continued)

	Special Revenue Funds			
	State COPS Program	ISTEA Grant	Beverage Container Recycling Grant	Urban Tree Planting Grant
Assets:				
Cash and investments	\$ 97	\$ -	\$ 83,544	\$ 4,424
Restricted assets:				
Cash and investments				
Cash and investments with fiscal agents				
Receivables:				
Intergovernmental Accounts				
Interest	14		336	18
Notes and loans				
Due from other funds				
	<u>111</u>	<u>-</u>	<u>83,880</u>	<u>4,442</u>
Total assets	<u>\$ 111</u>	<u>\$ -</u>	<u>\$ 83,880</u>	<u>\$ 4,442</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds		304		
Deferred revenues				
Advances payable				
		<u>304</u>		
Total liabilities		<u>304</u>		
Fund Balances:				
Reserved:				
Reserved for projects				
Reserved for housing				
Reserved for retirement				
Reserved for debt service				
Reserved for encumbrances				
Unreserved:				
Undesignated	111	(304)	83,880	4,442
	<u>111</u>	<u>(304)</u>	<u>83,880</u>	<u>4,442</u>
Total fund balances	<u>111</u>	<u>(304)</u>	<u>83,880</u>	<u>4,442</u>
	<u>\$ 111</u>	<u>\$ -</u>	<u>\$ 83,880</u>	<u>\$ 4,442</u>
Total liabilities and fund balances	<u>\$ 111</u>	<u>\$ -</u>	<u>\$ 83,880</u>	<u>\$ 4,442</u>

Special Revenue Funds

LA County Park Maintenance Grant	1999 Brownfield Grant	DOVE Grant	AB 2928 Traffic Congestion Relief	Highway -Thru- Cities	Used Oil Recycling Grant	Brownfield Clean-up
\$ 252,313	\$ -	\$ -	\$ -	\$ 5,982	\$ 24,491	\$ -
1,015				24	99	
<u>\$ 253,328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,006</u>	<u>\$ 24,590</u>	<u>\$ -</u>
\$ -	\$ -	\$ - 151,286	\$ - 17,108	\$ -	\$ -	\$ - 2,827
		<u>151,286</u>	<u>17,108</u>			<u>2,827</u>
<u>253,328</u>		<u>(151,286)</u>	<u>(17,108)</u>	<u>6,006</u>	<u>24,590</u>	<u>(2,827)</u>
<u>253,328</u>		<u>(151,286)</u>	<u>(17,108)</u>	<u>6,006</u>	<u>24,590</u>	<u>(2,827)</u>
<u>\$ 253,328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,006</u>	<u>\$ 24,590</u>	<u>\$ -</u>

(Continued)

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005
(Continued)

	Special Revenue Funds			
	Per Capital Grant 2000	Safe School Route	BEDI Grant	DuPont Lead Safety Grant
Assets:				
Cash and investments	\$ -	\$ -	\$ -	\$ 101,946
Restricted assets:				
Cash and investments				
Cash and investments with fiscal agents				
Receivables:				
Intergovernmental				
Accounts				
Interest				410
Notes and loans				
Due from other funds				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,356</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	77,361	298,961		
Deferred revenues				
Advances payable				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>77,361</u>	<u>298,961</u>	<u> </u>	<u> </u>
Fund Balances:				
Reserved:				
Reserved for projects				
Reserved for housing				
Reserved for retirement				
Reserved for debt service				
Reserved for encumbrances				
Unreserved:				
Undesignated	<u>(77,361)</u>	<u>(298,961)</u>	<u> </u>	<u>102,356</u>
Total fund balances	<u>(77,361)</u>	<u>(298,961)</u>	<u> </u>	<u>102,356</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,356</u>

Special Revenue Funds			Debt Service Funds			
State Homeland Security Grant	Lynwood Information Inc.	Redevelopment Low/Mod Housing Alameda Area	Tax Increment Area "A"	Tax Increment Alameda Area	Special Funds Area "A" Alameda	Public Financing Authority
\$ -	\$ 205,737	\$ 1,174,921	\$ 1,476,552	\$ 605,235	\$ -	\$ -
					1,148,354	
		1,891	177,560 6,917	226,451 2,927 134,475 14,876		
<u>\$ -</u>	<u>\$ 205,737</u>	<u>\$ 1,176,812</u>	<u>\$ 1,661,029</u>	<u>\$ 983,964</u>	<u>\$ 1,148,354</u>	<u>\$ -</u>
\$ - 2,244	\$ 29,700	\$ 102,299	\$ - 14,876	\$ - 134,475	\$ -	\$ -
			1,218,720			
<u>2,244</u>	<u>29,700</u>	<u>102,299</u>	<u>1,233,596</u>	<u>134,475</u>		
		1,074,513	427,433	849,489	1,148,354	
<u>(2,244)</u>	<u>176,037</u>					
<u>(2,244)</u>	<u>176,037</u>	<u>1,074,513</u>	<u>427,433</u>	<u>849,489</u>	<u>1,148,354</u>	
<u>\$ -</u>	<u>\$ 205,737</u>	<u>\$ 1,176,812</u>	<u>\$ 1,661,029</u>	<u>\$ 983,964</u>	<u>\$ 1,148,354</u>	<u>\$ -</u>

(Continued)

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005
(Continued)

	Debt	Capital Projects Funds		
	Service Funds	Redevelopment Project Alameda Area	Redevelopment Project Area "A Taxable Bond Proceeds	Capital Project Loan
	City of Lynwood			
Assets:				
Cash and investments	\$ -	\$ 227,866	\$ 743,916	\$ -
Restricted assets:				
Cash and investments				
Cash and investments with fiscal agents	3,330,666			993,802
Receivables:				
Intergovernmental Accounts Interest			19	
Notes and loans			2,000,000	
Due from other funds				
Total assets	<u>\$ 3,330,666</u>	<u>\$ 227,866</u>	<u>\$ 2,743,935</u>	<u>\$ 993,802</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 227,866	\$ -	\$ -
Due to other funds				177,016
Deferred revenues			2,000,000	
Advances payable				
Total liabilities		<u>227,866</u>	<u>2,000,000</u>	<u>177,016</u>
Fund Balances:				
Reserved:				
Reserved for projects			743,935	816,786
Reserved for housing				
Reserved for retirement				
Reserved for debt service	3,330,666			
Reserved for encumbrances		2,292		
Unreserved:				
Undesignated		(2,292)		
Total fund balances	<u>3,330,666</u>		<u>743,935</u>	<u>816,786</u>
Total liabilities and fund balances	<u>\$ 3,330,666</u>	<u>\$ 227,866</u>	<u>\$ 2,743,935</u>	<u>\$ 993,802</u>

<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Lighting and Landscaping Bond Proceeds	
\$ -	\$ 9,614,105
	984,996
	5,472,822
	708,498
5,441	436,396
	24,554
	2,687,612
	14,876
<u>\$ 5,441</u>	<u>\$ 19,943,859</u>
\$ -	\$ 684,891
	2,332,078
	2,687,612
	1,218,720
	<u>6,923,301</u>
5,441	2,551,158
	1,074,513
	2,052,326
	5,755,942
	4,894
	<u>1,581,725</u>
<u>5,441</u>	<u>13,020,558</u>
<u>\$ 5,441</u>	<u>\$ 19,943,859</u>

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005

	<u>Special Revenue Funds</u>			
	<u>Traffic Safety</u>	<u>Lighting Maintenance</u>	<u>Gas Tax</u>	<u>Retirement</u>
Revenues:				
Taxes	\$ -	\$ 1,033,634	\$ -	\$ 2,048,813
Fines and forfeits				
Use of money and property		662	408	
Intergovernmental			1,335,672	
Charges for services	<u>217,255</u>			
Total revenues	<u>217,255</u>	<u>1,034,296</u>	<u>1,336,080</u>	<u>2,048,813</u>
Expenditures:				
Current:				
General government				918,203
Public safety	1,918,924			
Public works		783,001		
Community development				
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures	<u>1,918,924</u>	<u>783,001</u>		<u>918,203</u>
Excess of revenues over (under) expenditures	<u>(1,701,669)</u>	<u>251,295</u>	<u>1,336,080</u>	<u>1,130,610</u>
Other Financing Sources (Uses):				
Transfers in	1,657,765			
Transfers out		(294,829)	(1,352,358)	(1,822,215)
Total other financing sources (uses)	<u>1,657,765</u>	<u>(294,829)</u>	<u>(1,352,358)</u>	<u>(1,822,215)</u>
Net change in fund balances	(43,904)	(43,534)	(16,278)	(691,605)
Fund balances, beginning of fiscal year	<u>(469,470)</u>	<u>69,265</u>	<u>122,376</u>	<u>2,743,931</u>
Fund balances, end of fiscal year	<u>\$ (513,374)</u>	<u>\$ 25,731</u>	<u>\$ 106,098</u>	<u>\$ 2,052,326</u>

Special Revenue Funds

Sheriff Drug Seizure	Air Quality Improvement	SB 821	HUD Earthquake Recovery Grant	State Transportation Partnership	Business Improvement District	HUD 108 Loan
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,651	\$ -
62,844						
1,639	1,550	52				2,688
	63,837					
<u>64,483</u>	<u>65,387</u>	<u>52</u>			<u>128,651</u>	<u>2,688</u>
19,214						
					35,625	
<u>19,214</u>					<u>35,625</u>	
<u>45,269</u>	<u>65,387</u>	<u>52</u>			<u>93,026</u>	<u>2,688</u>
	(72,500)	(4,263)	121			
	(72,500)	(4,263)	121			
45,269	(7,113)	(4,211)	121		93,026	2,688
<u>75,703</u>	<u>125,365</u>	<u>6,946</u>		<u>(2,692)</u>	<u>89,441</u>	<u>146,829</u>
<u>\$ 120,972</u>	<u>\$ 118,252</u>	<u>\$ 2,735</u>	<u>\$ 121</u>	<u>\$ (2,692)</u>	<u>\$ 182,467</u>	<u>\$ 149,517</u>

(Continued)

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005
(Continued)

	<u>Special Revenue Funds</u>			
	<u>Federal Aid Urban</u>	<u>Prop A</u>	<u>Landscape Maintenance</u>	<u>HUD Home Program</u>
Revenues:				
Taxes	\$ -	\$ 1,076,336	\$ 1,069,398	\$ -
Fines and forfeits				
Use of money and property		10,498		
Intergovernmental				959,260
Charges for services				
Total revenues		<u>1,086,834</u>	<u>1,069,398</u>	<u>959,260</u>
Expenditures:				
Current:				
General government				
Public safety				
Public works			809,573	
Community development				497,008
Capital outlay			8,938	179,500
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures			<u>818,511</u>	<u>676,508</u>
Excess of revenues over (under) expenditures		<u>1,086,834</u>	<u>250,887</u>	<u>282,752</u>
Other Financing Sources (Uses):				
Transfers in	5,646			
Transfers out		(1,082,920)	(237,983)	
Total other financing sources (uses)	<u>5,646</u>	<u>(1,082,920)</u>	<u>(237,983)</u>	
Net change in fund balances	5,646	3,914	12,904	282,752
Fund balances, beginning of fiscal year	<u>(5,646)</u>	<u>346,606</u>	<u>(299,111)</u>	<u>702,244</u>
Fund balances, end of fiscal year	<u>\$ -</u>	<u>\$ 350,520</u>	<u>\$ (286,207)</u>	<u>\$ 984,996</u>

Special Revenue Funds

Anti-Litter Grant	Technical Assistance Grant	California Department of Forestry	Prop C	STP Grant	Graffiti Prevention Grant	Local Law Enforcement Block Grant
\$ -	\$ -	\$ -	\$ 877,742	\$ -	\$ -	\$ -
49			28,972	563,351	561	1,165 73,749
49			906,714	563,351	561	74,914
						76,949
						76,949
49			906,714	563,351	561	(2,035)
	6,052	11,307	(1,048,431)	(189,145)		
	6,052	11,307	(1,048,431)	(189,145)		
49	6,052	11,307	(141,717)	374,206	561	(2,035)
3,139	(6,052)	(11,307)	1,856,273	(897,434)	35,904	2,874
<u>\$ 3,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,714,556</u>	<u>\$ (523,228)</u>	<u>\$ 36,465</u>	<u>\$ 839</u>

(Continued)

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005
(Continued)

	<u>Special Revenue Funds</u>			
	<u>State COPS Program</u>	<u>ISTEA Grant</u>	<u>Beverage Container Recycling Grant</u>	<u>Urban Tree Planting Grant</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeits				
Use of money and property	620		1,290	69
Intergovernmental	107,183		20,149	
Charges for services				
Total revenues	<u>107,803</u>		<u>21,439</u>	<u>69</u>
Expenditures:				
Current:				
General government				
Public safety	107,787			
Public works				
Community development				
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures	<u>107,787</u>			
Excess of revenues over (under) expenditures	<u>16</u>		<u>21,439</u>	<u>69</u>
Other Financing Sources (Uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances	16		21,439	69
Fund balances, beginning of fiscal year	<u>95</u>	<u>(304)</u>	<u>62,441</u>	<u>4,373</u>
Fund balances, end of fiscal year	<u>\$ 111</u>	<u>\$ (304)</u>	<u>\$ 83,880</u>	<u>\$ 4,442</u>

Special Revenue Funds

LA County Park Maintenance Grant	1999 Brownfield Grant	DOVE Grant	AB 2928 Traffic Congestion Relief	Highway -Thru- Cities	Used Oil Recycling Grant	Brownfield Clean-up
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,573			478	92	350	
280,290	8,207				22,049	690
<u>283,863</u>	<u>8,207</u>		<u>478</u>	<u>92</u>	<u>22,399</u>	<u>690</u>
		(2,053)				
		<u>(2,053)</u>				
<u>283,863</u>	<u>8,207</u>	<u>2,053</u>	<u>478</u>	<u>92</u>	<u>22,399</u>	<u>690</u>
<u>(1,263)</u>	<u>(3,003)</u>		<u>(109,425)</u>			<u>(2,827)</u>
<u>(1,263)</u>	<u>(3,003)</u>		<u>(109,425)</u>			<u>(2,827)</u>
282,600	5,204	2,053	(108,947)	92	22,399	(2,137)
<u>(29,272)</u>	<u>(5,204)</u>	<u>(153,339)</u>	<u>91,839</u>	<u>5,914</u>	<u>2,191</u>	<u>(690)</u>
<u>\$ 253,328</u>	<u>\$ -</u>	<u>\$ (151,286)</u>	<u>\$ (17,108)</u>	<u>\$ 6,006</u>	<u>\$ 24,590</u>	<u>\$ (2,827)</u>

(Continued)

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005
(Continued)

	<u>Special Revenue Funds</u>			
	<u>Per Capital Grant 2000</u>	<u>Safe School Route</u>	<u>BEDI Grant</u>	<u>DuPont Lead Safety Grant</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeits				
Use of money and property				1,574
Intergovernmental			341,825	
Charges for services				
Total revenues			<u>341,825</u>	<u>1,574</u>
Expenditures:				
Current:				
General government				
Public safety				
Public works				
Community development				
Capital outlay				
Debt service:				
Principal			225,000	
Interest and fiscal charges			116,825	
Total expenditures			<u>341,825</u>	
Excess of revenues over (under) expenditures				<u>1,574</u>
Other Financing Sources (Uses):				
Transfers in				
Transfers out		(298,247)		
Total other financing sources (uses)		<u>(298,247)</u>		
Net change in fund balances		(298,247)		1,574
Fund balances, beginning of fiscal year	(77,361)	(714)		100,782
Fund balances, end of fiscal year	<u>\$ (77,361)</u>	<u>\$ (298,961)</u>	<u>\$ -</u>	<u>\$ 102,356</u>

Special Revenue Funds			Debt Service Funds			
State Homeland Security Grant	Lynwood Information Inc.	Redevelopment Low/Mod Housing Alameda Area	Tax Increment Area "A"	Tax Increment Alameda Area	Special Fund Area "A" Alameda	Public Financing Authority
\$ -	\$ -	\$ -	\$ 3,093,318	\$ 978,596	\$ -	\$ -
11,828	2,364 190,425	15,030	62,544	17,977	15,803	
11,828	192,789	15,030	3,155,862	996,573	15,803	
2,750						60,831
3,954	145,075	165,251	135			
		11,400 27,593	180,400 792,869	18,600 45,020	13,837	
6,704	145,075	204,244	973,404	63,620	13,837	60,831
5,124	47,714	(189,214)	2,182,458	932,953	1,966	(60,831)
		195,719	(1,559,994)	(690,964)		60,831
		195,719	(1,559,994)	(690,964)		60,831
5,124	47,714	6,505	622,464	241,989	1,966	
(7,368)	128,323	1,068,008	(195,031)	607,500	1,146,388	
\$ (2,244)	\$ 176,037	\$ 1,074,513	\$ 427,433	\$ 849,489	\$ 1,148,354	\$ -

(Continued)

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005
(Continued)

	Debt	Capital Projects Funds		
	Service Funds	Redevelopment Project	Redevelopment Project Area "A Taxable Bond Proceeds	Capital Project Loan
	City of Lynwood	Alameda Area		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeits				
Use of money and property	59,217		2,016,466	
Intergovernmental				
Charges for services				
Total revenues	<u>59,217</u>		<u>2,016,466</u>	
Expenditures:				
Current:				
General government				
Public safety				
Public works				
Community development		494,576	2,000,000	
Capital outlay		669		
Debt service:				
Principal	647,553			
Interest and fiscal charges	639,537			
Total expenditures	<u>1,287,090</u>	<u>495,245</u>	<u>2,000,000</u>	
Excess of revenues over (under) expenditures	<u>(1,227,873)</u>	<u>(495,245)</u>	<u>16,466</u>	
Other Financing Sources (Uses):				
Transfers in	1,281,029	495,245		
Transfers out				(31,599)
Total other financing sources (uses)	<u>1,281,029</u>	<u>495,245</u>		<u>(31,599)</u>
Net change in fund balances	53,156		16,466	(31,599)
Fund balances, beginning of fiscal year	<u>3,277,510</u>		<u>727,469</u>	<u>848,385</u>
Fund balances, end of fiscal year	<u>\$ 3,330,666</u>	<u>\$ -</u>	<u>\$ 743,935</u>	<u>\$ 816,786</u>

Capital	
<u>Projects Funds</u>	
Lighting and Landscaping Bond Proceeds	Total Nonmajor Governmental Funds
\$ -	\$ 10,306,488
	62,844
	2,245,691
	3,978,515
	217,255
	<u>16,810,793</u>
	979,034
	2,125,624
	1,592,574
	3,335,617
	193,061
	1,082,953
	<u>1,635,681</u>
	<u>10,944,544</u>
	<u>5,866,249</u>
	3,713,715
	<u>(8,801,966)</u>
	<u>(5,088,251)</u>
	777,998
5,441	<u>12,242,560</u>
<u>\$ 5,441</u>	<u>\$ 13,020,558</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Traffic Safety Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for services	\$ 215,000	\$ 217,255	\$ 2,255
Total revenues	<u>215,000</u>	<u>217,255</u>	<u>2,255</u>
Expenditures:			
Current:			
Public safety	1,836,977	1,918,924	(81,947)
Capital outlay	<u>1,500</u>	<u></u>	<u>1,500</u>
Total expenditures	<u>1,838,477</u>	<u>1,918,924</u>	<u>(80,447)</u>
Excess of revenues over (under) expenditures	<u>(1,623,477)</u>	<u>(1,701,669)</u>	<u>(78,192)</u>
Other Financing Sources (Uses):			
Transfers in	<u>1,913,250</u>	<u>1,657,765</u>	<u>(255,485)</u>
Total other financing sources (uses)	<u>1,913,250</u>	<u>1,657,765</u>	<u>(255,485)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	289,773	(43,904)	(333,677)
Fund balance - July 1, 2004	<u>(469,470)</u>	<u>(469,470)</u>	<u></u>
Fund balance - June 30, 2005	<u>\$ (179,697)</u>	<u>\$ (513,374)</u>	<u>\$ (333,677)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Lighting Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,079,550	\$ 1,033,634	\$ (45,916)
Use of money and property		662	662
Total revenues	<u>1,079,550</u>	<u>1,034,296</u>	<u>(45,254)</u>
Expenditures:			
Current:			
Public works	<u>793,499</u>	<u>783,001</u>	<u>10,498</u>
Total expenditures	<u>793,499</u>	<u>783,001</u>	<u>10,498</u>
Excess of revenues over (under) expenditures	<u>286,051</u>	<u>251,295</u>	<u>(34,756)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(296,600)</u>	<u>(294,829)</u>	<u>1,771</u>
Total other financing sources (uses)	<u>(296,600)</u>	<u>(294,829)</u>	<u>1,771</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(10,549)	(43,534)	(32,985)
Fund balance - July 1, 2004	<u>69,265</u>	<u>69,265</u>	
Fund balance - June 30, 2005	<u>\$ 58,716</u>	<u>\$ 25,731</u>	<u>\$ (32,985)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 6,000	\$ 408	\$ (5,592)
Intergovernmental	<u>1,407,300</u>	<u>1,335,672</u>	<u>(71,628)</u>
Total revenues	<u>1,413,300</u>	<u>1,336,080</u>	<u>(77,220)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(1,454,540)</u>	<u>(1,352,358)</u>	<u>102,182</u>
Total other financing sources (uses)	<u>(1,454,540)</u>	<u>(1,352,358)</u>	<u>102,182</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(41,240)	(16,278)	24,962
Fund balance - July 1, 2004	<u>122,376</u>	<u>122,376</u>	
Fund balance - June 30, 2005	<u><u>\$ 81,136</u></u>	<u><u>\$ 106,098</u></u>	<u><u>\$ 24,962</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Retirement Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,843,350	\$ 2,048,813	\$ 205,463
Total revenues	<u>1,843,350</u>	<u>2,048,813</u>	<u>205,463</u>
Expenditures:			
Current:			
General government	<u>899,000</u>	<u>918,203</u>	<u>(19,203)</u>
Total expenditures	<u>899,000</u>	<u>918,203</u>	<u>(19,203)</u>
Excess of revenues over (under) expenditures	<u>944,350</u>	<u>1,130,610</u>	<u>186,260</u>
Other Financing Sources (Uses):			
Transfers out	<u>(1,434,050)</u>	<u>(1,822,215)</u>	<u>(388,165)</u>
Total other financing sources (uses)	<u>(1,434,050)</u>	<u>(1,822,215)</u>	<u>(388,165)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(489,700)	(691,605)	(201,905)
Fund balance - July 1, 2004	<u>2,743,931</u>	<u>2,743,931</u>	
Fund balance - June 30, 2005	<u>\$ 2,254,231</u>	<u>\$ 2,052,326</u>	<u>\$ (201,905)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Sheriff Drug Seizure Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Fines and forfeits	\$ 8,000	\$ 62,844	\$ 54,844
Use of money and property	1,100	1,639	539
Total revenues	<u>9,100</u>	<u>64,483</u>	<u>55,383</u>
Expenditures:			
Current:			
Public safety	31,144	19,214	11,930
Total expenditures	<u>31,144</u>	<u>19,214</u>	<u>11,930</u>
Excess of revenues over (under) expenditures	(22,044)	45,269	67,313
Fund balance - July 1, 2004	<u>75,703</u>	<u>75,703</u>	
Fund balance - June 30, 2005	<u>\$ 53,659</u>	<u>\$ 120,972</u>	<u>\$ 67,313</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Air Quality Improvement Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 1,500	\$ 1,550	\$ 50
Intergovernmental	71,000	63,837	(7,163)
Total revenues	<u>72,500</u>	<u>65,387</u>	<u>(7,113)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(72,500)</u>	<u>(72,500)</u>	
Total other financing sources (uses)	<u>(72,500)</u>	<u>(72,500)</u>	
Excess of revenues and other financing sources over (under) expenditures and other financing uses		(7,113)	(7,113)
Fund balance - July 1, 2004	<u>125,365</u>	<u>125,365</u>	
Fund balance - June 30, 2005	<u><u>\$ 125,365</u></u>	<u><u>\$ 118,252</u></u>	<u><u>\$ (7,113)</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
SB821 Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 200	\$ 52	\$ (148)
Intergovernmental	39,121		(39,121)
Total revenues	<u>39,321</u>	<u>52</u>	<u>(39,269)</u>
Other Financing Sources (Uses):			
Transfers out	(46,164)	(4,263)	41,901
Total other financing sources (uses)	<u>(46,164)</u>	<u>(4,263)</u>	<u>41,901</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(6,843)	(4,211)	2,632
Fund balance - July 1, 2004	<u>6,946</u>	<u>6,946</u>	
Fund balance - June 30, 2005	<u>\$ 103</u>	<u>\$ 2,735</u>	<u>\$ 2,632</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
HUD Earthquake Recovery Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):			
Transfers in	\$ 121	\$ 121	\$ -
Total other financing sources (uses)	<u>121</u>	<u>121</u>	
Excess of revenues and other financing sources over (under) expenditures and other financing uses	121	121	
Fund balance - July 1, 2004	<u> </u>	<u> </u>	<u> </u>
Fund balance - June 30, 2005	<u>\$ 121</u>	<u>\$ 121</u>	<u>\$ -</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
State Transportation Partnership Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):			
Transfer out	\$ (384,388)	\$ -	\$ 384,388
Total other financing sources (uses)	<u>(384,388)</u>		<u>384,388</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(384,388)		384,388
Fund balance - July 1, 2004	<u>(2,692)</u>	<u>(2,692)</u>	
Fund balance - June 30, 2005	<u>\$ (387,080)</u>	<u>\$ (2,692)</u>	<u>\$ 384,388</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Business Improvement District Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 121,800	\$ 128,651	\$ 6,851
Total revenues	<u>121,800</u>	<u>128,651</u>	<u>6,851</u>
Expenditures:			
Current:			
Community development	<u>45,810</u>	<u>35,625</u>	<u>10,185</u>
Total expenditures	<u>45,810</u>	<u>35,625</u>	<u>10,185</u>
Excess of revenues over (under) expenditures	75,990	93,026	17,036
Fund balance - July 1, 2004	<u>89,441</u>	<u>89,441</u>	
Fund balance - June 30, 2005	<u><u>\$ 165,431</u></u>	<u><u>\$ 182,467</u></u>	<u><u>\$ 17,036</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
HUD 108 Loan Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 1,500	\$ 2,688	\$ 1,188
Total revenues	<u>1,500</u>	<u>2,688</u>	<u>1,188</u>
Excess of revenues over (under) expenditures	1,500	2,688	1,188
Fund balance - July 1, 2004	<u>146,829</u>	<u>146,829</u>	
Fund balance - June 30, 2005	<u>\$ 148,329</u>	<u>\$ 149,517</u>	<u>\$ 1,188</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Federal Aid Urban Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):			
Transfers in	\$ 5,647	\$ 5,646	\$ (1)
Total other financing sources (uses)	<u>5,647</u>	<u>5,646</u>	<u>(1)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	5,647	5,646	(1)
Fund balance - July 1, 2004	<u>(5,646)</u>	<u>(5,646)</u>	
Fund balance - June 30, 2005	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Prop A Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 795,850	\$ 1,076,336	\$ 280,486
Use of money and property	1,500	10,498	8,998
Total revenues	<u>797,350</u>	<u>1,086,834</u>	<u>289,484</u>
Excess of revenues over (under) expenditures	<u>797,350</u>	<u>1,086,834</u>	<u>289,484</u>
Other Financing Sources (Uses):			
Transfers out	<u>(870,484)</u>	<u>(1,082,920)</u>	<u>(212,436)</u>
Total other financing sources (uses)	<u>(870,484)</u>	<u>(1,082,920)</u>	<u>(212,436)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(73,134)	3,914	77,048
Fund balance - July 1, 2004	<u>346,606</u>	<u>346,606</u>	
Fund balance - June 30, 2005	<u>\$ 273,472</u>	<u>\$ 350,520</u>	<u>\$ 77,048</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Landscape Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,117,850	\$ 1,069,398	\$ (48,452)
Total revenues	<u>1,117,850</u>	<u>1,069,398</u>	<u>(48,452)</u>
Expenditures:			
Current:			
Public works	796,513	809,573	(13,060)
Capital outlay	11,100	8,938	2,162
Total expenditures	<u>807,613</u>	<u>818,511</u>	<u>(10,898)</u>
Excess of revenues over (under) expenditures	<u>310,237</u>	<u>250,887</u>	<u>(59,350)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(272,800)</u>	<u>(237,983)</u>	<u>34,817</u>
Total other financing sources (uses)	<u>(272,800)</u>	<u>(237,983)</u>	<u>34,817</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	37,437	12,904	(24,533)
Fund balance - July 1, 2004	<u>(299,111)</u>	<u>(299,111)</u>	
Fund balance - June 30, 2005	<u>\$ (261,674)</u>	<u>\$ (286,207)</u>	<u>\$ (24,533)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
HUD Home Program Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 700,000	\$ 959,260	\$ 259,260
Total revenues	<u>700,000</u>	<u>959,260</u>	<u>259,260</u>
Expenditures:			
Current:			
Community development	918,233	497,008	421,225
Capital outlay	<u>261,550</u>	<u>179,500</u>	<u>82,050</u>
Total expenditures	<u>1,179,783</u>	<u>676,508</u>	<u>503,275</u>
Excess of revenues over (under) expenditures	(479,783)	282,752	762,535
Fund balance - July 1, 2004	<u>702,244</u>	<u>702,244</u>	
Fund balance - June 30, 2005	<u>\$ 222,461</u>	<u>\$ 984,996</u>	<u>\$ 762,535</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Anti-Litter Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 50	\$ 49	\$ (1)
Total revenues	<u>50</u>	<u>49</u>	<u>(1)</u>
Excess of revenues over (under) expenditures	50	49	(1)
Fund balance - July 1, 2004	<u>3,139</u>	<u>3,139</u>	
Fund balance - June 30, 2005	<u>\$ 3,189</u>	<u>\$ 3,188</u>	<u>\$ (1)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Technical Assistance Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):			
Transfers in	\$ 6,053	\$ 6,052	\$ (1)
Total other financing sources (uses)	<u>6,053</u>	<u>6,052</u>	<u>(1)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	6,053	6,052	(1)
Fund balance - July 1, 2004	<u>(6,052)</u>	<u>(6,052)</u>	
Fund balance - June 30, 2005	<u><u>\$ 1</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1)</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
California Department of Forestry Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):			
Transfers in	\$ 11,306	\$ 11,307	\$ 1
Total other financing sources (uses)	<u>11,306</u>	<u>11,307</u>	<u>1</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	11,306	11,307	1
Fund balance - July 1, 2004	<u>(11,307)</u>	<u>(11,307)</u>	
Fund balance - June 30, 2005	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 1</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Prop C Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 906,250	\$ 877,742	\$ (28,508)
Use of money and property	<u>2,850</u>	<u>28,972</u>	<u>26,122</u>
Total revenues	<u>909,100</u>	<u>906,714</u>	<u>(2,386)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(3,035,724)</u>	<u>(1,048,431)</u>	<u>1,987,293</u>
Total other financing sources (uses)	<u>(3,035,724)</u>	<u>(1,048,431)</u>	<u>1,987,293</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,126,624)	(141,717)	1,984,907
Fund balance - July 1, 2004	<u>1,856,273</u>	<u>1,856,273</u>	
Fund balance - June 30, 2005	<u>\$ (270,351)</u>	<u>\$ 1,714,556</u>	<u>\$ 1,984,907</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
STP Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ -	\$ 563,351	\$ 563,351
Total revenues	<u> </u>	<u>563,351</u>	<u>563,351</u>
Other Financing Sources (Uses):			
Transfers out	(859,566)	(189,145)	670,421
Total other financing sources (uses)	<u>(859,566)</u>	<u>(189,145)</u>	<u>670,421</u>
Excess of revenues and other sources over (under) expenditures	(859,566)	374,206	1,233,772
Fund balance - July 1, 2004	<u>(897,434)</u>	<u>(897,434)</u>	<u> </u>
Fund balance - June 30, 2005	<u><u>\$ (1,757,000)</u></u>	<u><u>\$ (523,228)</u></u>	<u><u>\$ 1,233,772</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Graffiti Prevention Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 561	\$ 561
Total revenues		561	561
Excess of revenues over (under) expenditures		561	561
Fund balance - July 1, 2004	35,904	35,904	
Fund balance - June 30, 2005	<u>\$ 35,904</u>	<u>\$ 36,465</u>	<u>\$ 561</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Local Law Enforcement Block Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 368	\$ 1,165	\$ 797
Intergovernmental	<u>73,749</u>	<u>73,749</u>	
Total revenues	<u>74,117</u>	<u>74,914</u>	<u>797</u>
Expenditures:			
Current:			
Public safety	<u>76,949</u>	<u>76,949</u>	
Total expenditures	<u>76,949</u>	<u>76,949</u>	
Excess of revenues over (under) expenditures	(2,832)	(2,035)	797
Fund balance - July 1, 2004	<u>2,874</u>	<u>2,874</u>	
Fund balance - June 30, 2005	<u>\$ 42</u>	<u>\$ 839</u>	<u>\$ 797</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
State COPS Program Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 535	\$ 620	\$ 85
Intergovernmental	<u>107,000</u>	<u>107,183</u>	<u>183</u>
Total revenues	<u>107,535</u>	<u>107,803</u>	<u>268</u>
Expenditures:			
Current:			
Public safety	<u>107,813</u>	<u>107,787</u>	<u>26</u>
Total expenditures	<u>107,813</u>	<u>107,787</u>	<u>26</u>
Excess of revenues over (under) expenditures	(278)	16	294
Fund balance - July 1, 2004	<u>95</u>	<u>95</u>	
Fund balance - June 30, 2005	<u>\$ (183)</u>	<u>\$ 111</u>	<u>\$ 294</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Beverage Container Recycling Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 1,290	\$ 1,290
Intergovernmental		<u>20,149</u>	<u>20,149</u>
Total revenues		<u>21,439</u>	<u>21,439</u>
Excess of revenues over (under) expenditures		21,439	21,439
Fund balance - July 1, 2004	<u>62,441</u>	<u>62,441</u>	
Fund balance - June 30, 2005	<u>\$ 62,441</u>	<u>\$ 83,880</u>	<u>\$ 21,439</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Urban Tree Planting Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 69	\$ 69
Total revenues	<u> </u>	<u>69</u>	<u>69</u>
Other Financing Sources (Uses):			
Transfers out	<u>(21,209)</u>	<u> </u>	<u>21,209</u>
Total other financing sources (uses)	<u>(21,209)</u>	<u> </u>	<u>21,209</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(21,209)	69	21,278
Fund balance - July 1, 2004	<u>4,373</u>	<u>4,373</u>	<u> </u>
Fund balance - June 30, 2005	<u>\$ (16,836)</u>	<u>\$ 4,442</u>	<u>\$ 21,278</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
LA County Park Maintenance Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 300	\$ 3,573	\$ 3,273
Intergovernmental		280,290	280,290
	<u>300</u>	<u>283,863</u>	<u>283,563</u>
Other Financing Sources (Uses):			
Transfers out	(50,521)	(1,263)	49,258
	<u>(50,521)</u>	<u>(1,263)</u>	<u>49,258</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(50,221)	282,600	332,821
Fund balance - July 1, 2004	<u>(29,272)</u>	<u>(29,272)</u>	
Fund balance - June 30, 2005	<u>\$ (79,493)</u>	<u>\$ 253,328</u>	<u>\$ 332,821</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
1999 Brownfield Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ -	\$ 8,207	\$ 8,207
Total revenues	<u> </u>	<u>8,207</u>	<u>8,207</u>
Other Financing Sources (Uses):			
Transfers out	<u>(2,578)</u>	<u>(3,003)</u>	<u>(425)</u>
Total other financing sources (uses)	<u>(2,578)</u>	<u>(3,003)</u>	<u>(425)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,578)	5,204	7,782
Fund balance - July 1, 2004	<u>(5,204)</u>	<u>(5,204)</u>	<u> </u>
Fund balance - June 30, 2005	<u><u>\$ (7,782)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,782</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
DOVE Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Current:			
Community development	\$ -	\$ (2,053)	\$ 2,053
Total expenditures	<u> </u>	<u>(2,053)</u>	<u>2,053</u>
Excess of revenues over (under) expenditures		2,053	2,053
Fund balance - July 1, 2004	<u>(153,339)</u>	<u>(153,339)</u>	<u> </u>
Fund balance - June 30, 2005	<u>\$ (153,339)</u>	<u>\$ (151,286)</u>	<u>\$ 2,053</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
AB 2928 Traffic Congestion Relief Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 1,000	\$ 478	\$ (522)
Total revenues	<u>1,000</u>	<u>478</u>	<u>(522)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(109,425)</u>	<u>(109,425)</u>	
Total other financing sources (uses)	<u>(109,425)</u>	<u>(109,425)</u>	
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(108,425)	(108,947)	(522)
Fund balance - July 1, 2004	<u>91,839</u>	<u>91,839</u>	
Fund balance - June 30, 2005	<u>\$ (16,586)</u>	<u>\$ (17,108)</u>	<u>\$ (522)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Highway-thru-Cities Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 92	\$ 92
Total revenues	<u> </u>	<u>92</u>	<u>92</u>
Excess of revenues over (under) expenditures		92	92
Fund balance - July 1, 2004	<u>5,914</u>	<u>5,914</u>	<u> </u>
Fund balance - June 30, 2005	<u>\$ 5,914</u>	<u>\$ 6,006</u>	<u>\$ 92</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Used Oil Recycling Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 350	\$ 350
Intergovernmental		22,049	22,049
Total revenues		22,399	22,399
Excess of revenues over (under) expenditures		22,399	22,399
Fund balance - July 1, 2004	2,191	2,191	
Fund balance - June 30, 2005	<u>\$ 2,191</u>	<u>\$ 24,590</u>	<u>\$ 22,399</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Brownfield Clean-up Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ -	\$ 690	\$ 690
Total revenues	<u> </u>	<u> 690</u>	<u> 690</u>
Excess of Revenues Over (under) Expenditures	<u> </u>	<u> 690</u>	<u> 690</u>
Other Financing Sources (Uses):			
Transfers out	<u> (999,311)</u>	<u> (2,827)</u>	<u> 996,484</u>
Total other financing sources (uses)	<u> (999,311)</u>	<u> (2,827)</u>	<u> 996,484</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u> (999,311)</u>	<u> (2,137)</u>	<u> 997,174</u>
Fund balance - July 1, 2004	<u> (690)</u>	<u> (690)</u>	<u> </u>
Fund balance - June 30, 2005	<u><u> \$ (1,000,001)</u></u>	<u><u> \$ (2,827)</u></u>	<u><u> \$ 997,174</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Per Capita Grant 2000 Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):			
Transfers out	\$ (472,639)	\$ -	\$ 472,639
Total other financing sources (uses)	<u>(472,639)</u>	<u></u>	<u>472,639</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(472,639)		472,639
Fund balance - July 1, 2004	<u>(77,361)</u>	<u>(77,361)</u>	<u></u>
Fund balance - June 30, 2005	<u>\$ (550,000)</u>	<u>\$ (77,361)</u>	<u>\$ 472,639</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Safe School Route Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(299,286)</u>	<u>(298,247)</u>	<u>1,039</u>
Total other financing sources (uses)	<u>(299,286)</u>	<u>(298,247)</u>	<u>1,039</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(299,286)</u>	<u>(298,247)</u>	<u>1,039</u>
Fund balance - July 1, 2004	<u>(714)</u>	<u>(714)</u>	
Fund balance - June 30, 2005	<u><u>\$ (300,000)</u></u>	<u><u>\$ (298,961)</u></u>	<u><u>\$ 1,039</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
BEDI Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 68,450	\$ 341,825	\$ 273,375
Total revenues	<u>68,450</u>	<u>341,825</u>	<u>273,375</u>
Expenditures:			
Debt service:			
Principal		225,000	(225,000)
Interest and fiscal charges	68,450	116,825	(48,375)
Total expenditures	<u>68,450</u>	<u>341,825</u>	<u>(273,375)</u>
Excess of revenues over (under) expenditures			
Fund balance - July 1, 2004	<u> </u>	<u> </u>	<u> </u>
Fund balance - June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
DuPont Lead Safety Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 1,574	\$ 1,574
Total revenues	<u> </u>	<u>1,574</u>	<u>1,574</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses		1,574	1,574
Fund balance - July 1, 2004	<u>100,782</u>	<u>100,782</u>	<u> </u>
Fund balance - June 30, 2005	<u>\$ 100,782</u>	<u>\$ 102,356</u>	<u>\$ 1,574</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
State Homeland Security Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ -	\$ 11,828	\$ 11,828
Total revenues	<u> </u>	<u>11,828</u>	<u>11,828</u>
Expenditures:			
Current:			
Public safety	2,374	2,750	(376)
Capital outlay	<u>2,904</u>	<u>3,954</u>	<u>(1,050)</u>
Total expenditures	<u>5,278</u>	<u>6,704</u>	<u>(1,426)</u>
Excess of revenues over (under) expenditures	(5,278)	5,124	10,402
Fund balance - July 1, 2004	<u>(7,368)</u>	<u>(7,368)</u>	<u> </u>
Fund balance - June 30, 2005	<u>\$ (12,646)</u>	<u>\$ (2,244)</u>	<u>\$ 10,402</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Lynwood Information, Inc. Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 1,000	\$ 2,364	\$ 1,364
Intergovernmental	<u>189,500</u>	<u>190,425</u>	<u>925</u>
Total revenues	<u>190,500</u>	<u>192,789</u>	<u>2,289</u>
Expenditures:			
Current:			
Community development	<u>231,466</u>	<u>145,075</u>	<u>86,391</u>
Total expenditures	<u>231,466</u>	<u>145,075</u>	<u>86,391</u>
Excess of revenues over (under) expenditures	(40,966)	47,714	88,680
Fund balance - July 1, 2004	<u>128,323</u>	<u>128,323</u>	
Fund balance - June 30, 2005	<u>\$ 87,357</u>	<u>\$ 176,037</u>	<u>\$ 88,680</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Redevelopment Agency Low/Mod Housing Alameda Area Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 20,200	\$ 15,030	\$ (5,170)
Total revenues	<u>20,200</u>	<u>15,030</u>	<u>(5,170)</u>
Expenditures:			
Current:			
Community development	164,400	165,251	(851)
Debt service:			
Principal	11,400	11,400	
Interest and fiscal charges	<u>27,900</u>	<u>27,593</u>	<u>307</u>
Total expenditures	<u>203,700</u>	<u>204,244</u>	<u>(544)</u>
Excess of revenues over (under) expenditures	<u>(183,500)</u>	<u>(189,214)</u>	<u>(5,714)</u>
Other Financing Sources (Uses):			
Transfers in	<u>163,200</u>	<u>195,719</u>	<u>32,519</u>
Total other financing sources (uses)	<u>163,200</u>	<u>195,719</u>	<u>32,519</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(20,300)	6,505	26,805
Fund balance - July 1, 2004	<u>1,068,008</u>	<u>1,068,008</u>	
Fund balance - June 30, 2005	<u><u>\$ 1,047,708</u></u>	<u><u>\$ 1,074,513</u></u>	<u><u>\$ 26,805</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Tax Increment Area "A" Debt Service Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 2,438,750	\$ 3,093,318	\$ 654,568
Use of money and property	66,950	62,544	(4,406)
Total revenues	<u>2,505,700</u>	<u>3,155,862</u>	<u>650,162</u>
Expenditures:			
Current:			
Community development	100	135	(35)
Debt service:			
Principal	380,400	180,400	200,000
Interest and fiscal charges	821,100	792,869	28,231
Total expenditures	<u>1,201,600</u>	<u>973,404</u>	<u>228,196</u>
Excess of revenues over (under) expenditures	<u>1,304,100</u>	<u>2,182,458</u>	<u>878,358</u>
Other Financing Sources (Uses):			
Transfers out	<u>(1,663,084)</u>	<u>(1,559,994)</u>	<u>103,090</u>
Total other financing sources (uses)	<u>(1,663,084)</u>	<u>(1,559,994)</u>	<u>103,090</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(358,984)	622,464	981,448
Fund balance - July 1, 2004	<u>(195,031)</u>	<u>(195,031)</u>	
Fund balance - June 30, 2005	<u>\$ (554,015)</u>	<u>\$ 427,433</u>	<u>\$ 981,448</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Tax Increment Alameda Area Debt Service Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 815,950	\$ 978,596	\$ 162,646
Use of money and property	8,000	17,977	9,977
 Total revenues	 <u>823,950</u>	 <u>996,573</u>	 <u>172,623</u>
Expenditures:			
Debt service:			
Principal	18,600	18,600	
Interest and fiscal charges	45,500	45,020	480
 Total expenditures	 <u>64,100</u>	 <u>63,620</u>	 <u>480</u>
Excess of revenues over (under) expenditures	<u>759,850</u>	<u>932,953</u>	<u>173,103</u>
Other Financing Sources (Uses):			
Transfers out	(899,834)	(690,964)	208,870
 Total other financing sources (uses)	 <u>(899,834)</u>	 <u>(690,964)</u>	 <u>208,870</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(139,984)	241,989	381,973
 Fund balance - July 1, 2004	 <u>607,500</u>	 <u>607,500</u>	
 Fund balance - June 30, 2005	 <u>\$ 467,516</u>	 <u>\$ 849,489</u>	 <u>\$ 381,973</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Special Fund Area "A" Alameda Debt Service Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 23,000	\$ 15,803	\$ (7,197)
Total revenues	<u>23,000</u>	<u>15,803</u>	<u>(7,197)</u>
Expenditures:			
Debt service:			
Interest and fiscal charges	<u>23,000</u>	<u>13,837</u>	<u>9,163</u>
Total expenditures	<u>23,000</u>	<u>13,837</u>	<u>9,163</u>
Excess of revenues over (under) expenditures		1,966	1,966
Fund balance - July 1, 2004	<u>1,146,388</u>	<u>1,146,388</u>	
Fund balance - June 30, 2005	<u><u>\$ 1,146,388</u></u>	<u><u>\$ 1,148,354</u></u>	<u><u>\$ 1,966</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Public Financing Authority Debt Service Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Current:			
General government	\$ 69,850	\$ 60,831	\$ 9,019
Total expenditures	<u>69,850</u>	<u>60,831</u>	<u>9,019</u>
Excess of revenues over (under) expenditures	<u>(69,850)</u>	<u>(60,831)</u>	<u>9,019</u>
Other Financing Sources (Uses):			
Transfers in	<u>135,500</u>	<u>60,831</u>	<u>(74,669)</u>
Total other financing sources (uses)	<u>135,500</u>	<u>60,831</u>	<u>(74,669)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	65,650		(65,650)
Fund balance - July 1, 2004	<u> </u>	<u> </u>	<u> </u>
Fund balance - June 30, 2005	<u>\$ 65,650</u>	<u>\$ -</u>	<u>\$ (65,650)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
City of Lynwood Debt Service Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 59,217	\$ 59,217
Total revenues	<u> </u>	<u>59,217</u>	<u>59,217</u>
Expenditures:			
Debt service:			
Principal	475,100	647,553	(172,453)
Interest and fiscal charges	<u>668,850</u>	<u>639,537</u>	<u>29,313</u>
Total expenditures	<u>1,143,950</u>	<u>1,287,090</u>	<u>(143,140)</u>
Excess of revenues over (under) expenditures	<u>(1,143,950)</u>	<u>(1,227,873)</u>	<u>(83,923)</u>
Other Financing Sources (Uses):			
Transfers in	1,143,650	1,281,029	137,379
Transfers out	<u>(1,500,000)</u>	<u> </u>	<u>1,500,000</u>
Total other financing sources (uses)	<u>(356,350)</u>	<u>1,281,029</u>	<u>1,637,379</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,500,300)</u>	<u>53,156</u>	<u>1,553,456</u>
Fund balance - July 1, 2004	<u>3,277,510</u>	<u>3,277,510</u>	<u> </u>
Fund balance - June 30, 2005	<u><u>\$ 1,777,210</u></u>	<u><u>\$ 3,330,666</u></u>	<u><u>\$ 1,553,456</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Redevelopment Project Alameda Area Capital Projects Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Current:			
Community development	\$ 737,400	\$ 494,576	\$ 242,824
Capital outlay	766	669	97
Total expenditures	<u>738,166</u>	<u>495,245</u>	<u>242,921</u>
Excess of revenues over (under) expenditures	<u>(738,166)</u>	<u>(495,245)</u>	<u>242,921</u>
Other Financing Sources (Uses):			
Transfers in	<u>738,166</u>	<u>495,245</u>	<u>(242,921)</u>
Total other financing sources (uses)	<u>738,166</u>	<u>495,245</u>	<u>(242,921)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses			
Fund balance - July 1, 2004	<u> </u>	<u> </u>	<u> </u>
Fund balance - June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Redevelopment Project Area "A" Taxable Bond Proceeds Capital Projects Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 2,012,000	\$ 2,016,466	\$ 4,466
Total revenues	<u>2,012,000</u>	<u>2,016,466</u>	<u>4,466</u>
Expenditures:			
Current:			
Community development	<u>2,000,000</u>	<u>2,000,000</u>	
Total expenditures	<u>2,000,000</u>	<u>2,000,000</u>	
Excess of revenues over (under) expenditures	12,000	16,466	4,466
Fund balance - July 1, 2004	<u>727,469</u>	<u>727,469</u>	
Fund balance - June 30, 2005	<u><u>\$ 739,469</u></u>	<u><u>\$ 743,935</u></u>	<u><u>\$ 4,466</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Capital Project Loan Capital Projects Fund
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):			
Transfers out	\$ (837,323)	\$ (31,599)	\$ 805,724
Total other financing sources (uses)	<u>(837,323)</u>	<u>(31,599)</u>	<u>805,724</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(837,323)	(31,599)	805,724
Fund balance - July 1, 2004	<u>848,385</u>	<u>848,385</u>	
Fund balance - June 30, 2005	<u>\$ 11,062</u>	<u>\$ 816,786</u>	<u>\$ 805,724</u>

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CITY OF LYNWOOD
Combining Statement of Net Assets
Internal Service Funds
June 30, 2005

	<u>Garage</u>	<u>Self-Insurance</u>	<u>Totals</u>
Assets			
Noncurrent Assets:			
Depreciable equipment, net	\$ 615,257	\$ -	\$ 615,257
Total noncurrent assets	<u>615,257</u>	<u> </u>	<u>615,257</u>
Total assets	<u>615,257</u>	<u> </u>	<u>615,257</u>
Liabilities			
Current Liabilities:			
Accounts payable	12,303	76,310	88,613
Due to other funds	543,753	2,909,980	3,453,733
Current portion of long-term obligations	<u>233,546</u>	<u> </u>	<u>233,546</u>
Total current liabilities	<u>789,602</u>	<u>2,986,290</u>	<u>3,775,892</u>
Noncurrent Liabilities:			
Noncurrent portion of long-term obligations:			
Compensated absences	26,649		26,649
Claims payable		2,152,037	2,152,037
Capital lease payable	<u>375,553</u>	<u> </u>	<u>375,553</u>
Total noncurrent liabilities	<u>402,202</u>	<u>2,152,037</u>	<u>2,554,239</u>
Total liabilities	<u>1,191,804</u>	<u>5,138,327</u>	<u>6,330,131</u>
Net Assets			
Invested in capital assets, net of related debt	6,158		6,158
Unrestricted	<u>(582,705)</u>	<u>(5,138,327)</u>	<u>(5,721,032)</u>
Total net assets	<u>\$ (576,547)</u>	<u>\$ (5,138,327)</u>	<u>\$ (5,714,874)</u>

CITY OF LYNWOOD
Combing Statement of Revenues, Expenses,
and Changes in Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2005

	<u>Garage</u>	<u>Self-Insurance</u>	<u>Totals</u>
Operating Revenues:			
Sales and service charges	<u>\$ 467,142</u>	<u>\$ 1,439,231</u>	<u>\$ 1,906,373</u>
Total operating revenues	<u>467,142</u>	<u>1,439,231</u>	<u>1,906,373</u>
Operating Expenses:			
Administration		955,544	955,544
Insurance		439,863	439,863
Claims		2,090,534	2,090,534
Garage	482,212		482,212
Depreciation	<u>187,295</u>		<u>187,295</u>
Total operating expenses	<u>669,507</u>	<u>3,485,941</u>	<u>4,155,448</u>
Operating income (loss)	<u>(202,365)</u>	<u>(2,046,710)</u>	<u>(2,249,075)</u>
Nonoperation Revenues (Expenses):			
Interest expense	<u>(41,823)</u>		<u>(41,823)</u>
Total nonoperating revenues (expenses)	<u>(41,823)</u>		<u>(41,823)</u>
Income (loss) before transfers	(244,188)	(2,046,710)	(2,290,898)
Transfers in	<u>27,040</u>	<u>500,000</u>	<u>527,040</u>
Change in net assets	<u>(217,148)</u>	<u>(1,546,710)</u>	<u>(1,763,858)</u>
Net Assets			
Beginning of fiscal year	(359,399)		(359,399)
Prior period adjustments		<u>(3,591,617)</u>	<u>(3,591,617)</u>
Beginning of fiscal year, restated	<u>(359,399)</u>	<u>(3,591,617)</u>	<u>(3,951,016)</u>
End of fiscal year	<u>\$ (576,547)</u>	<u>\$ (5,138,327)</u>	<u>\$ (5,714,874)</u>

CITY OF LYNWOOD
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2005

	<u>Garage</u>	<u>Self-Insurance</u>	<u>Totals</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 467,142	\$ 1,470,829	\$ 1,937,971
Payments to suppliers	(234,410)	(2,280,146)	(2,514,556)
Payments to employees	(249,332)	(111,051)	(360,383)
Internal activity payments to/from other funds	252,317	411,399	663,716
Net cash provided (used) by operating activities	<u>235,717</u>	<u>(508,969)</u>	<u>(273,252)</u>
Cash flows from noncapital financing activities:			
Transfer to/from other funds	<u>27,040</u>	<u>500,000</u>	<u>527,040</u>
Net cash provided (used) in noncapital financing activities	<u>27,040</u>	<u>500,000</u>	<u>527,040</u>
Cash flows from capital and related financing activities:			
Principal payments on long-term debt	(220,934)		(220,934)
Interest paid on long-term debt	(41,823)		(41,823)
Net cash provided (used) in capital and related financing activities	<u>(262,757)</u>		<u>(262,757)</u>
Net increase (decrease) in cash and cash equivalents		(8,969)	(8,969)
Cash and cash equivalents, beginning of fiscal year		<u>8,969</u>	<u>8,969</u>
Cash and cash equivalents, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of cash and cash equivalents to amounts reported on the statement of net assets:			
Reported on the statement of net assets:			
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and cash equivalents - June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CITY OF LYNWOOD
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2005
(Continued)

	<u>Garage</u>	<u>Self-Insurance</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided (used) by operations:			
Operating income (loss)	<u>\$ (202,365)</u>	<u>\$ (2,046,710)</u>	<u>\$ (2,249,075)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	187,295		187,295
Decrease (increase) in accounts receivable		31,598	31,598
Increase (decrease) in accounts payable	(3,719)	(14,076)	(17,795)
Increase (decrease) in claim payable		1,108,820	1,108,820
Increase (decrease) in accrued employee benefits	2,189		2,189
Decrease (increase) in due to/from other funds	<u>252,317</u>	<u>411,399</u>	<u>663,716</u>
Total adjustments	<u>438,082</u>	<u>1,537,741</u>	<u>1,975,823</u>
Net cash provided (used) by operating activities	<u>\$ 235,717</u>	<u>\$ (508,969)</u>	<u>\$ (273,252)</u>

CITY OF LYNWOOD
Statement of Changes in Assets and Liabilities
 Agency Fund
 June 30, 2005

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2005</u>
<u>State Deferred Payment Loan Program</u>				
Assets:				
Receivables:				
Notes and loans	\$ 54,506	\$ -	\$ -	\$ 54,506
Total assets	<u>\$ 54,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,506</u>
Liabilities:				
Deferred revenue	\$ 54,506	\$ -	\$ -	\$ 54,506
Total liabilities	<u>\$ 54,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,506</u>

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**CITY OF LYNWOOD
STATISTICS**

TABLE 1

REVENUES BY SOURCE

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Property Taxes & Assessments	7,550,673	10,992,844	8,858,183	8,004,640	8,081,827	8,611,329	9,013,828	9,756,399	9,895,303	14,466,341
State Taxes										
Sales and Use	2,313,119	2,325,163	2,596,173	2,528,370	3,158,318	3,513,929	3,152,678	3,366,567	3,850,286	4,149,973
Local Taxes										
Business License	286,367	269,119	301,647	288,134	275,377	301,195	330,804	371,747	384,645	385,953
Utility User Tax	3,169,473	3,238,994	3,273,293	3,330,513	3,566,091	4,065,631	4,336,947	4,967,836	5,077,227	5,533,166
Documentary Transfer Tax	43,712	49,053	50,343	62,237	66,458	82,434	137,221	88,045	103,270	150,623
Parking	307,717	383,006	247,966	405,215	467,243	696,102	748,137	678,730	632,033	649,032
Franchise Fees	652,555	616,682	675,622	686,279	722,204	757,040	696,090	791,188	1,060,549	994,836
Franchise Tax in Lieu	167,100	167,100	167,100	167,100	167,100	167,100	167,100	167,420	167,100	221,820
Adv. Franchise Tax/CDS	0	0	0	0	0	0	0	0	800,000	0
Trolley Reimbursement	147,000	147,000	140,274	140,662	147,000	147,000	147,000	155,000	155,000	0
Prop C Local Tax	553,486	573,242	607,326	627,099	683,433	738,446	765,634	786,024	829,198	877,742
Total	5,327,410	5,444,196	5,463,571	5,707,239	6,094,906	6,954,948	7,328,933	8,005,990	9,209,022	8,813,172
Total Taxes	15,191,202	18,762,203	16,917,927	16,240,249	17,335,051	19,080,206	19,495,439	21,128,956	22,954,611	27,429,486
Licenses and Permits	130,771	156,421	158,766	188,108	188,586	202,334	254,271	454,611	502,598	607,075
Fines and Penalties	2,438,196	2,434,628	2,784,007	3,039,560	3,353,240	3,732,253	4,024,294	4,302,970	3,484,566	893,895
Interest/Investment, net income	862,925	793,902	1,043,126	1,295,580	1,718,349	2,081,135	1,155,514	784,116	684,179	3,660,972
Charges for Services	9,617,451	9,671,505	10,019,476	9,586,094	9,974,263	10,534,684	11,408,244	11,247,358	10,332,922	11,540,377
Intergovernmental	4,130,864	5,165,373	4,263,628	4,779,466	7,652,955	7,027,398	4,299,719	14,891,265	45,721,001	6,322,206
Other	3,151,041	6,865,116	3,345,798	3,067,241	19,928,727	4,329,308	4,323,603	6,258,097	4,829,470	1,931,768
TOTAL	35,522,450	43,849,148	38,532,728	38,196,298	60,151,171	46,987,318	44,961,084	59,067,373	88,509,347	52,385,779

**CITY OF LYWOOD
STATISTICS**

TABLE 2

**EXPENDITURES BY DEPARTMENT
(In Thousands)**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Elected and Appointed Officials:										
City Council	299	350	331	374	391	466	455	438	447	376
City Manager	347	307	462	545	678	529	867	824	789	817
City Clerk	311	276	263	224	293	219	234	173	374	182
City Treasurer	25	31	32	43	47	63	68	80	86	156
City Attorney	119	120	119	258	262	358	629	648	753	418
Total	1,101	1,084	1,207	1,444	1,671	1,635	2,253	2,163	2,449	1,949
Departments										
City Manager										
Community Promotion	290	368	354	311	477	936	684	625	688	388
Media Services	31	0	232	169	240	435	467	278	326	271
Total	321	368	586	480	717	1,371	1,151	903	1,014	659
Public Safety										
Law Enforcement	5,112	4,321	4,673	4,305	3,740	4,745	5,459	5,325	5,529	5,808
Sheriff Forfeiture	31	33	49	21	0	43	69	18	13	19
Local Law Enf. Blk Grt	0	86	295	274	0	814	0	281	182	77
Cops Program	0	59	0	119	156	251	0	111	205	108
Fire Admin.	249	363	0	0	0	0	0	0	0	0
Fire Trainee	34	33	0	0	0	0	0	0	0	0
Fire Suppression	2,845	3,055	3,493	3,711	3,251	3,844	3,564	3,712	3,894	4,129
Homeland Security Grant	0	0	0	0	0	0	0	0	7	7
Total	8,271	7,950	8,510	8,430	7,147	9,697	9,092	9,447	9,830	10,148
Finance & Administration										
Admin. Services	77	41	113	31	108	75	71	82	129	131
Accounting/Auditing	284	310	297	287	328	349	387	390	427	392
Public Finance Authority	1	1	3	33	141	218	156	100	73	61
Water Billing/Collection	285	288	322	296	312	356	487	448	642	546
H U D Administration	267	275	249	288	282	266	282	286	323	361
Public Services	111	119	145	8	55	143	142	60	115	41
Total	1,025	1,034	1,129	943	1,226	1,407	1,525	1,366	1,709	1,532
Human Resources										
Personnel	138	128	136	139	162	165	196	228	308	347
General Services	292	296	292	323	376	365	419	354	322	411
PERS. Administration	226	3,914	408	242	245	241	264	273	2,152	918
Self Insurance	782	770	1,144	1,759	624	2,123	1,321	1,729	2,086	4,155
Group Insurance	136	160	160	154	195	232	268	310	376	378
Unempl. Ins	72	43	29	49	41	29	30	70	60	60
Crossing Guards	131	140	138	128	123	129	147	159	165	183
Total	1,777	5,451	2,307	2,794	1,766	3,284	2,645	3,123	5,469	6,452
Environmental Services										
Administration	37	138	551	140	141	86	111	72	127	133
Engineering	54	64	82	219	199	162	131	161	235	235
Sanitation	2,923	2,759	2,997	2,803	3,125	2,908	2,688	2,728	2,867	1,991
Transportation Admin.	1,597	1,452	906	761	811	935	1,020	980	1,129	1,100
Water Utility	3,695	4,024	3,645	3,877	6,028	3,963	4,284	4,476	5,166	4,912
Sewer Service	539	508	580	514	427	561	557	482	541	616
Animal Control Services	95	101	57	73	84	76	87	78	79	85
Right-Of-Way	376	349	317	330	403	408	470	554	419	418
Bldg. Maintenance	351	343	329	403	468	481	514	637	670	765
Weed Abatement	33	16	25	32	167	344	479	36	23	26
Street Maint.	1,235	1,317	1,277	1,254	1,043	1,476	1,419	1,683	1,772	1,553
Traffic Signals	306	267	267	237	214	242	321	239	156	183

**CITY OF LYNWOOD
STATISTICS**

TABLE 2
(continued)

**EXPENDITURES BY DEPARTMENT
(In Thousands)**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Street Lighting	785	792	651	585	658	766	895	884	851	783
Garage	608	593	552	620	662	671	724	530	728	743
Tree Maintenance	198	253	220	468	180	255	163	639	156	136
Grounds Maint.	631	614	591	649	651	749	803	900	938	683
TDM Program	0	20	0	0	0	0	0	0	0	0
Used Oil Recycling	0	0	0	0	0	0	0	9	19	0
Other	0	0	0	0	0	0	0	0	0	-942
Total	15,459	15,607	15,045	14,964	17,261	16,084	16,668	17,091	17,880	15,425
Redevelopment										
Administration	110	108	148	119	107	129	138	60	44	34
HUD Sec 108 Loan	0	0	0	0	0	0	0	34	0	241
HUD Sec 108 Loan (78-4683)	0	0	0	0	0	0	0	173	360	342
Proj. Area A	240	287	238	234	309	363	426	444	470	526
Alameda Proj.	148	251	187	197	227	284	298	376	396	429
Housing Division	23	70	32	61	154	206	195	114	177	300
Home Program	192	42	398	555	863	350	363	315	275	497
Home-1st Time Home Buyer	0	0	0	0	0	0	20	80	0	0
Home - Purchase & Rehab	0	186	0	0	0	83	250	212	43	180
Total	713	944	1,003	1,166	1,660	1,415	1,690	1,808	1,765	2,549
Development Service										
Planning	211	225	223	138	180	300	357	248	363	411
Building & Safety	142	156	163	119	198	241	282	352	528	487
Code Enforcement(01-4568)	122	92	155	132	261	251	216	231	240	276
Code Enforcement(28-4568)	168	207	166	173	191	215	309	279	291	320
Business License	71	75	72	65	72	90	211	268	314	312
Parking Enforcement	122	136	146	143	126	135	185	297	464	372
	0	109	0	0	0	0	0	0	0	0
Total	836	1,000	925	770	1,028	1,232	1,560	1,675	2,200	2,178
Recreation & Community Services										
Rec & Comm Services Admin	266	349	374	490	618	764	594	513	635	665
Sports & Leisure Services	204	235	221	256	289	335	342	294	367	266
Bateman Hall	161	180	197	185	234	300	326	326	373	360
Natatorium	181	184	187	209	178	183	243	281	292	342
Parks & Playground	401	398	377	420	534	621	583	455	611	640
Senior Citizens Program(01-4779)	0	0	0	36	43	58	81	119	125	141
Senior Citizens Program(28-4779)	23	0	34	49	44	50	45	32	60	39
Youth Center Operations	0	146	183	135	134	162	203	152	215	204
Bus Improve District	81	89	97	95	105	49	101	107	120	36
Dail-A-Ride	135	154	149	152	157	154	173	216	223	220
Cable T.V.	166	211	0	0	0	0	0	0	0	0
Dove Grant	0	0	0	0	0	81	226	0	28	-2
Total	1,618	1,946	1,819	2,027	2,336	2,757	2,917	2,495	3,049	2,911
Capital Improvement Projects	2,104	2,712	1,753	1,676	1,152	1,803	1,222	4,629	4,174	6,310
Debt Services	650	827	859	1,034	2,742	1,125	1,130	1,069	8,033	4,082
Grand Total	33,875	38,923	35,143	35,728	38,706	41,810	41,853	45,769	57,572	54,195

**CITY OF LYNWOOD
STATISTICS**

TABLE 3

**COLLECTIONS OF PROPERTY TAXES AND ASSESSMENTS
(In Thousands)**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Fund	1,866,632	1,855,672	1,934,199	1,953,959	2,153,647	2,021,229	2,076,803	2,258,818	\$2,238,810	\$6,133,765
Retirement	1,509,509	4,094,617	2,717,421	1,610,930	1,627,013	1,609,481	1,757,921	1,818,074	1,930,844	2,110,483
Landscaping	1,128,269	1,096,306	1,111,778	1,097,795	1,094,393	1,077,403	1,093,628	1,090,985	1,114,475	1,092,601
Lighting	1,020,754	1,022,949	1,077,667	1,059,377	1,058,464	1,039,356	1,054,349	1,052,623	1,084,275	1,057,578
Redevelopment	2,025,509	2,923,300	2,017,118	2,282,579	2,148,310	2,863,860	3,031,127	3,535,899	3,526,899	4,071,914
TOTAL	7,550,673	10,992,844	8,858,183	8,004,640	8,081,827	8,611,329	9,013,828	9,756,399	9,895,303	14,466,341

CITY OF LYNWOOD
STATISTICS

TABLE 4

NET TAXABLE ASSESSED VALUE OF PROPERTY
(in thousands)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Secured	1,280,052	1,319,659	1,328,859	1,361,681	1,401,765	1,446,768	1,527,937	1,671,858	1,699,393	1,828,213
Non-Unitary	565	100	139	171	117	108	118	114	908	902
Unsecured	55,538	62,009	57,213	64,120	63,481	59,206	60,098	79,682	76,820	76,885
TOTAL	1,336,155	1,381,768	1,386,211	1,425,972	1,465,363	1,506,082	1,588,153	1,751,654	1,777,121	1,906,000

**CITY OF LYNWOOD
STATISTICS**

TABLE 5

**PROPERTY TAX RATES
Direct and Overlapping Governments
(per \$1,000 Assessed Value)**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
CITY OF LYNWOOD										
General Levy	1.0000%	N/A	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.000000%
Total	1.000000%	N/A	1.000000%							
OTHER GOVERNMENTS										
Los Angeles County	0.001814%	N/A	0.001584%	0.001451%	0.001422%	0.001314%	0.001128%	0.001033%	0.000992%	0.000923%
Flood Control District	0.000963%	N/A	0.002197%	0.001953%	0.001765%	0.001552%	0.001073%	0.000881%	0.000462%	0.000245%
Metropolitan Water District	0.008900%	N/A	0.008900%	0.008900%	0.008900%	0.008800%	0.007700%	0.006700%	0.006100%	0.005800%
Compton Community College District	0.000000%	N/A	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.027143%	0.003963%
Lynwood Unified School District	0.000000%	N/A	0.000724%	0.000097%	0.000000%	0.000089%	0.000104%	0.000000%	0.061331%	0.057232%
TOTAL	1.011677%	N/A	1.013405%	1.012401%	1.012087%	1.011755%	1.010005%	1.008614%	1.096028%	1.068163%

**CITY OF LYNWOOD
STATISTICS**

TABLE 6

**PRINCIPAL PROPERTY TAXPAYERS
June 30, 2005**

Property Taxpayer	2005 Assessed Valuation	Percentage of Total Assessed Valuation
St. Francis Medical Center Foundation	\$188,066,582	8.86%
2700 East Imperial Highway Inc.	\$19,606,748	0.92%
Lynwood Alameda Corporation	\$17,974,497	0.85%
Lynwood Unified School District	\$13,502,341	0.64%
Albi Lynwood Investment LLC	\$11,300,000	0.53%
Universal Molding Company	\$11,119,260	0.52%
McWhorter Inc.	\$10,982,704	0.52%
Economic Resources Corporation	\$10,878,978	0.51%
805 Property LLC	\$9,444,083	0.44%
Shapco Partnership	\$9,025,102	0.43%

**CITY OF LYNWOOD
STATISTICS**

TABLE 7

**COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2005**

Total assessed valuation (net of exemptions)	\$1,906,000,093
Less redevelopment tax increments	<u>4,071,914</u>
Basis of levy	<u><u>\$1,901,928,179</u></u>
Debt Limit:	
3.85 percent of valuation subject to taxation	\$73,224,235
Less amount of debt applicable to debt limit	<u>\$49,961,713</u>
Legal debt margin	<u><u>\$23,262,522</u></u>

**CITY OF LYNWOOD
STATISTICS**

TABLE 8

**PERCENTAGE OF ANNUAL DEBT SERVICE
EXPENDITURES TO TOTAL GOVERNMENTAL
EXPENDITURES**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Debt Service										
Principal	\$1,083,773	\$667,614	\$806,571	\$897,913	\$506,570	\$684,687	\$729,006	\$584,038	\$440,438	\$1,343,487
Interest	\$645,637	\$1,157,436	\$1,083,973	\$1,202,717	\$1,252,978	\$1,674,156	\$1,650,525	\$1,965,260	\$1,934,549	\$1,908,819
Total Debt Service	<u>\$1,729,410</u>	<u>\$1,825,050</u>	<u>\$1,890,544</u>	<u>\$2,100,630</u>	<u>\$1,759,548</u>	<u>\$2,358,843</u>	<u>\$2,379,531</u>	<u>\$2,549,298</u>	<u>\$2,374,987</u>	<u>\$3,252,306</u>
Total Expenditures	\$16,399,112	\$16,920,133	\$18,806,352	\$19,081,157	\$19,126,269	\$21,845,907	\$22,818,170	\$33,452,509	\$35,583,472	\$38,458,155
Percentage of Debt Service to Total Expenditures	10.55%	10.79%	10.05%	11.01%	9.20%	10.80%	10.43%	7.62%	6.67%	8.46%

**CITY OF LYNWOOD
STATISTICS**

TABLE 9

**DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2005**

2004-05 Assessed Valuation: \$ 1,906,000,093
 Redevelopment Incremental Valuation: 372,313,239
 Adjusted Assessed Valuation: \$ 1,533,686,854

<u>OVERLAPPING TAX AND ASSESSMENT DEBT :</u>	<u>% Applicable</u>	<u>Debt 6/30/05</u>
Los Angeles County	22.600%	\$36,623
Los Angeles County Flood Control District	23.100%	\$281,543
Metropolitan Water District	11.600%	\$486,492
Compton Community College District	1722.700%	\$6,856,346
Los Angeles Community College District	0.200%	\$14,774
Compton and Los Angeles Unified School District	0.337% & 0.003 %	\$332,914
Lynwood Unified School District	9759.700%	\$19,372,810
Los Angeles County Regional Park and Open Space Assessment District	22.600%	\$790,299
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$28,171,801

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT :</u>		
Los Angeles County General Fund Obligations	0.226%	\$3,140,157
Los Angeles County Pension Obligations	0.226%	\$2,373,220
Los Angeles County Superintendent of Schools Certificates of Participation	0.226%	\$53,712
Compton and Los Angeles Unified School District Certificates of Participation	0.337 % & 0.003 %	\$121,904
Lynwood Unified School District Certificates of Participation	97.597%	\$6,475,561
City of Lynwood General Fund Obligations	100%	\$11,920,000
Los Angeles County Sanitation District No. 1 Authority	11.279%	\$3,115,320
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$27,199,874
Less: Los Angeles County Certificates of Participation (100% self-supporting from leasehold revenues on properties in Marina Del Rey)		\$125,080
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$27,074,794

GROSS COMBINED TOTAL DEBT	\$55,371,675 (1)
NET COMBINED TOTAL DEBT	\$55,246,595

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital obligations.

Ratios to 2004-05 Assessed Valuation :
 Total Overlapping Tax and Assessment Debt1.48%

Ratios to Adjusted Assessed Valuation :
 Combined Direct Debt (\$11,920,000)0.78%
 Gross Combined Total Debt3.61%
 Net Combined Total Debt3.60%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/05 : \$4,567

**CITY OF LYNWOOD
STATISTICS**

TABLE 10

REVENUE BOND PAYMENTS

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Debt Service Requirements										
Principal	\$0	\$75,000	\$80,000	\$85,000	\$235,000	\$135,000	\$140,000	\$145,000	\$155,000	\$165,000
Interest	\$185,962	\$296,223	\$290,785	\$284,985	\$503,133	\$603,443	\$595,145	\$586,052	\$576,544	\$566,276
TOTAL	\$185,962	\$371,223	\$370,785	\$369,985	\$738,133	\$738,443	\$735,145	\$731,052	\$731,544	\$731,276

**CITY OF LYNWOOD
STATISTICS**

TABLE 11

ECONOMIC INDICES

Construction Permits

Fiscal Year	#	Percent Change	Value	Percent Change	Total Bank Deposits
1995-1996	N/A	N/A	N/A	N/A	184,634
1996-1997	N/A	N/A	N/A	N/A	146,822
1997-1998	868	N/A	14,650,908	N/A	154,367
1998-1999	725	-16.5%	10,399,210	-29.5%	158,130
1999-2000	740	2.1%	11,904,821	14.4%	174,442
2000-2001	952	28.6%	12,814,818	7.6%	183,836
2001-2002	1271	33.5%	18,493,617	44.3%	191,367
2002-2003	1638	28.9%	25,078,375	35.6%	205,955
2003-2004	2298	40.3%	26,603,066	6.0%	247,860
2004-2005	2089	-9.1%	25,226,936	-5.2%	236,521

**CITY OF LYNWOOD
STATISTICS**

TABLE 12

DEMOGRAPHIC STATISTICS

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Population	65,800	66,400	67,200	68,200	69,600	69,845	71,798	72,612	72,986	73,212
Public School Enrollment	15,333	16,206	16,025	16,860	17,520	18,237	18,786	19,464	19,658	19,072
Los Angeles County Unemployment Rate	6.6%	7.0%	6.8%	5.7%	5.4%	5.9%	6.6%	6.9%	8.3%	5.3%

CITY OF LYNWOOD STATISTICS

TABLE 13

MISCELLANEOUS STATISTICS JULY 30, 2005

Date of Incorporation as a City	7/16/1921
Form of Government	Mayor/Council
Number of authorized full time employees	146
Elected Officials	7
Land area in square miles	4.9
City of Lynwood facilities and services	
Miles of streets	85
Number of street lights	2,300
Culture and Recreation	
Library branches	1
Recreation centers	
Parks	4
Park acreage	35
Swimming pools	1
Tennis Courts	4
Playgrounds	6
Softball / baseball fields	3
Football and soccer fields	2
Senior Centers	1
Fire Protection	
Number of stations	2
Sheriff Protection	
Number of stations and substations	1
Sewage System	
Miles of sanitary sewers.....	81
Water System	
Number of fire hydrants	1,100
Daily average consumption in gallons per household.....	500
Facilities and services not included in the reporting entity	
Education	
Lynwood Unified School District	
Number of elementary schools	11
Number of secondary schools	5
Number of special education schools	1
Hospitals	
Number of hospitals	1