CITY OF LYNWOOD
CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDING JUNE 30, 2006

CITY OF LYNWOOD
CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2006

Bruce Arnoldussen • Acting City Manager / Assistant City Manager – Finance
Christy Valencia – Deputy Director of Finance

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 3006

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January 31, 2007

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 2005-06. 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, the Required Supplemental Information, and the Disclosure of Restricted Net Assets. 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 is prepared in accordance with GASB 44 requirements, and reflects the Economic Condition of Reporting enhancements. It 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 to protect the government's 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, 2006, 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, 2006. 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.

GASB 44 Statement (GASB 44), Economic Condition of Reporting: Statistical Section was implemented June 30, 2006, enhancing and updating the statistical sections that accompany the local governments financial statements to reflect the significant changes that have taken place in the government. The Statistical Section can be found following the Financial Section.

GASB 46 Statement (GASB 46), Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement 34, was also implemented June 30, 2006. This statement requires the limitations of the use of certain net assets that are restricted by legislation, be reported as restricted net assets. Disclosure of Net Assets is included in the discussion of significant accounting policies, Notes to the Basic Financial Statements.

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);
- Fund Financial Statements; 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 due to the limited relationship with the City. The City is also represented by 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 the City of 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 the 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 the 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 are withdrawn due to a 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

The Lynwood Redevelopment Agency continues to focus on reviving the City's downtown area, in which Long Beach Boulevard will be the focal point. The Agency's goal is still 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.

Atlantic Crossing, Long Beach Pluma Shopping, and Plaza Mexico are the three booming retail centers located in the City of Lynwood. Atlantic Crossing consists of Walgreens, Starbucks, and Panda Express; Long Beach Pluma Shopping Center is anchored by Smart & Final and 99 Cent Only Store, while Plaza Mexico is known for its architecture reminiscent of old town Mexico.

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 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.

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 investment by 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 nor has there been any significant reductions in pooled or insured liability coverage from the prior year.

ACKNOWLEDGEMENTS

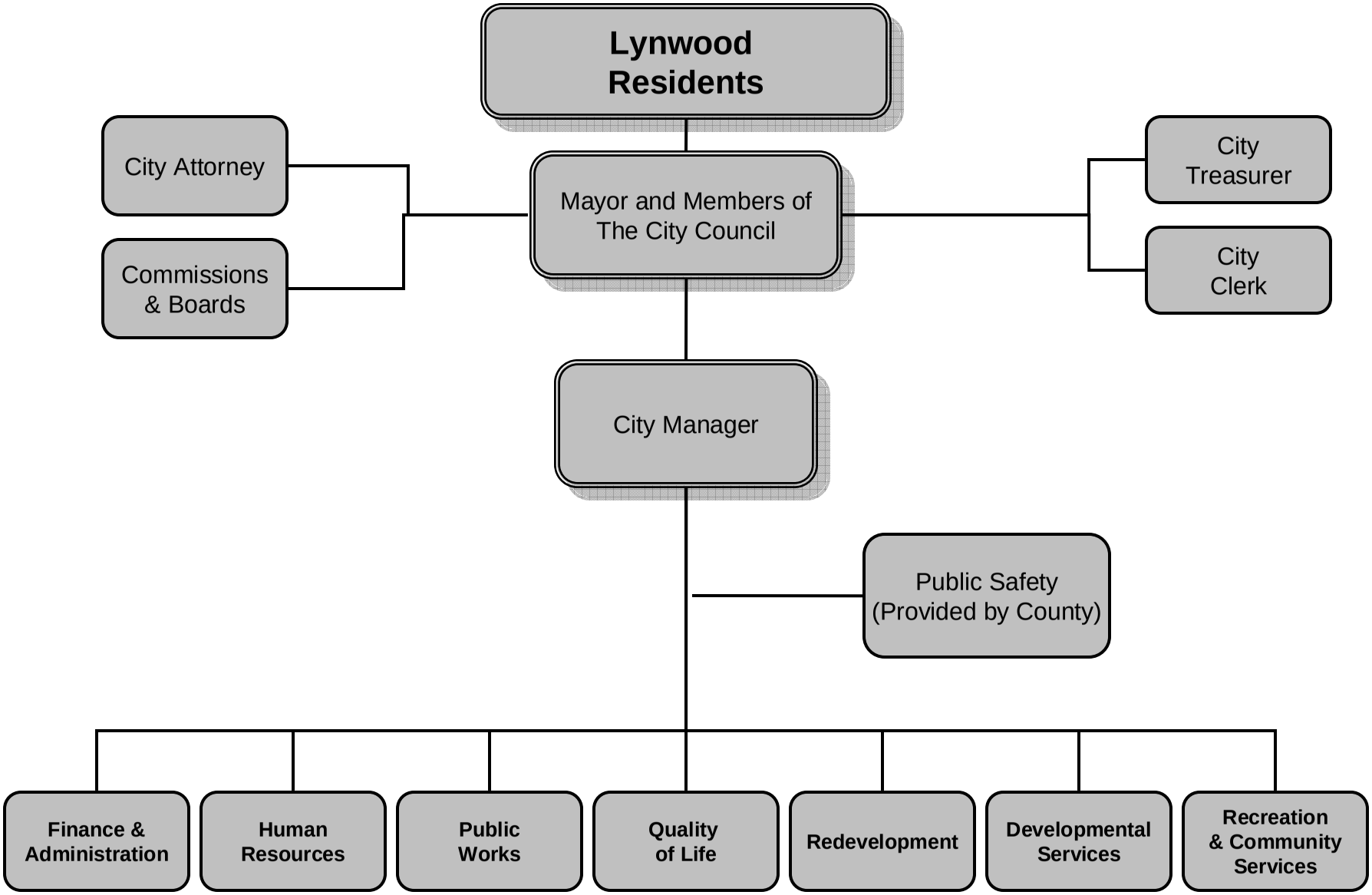
We would like to express our sincere appreciation to the entire staff of the Finance and Administration Department and most particularly the Accounting staff, for their professionalism, dedication, and efficiency in the preparation of this report. We also thank Moss, Levy & Hartzheim, Certified Public 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,

Bruce Arnoldussen,
Interim City Manager

Christy Valencia
Deputy Director of Finance

CITY OF LYNWOOD ORGANIZATIONAL CHART



DIRECTORY OF CITY OFFICIALS
CITY MANAGER/COUNCIL FORM OF GOVERNMENT

June 30, 2006

MAYOR

Louis Byrd

MEMBERS OF THE CITY COUNCIL

Fernando Pedroza – Mayor Pro-Tem
Alfreddie Johnson – Council Member
Maria Teresa Santillan – Council Member
Leticia Vasquez – Council Member

ELECTED OFFICIALS

Andrea Hooper – City Clerk
Iris Pygatt – City Treasurer

COUNCIL APPOINTED OFFICERS

Bruce Arnoldussen – Acting City Manager/Assistant City Manager - Finance
Lorry Hempe – Assistant City Manager
Dan Ojeda – Public Works
Grant Taylor – Development Services
Autra Adams – Recreation and Community Services
Alfredo Lopez – Human Resources
William Rawlings – Redevelopment
Deborah Jackson – Quality of Life

CITY OF LYNWOOD

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PROJECT TEAM

Bruce Arnoldussen – Acting City Manager/Assistant City Manager - Finance
Christy Valencia –Deputy Director of Finance
May Tan – Water Billing Manager
Patricia Tarin – Financial Analyst
Maria Luna – Customer Relations Specialist
Miguel Cervantes – Administrative Aide
Jaime Rivas – Payroll Specialist
Lilly Mojarro – Accounting Technician
Monica Castellanos – Accounting Technician
Joe Udeochu – Accounting Technician
Jamel Goodloe – Graphics Technician

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BRAD M. SILVA, C.P.A.

MEMBER:

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

OFFICES:

BEVERLY HILLS. CALIFORNIA
SANTA MARIA, CALIFORNIA

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, 2006, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lynwood, California, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

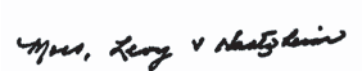
As discussed in note 1 of the Notes to Basic Financial Statements, the City adopted Governmental Accounting Standards Board (GASB) Statements No. 44, *Economic Condition Reporting: The Statistical Section* and No. 46, *Restricted Net Assets by Enabling Legislation*, effective July 1, 2005.

In accordance with Government Auditing Standards, we have also issued a report dated November 17, 2006, 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 16, the schedules of funding progress for the CalPERS Defined Benefit Plan on page 84, and the budgetary comparison schedules for the General Fund and Redevelopment Low/Mod Housing Area "A" Special Revenue Fund are not a required part of the basic financial statements but are 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 not 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
November 17, 2006

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, 2006. We encourage readers to consider information noted below in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's total assets as of June 30, 2006 were $172.62 million and total liabilities were $58.13 million. The assets exceeded liabilities by $114.49 million (net assets); of this amount, $4.40 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 $3.19 million, resulting in an equal increase in the general fund balance. The year-end fund balance for the General Fund was $16.51 million, of which $1 million was reserved for long-term advances and prepaid items.
- Total revenues from all sources were $50.91 million and total expenditures were $42.81 million. Of the total revenues, program revenues were $22.20 million. Program revenues are broken into three categories: Charges for services at $12.77 million, operating contributions and grants at $7.36 million; and capital contributions and grants at $2.07 million.

ROAD MAP FOR THE FY 2005-2006 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 – are 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 2005-06 (CURRENT)			Fiscal Year 2004-05 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current Assets and Other Assets	51,009,222	17,651,701	68,660,923	74,901,626	19,507,387	94,409,013
Capital Assets	96,769,949	7,190,185	103,960,134	63,311,529	6,923,652	70,235,181
Total assets	**147,779,171**	**24,841,886**	**172,621,057**	**138,213,155**	**26,431,039**	**164,644,194**
Liabilities:						
Other Liabilities	5,273,588	450,224	5,723,812	4,769,969	416,084	5,186,053
Long-Term Debt Outstanding	36,864,095	15,544,213	52,408,308	38,647,324	15,811,679	54,459,003
Total liabilities	**42,137,683**	**15,994,437**	**58,132,120**	**43,417,293**	**16,227,763**	**59,645,056**
Net Assets:						
Invested in capital assets, net of related debt	71,070,677	2,247,256	73,317,933	36,453,679	3,960,818	40,414,497
Restricted	34,546,018	9,707,252	44,253,270	57,339,342	11,961,502	69,300,844
Unrestricted	24,793	(3,107,059)	(3,082,266)	1,002,841	(5,719,044)	(4,716,203)
Total net assets	**$105,641,488**	**$ 8,847,449**	**$ 114,488,937**	**$ 94,795,862**	**$ 10,203,276**	**$ 104,999,138**

The City's overall assets increased to $172.62 million in FY 2005-06, and the overall liabilities decreased to $58.13 million over the same period. As a result, the net assets increased from

$105 million to $114.49 million. The Governmental Activities accounted for the majority of this increase, from $94.79 million to $105.64 million, while the net assets of the Business-type Activities decreased from $10.20 million to $8.85 million.

Table 2
Changes in Net Assets

	Fiscal Year 2005-06 (CURRENT)			Fiscal Year 2004-05 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
REVENUES						
Program Revenues						
Charges for services	6,926,683	5,845,627	12,772,310	8,689,850	6,527,008	15,216,858
Operating Contributions and grants	7,368,051		7,368,051	7,714,006		7,714,006
Capital contributions and grants	1,648,244	422,767	2,071,011	575,179		575,179
General Revenues						
Property taxes	13,831,194		13,831,194	10,205,679		10,205,679
Utility users tax	5,810,278		5,810,278	5,533,166		5,533,166
Sales taxes	3,247,091		3,247,091	3,198,615		3,198,615
Franchise taxes	1,332,113		1,332,113	1,278,192		1,278,192
Business license taxes	262,305		262,305	394,083		394,083
Other taxes	93,142		93,142	150,623		150,623
Motor vehicle in lieu tax, unrestricted	1,738,552		1,738,552	474,591		474,591
Use of money and property	1,897,716	551,608	2,449,324	1,354,489	313,212	1,667,701
Other	488,886		488,886	219,998	3,363	223,361
Transfers	780,106	(780,106)	0	1,709,871	(1,709,871)	0
Total	**45,424,361**	**6,039,896**	**51,464,257**	**41,498,342**	**5,133,712**	**46,632,054**
EXPENSES						
General government	6,213,553		6,213,553	6,936,325		6,936,325
Public safety	13,922,118		13,922,118	13,182,693		13,182,693
Public works	5,363,619		5,363,619	5,791,864		5,791,864
Community development	4,694,655		4,694,655	7,550,558		7,550,558
Parks and recreation	2,840,996		2,840,996	2,761,444		2,761,444
Interest on long-term debt	2,377,448		2,377,448	2,235,271		2,235,271
Water		6,168,104	6,168,104		6,517,910	6,517,910
Transit		1,227,619	1,227,619		1,320,016	1,320,016
Total	**35,412,389**	**7,395,723**	**42,808,112**	**38,458,155**	**7,837,926**	**46,296,081**
Change in net assets	10,011,972	(1,355,827)	8,656,145	3,040,187	(2,704,214)	335,973
Net assets at beginning of fiscal year	94,795,862	10,203,276	104,999,138	95,355,784	13,036,099	108,391,883
Prior period adjustments	833,654		833,654	(3,600,109)	(128,609)	(3,728,718)
Net assets at beginning of			0			
fiscal year restated	**95,629,516**	**10,203,276**	**105,832,792**	**91,755,675**	**12,907,490**	**104,663,165**
Net assets at end of fiscal year	**105,641,488**	**8,847,449**	**114,488,937**	**94,795,862**	**10,203,276**	**104,999,138**

The City's overall net assets increased slightly since the beginning of the year, from $105 million to $114.49 million. The reason for the increase is the positive difference between the actual revenues of $51.46 million and the actual expenditures of $42.81 million. As reflected in the above table, the positive revenue/expenditure difference is significantly larger for the Governmental Activities (where a surplus of $10.01 million was recorded), while the revenues were actually lower than expenditures for the Business-Type Activities (resulting in a gap of $1.35 million).

Compared to FY 2004-05, the City's overall revenues increased from $46.63 million to $51.46 million. The majority of this increase is due to recording a one-time motor vehicle loan payment from the State of $1.23 million and increase in revenue from property taxes of $3.63 million. The overall expenditures decreased from $46.29 million to $42.81 million. The major portion of the expenditure decrease 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

	Fiscal Year 2005-06 (CURRENT)			Fiscal Year 2004-05 (PRIOR)		
	Expenses	Program Revenues	Net Cost of Services	Expenses	Program Revenues	Net Cost of Services
FUNCTIONS/PROGRAMS						
General government	6,213,553	693,390	5,520,163	6,936,325	2,479,554	4,456,771
Public safety	13,922,118	1,486,038	12,436,080	13,182,693	1,121,784	12,060,909
Public works	5,363,619	10,567,318	(5,203,699)	5,791,864	9,783,918	(3,992,054)
Community development	4,694,655	2,855,004	1,839,651	7,550,558	2,664,353	4,886,205
Parks and recreation	2,840,996	341,228	2,499,768	2,761,444	587,601	2,173,843
Interest on long-term debt	2,377,448		2,377,448	2,235,271	341,825	1,893,446
Total	**35,412,389**	**15,942,978**	**19,469,411**	**38,458,155**	**16,979,035**	**21,479,120**

The cost of the City's Governmental Activities decreased from $38.46 million in FY 2004-05 to $35.41 million in FY 2005-06. The program revenue generated by these activities has decreased from $16.98 million to $15.94 million. The majority of this decrease is due to a decline in revenue from charges for services. As a result of the respective changes in the revenues and expenditures, the net cost of the Government Activities was $19.47 million in FY 2005-06, as opposed to the net cost of $21.48 recorded in FY 2004-05.

Overall, ***the cost of government in FY 2005-06 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 $1.13 million in FY 2005-06, with the transit services having the net cost of $1.21 million, as opposed to the net revenue of $0.88 million recorded in the water program.

Table 4
Business-Type Activities
Net Cost of Services

	Fiscal Year 2005-06 (CURRENT)			Fiscal Year 2004-05 (PRIOR)		
	Expenses	Program Revenues	Net Cost of Services	Expenses	Program Revenues	Net Cost of Services
FUNCTIONS/PROGRAMS						
Water	6,168,104	6,256,731	(88,627)	6,517,910	6,503,052	14,858
Transit	1,227,619	11,663	1,215,956	1,320,016	23,956	1,296,060
Total	**7,395,723**	**6,268,394**	**1,127,329**	**7,837,926**	**6,527,008**	**1,310,918**

The cost of the City's Business-Type Activities decreased from $7.84 million in FY 2004-05 to $7.39 million in FY 2005-06. The program revenue generated by these activities has decreased, from $6.53 million to $6.27 million. As a result, the net cost of the Business-Type Activities decreased from $1.31 million in FY 2004-05 to $1.13 million in FY 2005-06. 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 $45.92 million, which is a $23.49 million decrease from the prior fiscal year (mainly due to the Park Replacement Fund). The General Fund had a net increase of $3.19 million in its fund balance, to $16.51 million.

General Fund Budgetary Highlights

The year-end actual revenues for the General Fund (including transfers in) were $30.27 million; the actual expenditures (including transfers out) totaled $27.07 million. The actual revenues including transfers exceeded the budgeted estimate by $1.20 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 2005-06, the City had $103.96 million invested in capital assets. Of this amount, $96.77 million related to Governmental Activities and another $7.19 million – to Business-Type Activities. These amounts represent an increase from the previous year (FY 2004-05), when the City's overall capital assets were $70.23 million, including $63.31 million in Governmental Activities and $6.92 million in Business-Type Activities.

Table 5
Capital Assets

	Fiscal Year 2005-06 (CURRENT)			Fiscal Year 2004-05 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	71,663,683	37,252	71,700,935	40,353,751	37,252	40,391,003
Capital assets, net of accumulated depreciation	25,106,266	7,152,933	32,259,199	22,957,778	6,886,400	29,844,178
Total	**96,769,949**	**7,190,185**	**103,960,134**	**63,311,529**	**6,923,652**	**70,235,181**

The City has a number of capital projects planned or in progress. The amount budgeted for these in FY 2006-07 were $15.72 million, and $13.95 million carried forward from prior years. The City's major projects include the replacement of the Ham Park (with $6.87 million additional cost included in the FY 2006-07 adopted budget), various street improvements (totaling $4.43 million in new projects), and the construction of the Senior Citizens Center (estimated at $3 million).

Long-Term Debt

At fiscal year-end, the City's governmental activities accounted for approximately $36.86 million in tax allocation and revenue bonds, a HUD loan, claims payable and compensated absences. Another $15.54 million was outstanding for the business-type activities. The outstanding debt amounts have decreased to $36.86 million in FY 2005-06 for the Government Activities, and decreased to $15.54 million for the Business-Type Activities.

Table 6
Outstanding Long-Term Debt

	Balance at July 1, 2005	Additions	Repayments	Balance at June 30, 2006	Due Within One Year
Governmental Activities:					
Compensated absences	$ 1,442,380	$ 620,725	$ 913,204	$ 1,149,901	$ 862,425
Capital leases payable	1,753,372		421,841	1,331,531	447,821
Tax Allocation bonds	13,880,000		265,000	13,615,000	290,000
HUD loan payable	6,775,000		240,000	6,535,000	255,000
Claims payable	2,876,572	533,829	622,738	2,787,663	696,916
Revenue bonds	11,920,000		475,000	11,445,000	480,000
Total	$ 38,647,324	$ 1,154,554	$ 2,937,783	$ 36,864,095	$ 3,032,162
Business-type Activities:					
Water Fund:					
Compensated absences	$ 174,317	$ 167,967	$ 139,454	$ 202,830	$ 152,125
Revenue bonds	15,637,362		295,979	15,341,383	310,000
Total	$ 15,811,679	$ 167,967	$ 435,433	$ 15,544,213	$ 462,125

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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 has implemented impact fees to pay for the infrastructure expansions and improvements to support the new developments.

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.

CITY OF LYNWOOD
Statement of Net Assets
June 30, 2006

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	$ 31,621,763	$ 5,605,577	$ 37,227,340
Restricted Assets:			
Cash and investments	1,230,592		1,230,592
Cash and investments with fiscal agents	5,386,867	9,777,943	15,164,810
Receivables:			
Intergovernmental	2,729,708		2,729,708
Accounts	1,765,430	1,607,634	3,373,064
Interest	134,159	40,036	174,195
Notes and loans	2,111,168		2,111,168
Land held for resale	4,189,143		4,189,143
Deferred charges, net of accumulated amortization	1,840,392	620,511	2,460,903
Capital assets not being depreciated	71,663,683	37,252	71,700,935
Capital assets, net of accumulated depreciation	25,106,266	7,152,933	32,259,199
Total assets	147,779,171	24,841,886	172,621,057
Liabilities:			
Accounts payable	3,757,726	280,682	4,038,408
Accrued interest payable	614,538	70,691	685,229
Unearned revenue	58,082		58,082
Deposits payable	843,242	98,851	942,093
Noncurrent liabilities:			
Due within one year	3,032,162	462,125	3,494,287
Due in more than one year	33,831,933	15,082,088	48,914,021
Total liabilities	42,137,683	15,994,437	58,132,120
Net Assets:			
Invested in capital assets, net of related debt	71,070,677	2,247,256	73,317,933
Restricted for:			
Retirement	1,260,354		1,260,354
Public safety	123,150		123,150
Housing	8,883,814		8,883,814
Debt service	2,418,850	905,816	3,324,666
Development projects	13,592,822		13,592,822
Water improvement		8,801,436	8,801,436
Streets, roads, and transportation	595,512		595,512
Business promotion	63,327		63,327
Air and streets cleaning	3,211,964		3,211,964
Parks project	4,396,225		4,396,225
Unrestricted	24,793	(3,107,059)	(3,082,266)
Total net assets	$ 105,641,488	$ 8,847,449	$ 114,488,937

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Activities
For the Fiscal Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contributions and Grants
Primary Government:			
Governmental Activities:			
General government	$ 6,213,553	$ 693,390	$ -
Public safety	13,922,118	1,024,589	461,449
Public works	5,363,619	4,607,579	4,311,495
Community development	4,694,655	284,119	2,570,885
Parks and recreation	2,840,996	317,006	24,222
Interest on long-term debt	2,377,448		
Total governmental activities	35,412,389	6,926,683	7,368,051
Business-type Activities:			
Water	6,168,104	5,833,964	
Transit	1,227,619	11,663	
Total business-type activities	7,395,723	5,845,627	
Total primary government	$ 42,808,112	$ 12,772,310	$ 7,368,051

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

See Notes to Basic Financial Statements

Capital Contributions and Grants	Net (Expenses) Revenues and Changes in Net Assets: Governmental Activities	Business-type Activities	Total
$ -	$ (5,520,163)	$ -	$ (5,520,163)
	(12,436,080)		(12,436,080)
1,648,244	5,203,699		5,203,699
	(1,839,651)		(1,839,651)
	(2,499,768)		(2,499,768)
	(2,377,448)		(2,377,448)
1,648,244	(19,469,411)		(19,469,411)
422,767		88,627	88,627
		(1,215,956)	(1,215,956)
422,767		(1,127,329)	(1,127,329)
$ 2,071,011	(19,469,411)	(1,127,329)	(20,596,740)
	13,831,194		13,831,194
	5,810,278		5,810,278
	3,247,091		3,247,091
	1,332,113		1,332,113
	262,305		262,305
	93,142		93,142
	1,738,552		1,738,552
	1,897,716	551,608	2,449,324
	488,886		488,886
	780,106	(780,106)	
	29,481,383	(228,498)	29,252,885
	10,011,972	(1,355,827)	8,656,145
	94,795,862	10,203,276	104,999,138
	833,654		833,654
	95,629,516	10,203,276	105,832,792
	$ 105,641,488	$ 8,847,449	$ 114,488,937

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Balance Sheet
Governmental Funds
June 30, 2006

		Special Revenue Fund	Capital Projects Funds	
	General	Redevelopment Low/Mod Housing Area "A"	Park Replacement	Redevelopment Project Area "A"
Assets:				
Cash and investments	$ 7,583,972	$ 2,306,090	$ 4,302,334	$ 1,405,087
Restricted assets:				
Cash and investments				58,082
Cash and investments with fiscal agents				
Receivables:				
Intergovernmental	1,497,111			
Accounts	1,549,176			
Interest	77,770	1,543		
Notes and loans	1,620	645,975		2,320,724
Due from other funds	6,733,804			
Advances to other funds	998,720			
Land held for resale		3,446,743		742,400
Total assets	$ 18,442,173	$ 6,400,351	$ 4,302,334	$ 4,526,293
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ 1,152,026	$ 124,070	$ -	$ 661,526
Due to other funds				
Deferred revenue	23,886	645,975		2,378,806
Deposits payable	753,388			89,854
Advances from other funds				
Total liabilities	1,929,300	770,045		3,130,186
Fund balances:				
Reserved:				
Reserved for long term advances	998,720			
Reserved for notes receivable	1,620			
Reserved for projects			4,302,334	
Reserved for housing		2,183,563		
Reserved for retirement				
Reserved for debt service				
Reserved for land held for resale		3,446,743		742,400
Reserved for encumbrances				
Unreserved reported in:				
General Fund	15,512,533			
Special Revenue Funds				
Capital Projects Funds				653,707
Total fund balances	16,512,873	5,630,306	4,302,334	1,396,107
Total liabilities and fund balances	$ 18,442,173	$ 6,400,351	$ 4,302,334	$ 4,526,293

See Notes to Basic Financial Statements

Capital Projects Funds				
Capital Improvement Projects	2002 HUD Section 108 Loan	Redevelopment Project Area A Taxable Bond Proceeds	Nonmajor Governmental Funds	Total Governmental Funds
$ 249,851	$ 5,855,637	$ 773,547	$ 9,145,245	$ 31,621,763
			1,172,510	1,230,592
			5,386,867	5,386,867
			1,232,597	2,729,708
			205,720	1,754,896
		36	54,810	134,159
		2,000,000	1,833,824	6,802,143
			14,876	6,748,680
				998,720
				4,189,143
$ 249,851	$ 5,855,637	$ 2,773,583	$ 19,046,449	$ 61,596,671
$ 671,233	$ -	$ -	$ 1,140,489	$ 3,749,344
			2,959,493	2,959,493
		2,000,000	2,074,767	7,123,434
				843,242
			998,720	998,720
671,233		2,000,000	7,173,469	15,674,233
				998,720
				1,620
	5,855,637		561,593	10,719,564
			2,164,229	4,347,792
			1,260,354	1,260,354
			6,017,321	6,017,321
				4,189,143
			2,365	2,365
				15,512,533
			1,867,118	1,867,118
(421,382)		773,583		1,005,908
(421,382)	5,855,637	773,583	11,872,980	45,922,438
$ 249,851	$ 5,855,637	$ 2,773,583	$ 19,046,449	$ 61,596,671

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, 2006

Fund balances of governmental funds	$ 45,922,438
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 $440,304).	96,769,949
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	7,041,466
Allowance for uncollectible notes and loans	(4,690,975)
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 $2,515,939)	(36,864,095)
Certain intergovernmental receivables are not available to pay for current period expenditures and, therefore, are offset by deferred revenue in the governmental funds.	23,886
Deferred charges, net of accumulated amortization for debt issuance costs on long-term debt have not been reported in the governmental funds.	1,840,392
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.	(614,538)
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).	(3,787,035)
Net assets of governmental activities	$ 105,641,488

See Notes to Basic Financial Statements

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CITY OF LYNWOOD
Statement of Revenues,
Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2006

		Special Revenue Funds	Capital Project Funds	
	General	Redevelopment Low/Mod Housing Area "A"	Park Replacement	Redevelopment Project Area "A"
Revenues:				
Taxes	$ 18,421,199	$ -	$ -	$ -
Licenses and permits	639,142			
Fines and forfeits	898,506			
Use of money and property	226,717	120,378	912,125	158,522
Intergovernmental	1,941,413			
Charges for services	3,100,934			
Administrative support	3,228,043			
Other	109,022			26,155
Total revenues	28,564,976	120,378	912,125	184,677
Expenditures:				
Current:				
General government	5,427,578			
Public safety	11,310,007			
Public works	2,909,391			
Community development	2,247,699	394,186		1,609,706
Parks and recreation	2,785,317			
Capital outlay	326,424			
Debt service:				
Principal		42,300		
Interest and fiscal charges		135,576		
Total expenditures	25,006,416	572,062		1,609,706
Excess of revenues over (under) expenditures	3,558,560	(451,684)	912,125	(1,425,029)
Other Financing Sources (Uses):				
Transfers in	1,704,520	730,235		1,494,108
Transfers out	(2,070,322)		(28,262,895)	
Total other financing sources (uses)	(365,802)	730,235	(28,262,895)	1,494,108
Net change in fund balances	3,192,758	278,551	(27,350,770)	69,079
Fund balances, beginning of fiscal year	13,320,115	4,518,101	31,653,104	1,327,028
Prior period adjustments		833,654		
Fund balances, beginning of fiscal year, restated	13,320,115	5,351,755	31,653,104	1,327,028
Fund balances, end of fiscal year	$ 16,512,873	$ 5,630,306	$ 4,302,334	$ 1,396,107

See Notes to Basic Financial Statements

Capital Project Funds				
Capital Improvement Projects	2002 HUD Section 108 Loan	Redevelopment Project Area A Taxable Bond Proceeds	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ 11,099,804	$ 29,521,003
				639,142
			108,846	1,007,352
	214,699	29,648	475,349	2,137,438
			5,357,906	7,299,319
			237,534	3,338,468
				3,228,043
				135,177
	214,699	29,648	17,279,439	47,305,942
			1,187,645	6,615,223
			2,590,400	13,900,407
			2,214,887	5,124,278
			2,141,864	6,393,455
				2,785,317
33,422,501			404,388	34,153,313
			933,382	975,682
			2,071,526	2,207,102
33,422,501			11,544,092	72,154,777
(33,422,501)	214,699	29,648	5,735,347	(24,848,835)
33,105,701			3,988,685	41,023,249
			(10,160,685)	(40,493,902)
33,105,701			(6,172,000)	529,347
(316,800)	214,699	29,648	(436,653)	(24,319,488)
(104,582)	5,640,938	743,935	12,309,633	69,408,272
				833,654
(104,582)	5,640,938	743,935	12,309,633	70,241,926
$ (421,382)	$ 5,855,637	$ 773,583	$ 11,872,980	$ 45,922,438

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, 2006

Net change in fund balances - Total governmental funds	$ (24,319,488)
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.	(106,569)
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.	33,186,574
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.	(116,564)
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.	1,783,229
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.	17,171
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.	(79,355)
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.	(195,718)
Change in net assets of governmental activities	$ 10,011,972

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For The Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 15,877,220	$ 17,277,220	$ 18,421,199	$ 1,143,979
Licenses and permits	506,200	606,200	639,142	32,942
Fines and forfeits	933,350	753,350	898,506	145,156
Use of money and property	301,050	561,050	226,717	(334,333)
Intergovernmental	1,001,050	2,232,234	1,941,413	(290,821)
Charges for services	2,942,750	3,095,875	3,100,934	5,059
Administrative support	2,517,300	2,607,300	3,228,043	620,743
Other	65,750	65,750	109,022	43,272
Total revenues	24,144,670	27,198,979	28,564,976	1,365,997
Expenditures:				
General government:				
City council	395,900	389,900	384,978	4,922
City clerk	315,050	313,050	263,922	49,128
City attorney	500,000	650,000	597,638	52,362
City manager	656,750	881,909	687,303	194,606
Accounting and auditing	373,250	541,954	475,193	66,761
City treasurer	173,200	173,200	152,055	21,145
Business license	374,000	343,000	338,977	4,023
Human resources	308,800	472,308	464,309	7,999
Building maintenance	683,000	1,425,350	1,036,492	388,858
Administrative services	149,850	232,789	210,865	21,924
Community promotion	55,250	179,508	173,951	5,557
General services	350,450	312,650	306,551	6,099
Media services	412,900	408,727	335,344	73,383
Total general government	4,748,400	6,324,345	5,427,578	896,767
Public safety:				
Parking enforcement	587,300	552,750	476,458	76,292
Police	6,345,600	6,420,623	5,857,584	563,039
Fire	4,200,950	4,200,950	4,534,421	(333,471)
Animal control	74,000	87,500	66,772	20,728
Code enforcement	350,300	350,300	374,772	(24,472)
Total public safety	11,558,150	11,612,123	11,310,007	302,116
Parks and recreation:				
Parks, recreation, and community services	2,824,850	2,953,483	2,785,317	168,166
Total parks and recreation	2,824,850	2,953,483	2,785,317	168,166

(Continued)

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For The Fiscal Year Ended June 30, 2006
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Public works:				
Weed abatement/Tree maintenance	$ 46,050	$ 56,050	$ 26,302	$ 29,748
Administration	114,200	134,200	99,858	34,342
Street maintenance-right-of-way	557,250	458,722	509,609	(50,887)
Sanitation	2,138,750	2,125,250	2,052,852	72,398
City engineering	227,050	247,050	220,770	26,280
Total public works	3,083,300	3,021,272	2,909,391	111,881
Community development:				
Community development	2,373,200	2,565,793	2,247,699	318,094
Total community development	2,373,200	2,565,793	2,247,699	318,094
Capital outlay		445,729	326,424	119,305
Total expenditures	24,587,900	26,922,745	25,006,416	1,916,329
Excess (deficiency) of revenues over expenditures	(443,230)	276,234	3,558,560	3,282,326
Other Financing Sources (Uses):				
Transfers in	1,799,000	1,871,000	1,704,520	(166,480)
Transfers out	(2,012,863)	(2,676,951)	(2,070,322)	606,629
Total other financing sources (uses)	(213,863)	(805,951)	(365,802)	440,149
Net change in fund balance	(657,093)	(529,717)	3,192,758	3,722,475
Fund balance at beginning of fiscal year	13,320,115	13,320,115	13,320,115	
Fund balance at end of fiscal year	$ 12,663,022	$ 12,790,398	$ 16,512,873	$ 3,722,475

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Schedule 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, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Use of money and property	$ 40,000	$ 40,000	$ 120,378	$ 80,378
Total revenues	40,000	40,000	120,378	80,378
Expenditures:				
Current:				
Administrative costs	12,000	127,900	230,070	(102,170)
Public improvement costs	115,900	153,438	164,116	(10,678)
Debt service:				
Principal repayments	42,300	42,300	42,300	
Interest and fiscal charges	140,450	140,450	135,576	4,874
Total expenditures	310,650	464,088	572,062	(107,974)
Excess (deficiency) of revenues over (under) expenditures	(270,650)	(424,088)	(451,684)	(27,596)
Other Financing Sources (Uses):				
Transfers in	523,250	573,250	730,235	156,985
Total other financing sources (uses)	523,250	573,250	730,235	156,985
Excess of revenues and other financing sources over (under) expenditures and other financing uses	252,600	149,162	278,551	129,389
Fund balance at beginning of fiscal year	4,518,101	4,518,101	4,518,101	
Prior period adjustments			833,654	833,654
Fund balance, beginning of fiscal year, restated	4,518,101	4,518,101	5,351,755	833,654
Fund balance at end of fiscal year	$ 4,770,701	$ 4,667,263	$ 5,630,306	$ 963,043

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, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
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 LYNWOOD
Statement of Net Assets
Proprietary Funds
June 30, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Transit	Water	Totals	
Assets				
Current Assets:				
Cash and investments	$ 80,944	$ 5,524,633	$ 5,605,577	$ -
Restricted assets:				
Cash and investments with fiscal agents		9,777,943	9,777,943	
Accounts receivable, net		1,607,634	1,607,634	10,534
Interest receivable		40,036	40,036	
Total current assets	80,944	16,950,246	17,031,190	10,534
Noncurrent Assets:				
Deferred issuance costs, net		620,511	620,511	
Capital assets:				
Land		37,252	37,252	
Depreciable infrastructure, net		7,125,244	7,125,244	
Depreciable buildings and improvements, net		27,689	27,689	
Depreciable equipment, net				440,304
Total noncurrent assets		7,810,696	7,810,696	440,304
Total assets	80,944	24,760,942	24,841,886	450,838
Liabilities				
Current Liabilities:				
Accounts payable	80,944	199,738	280,682	8,382
Accrued interest payable		70,691	70,691	
Deposits payable		98,851	98,851	
Due to other funds				3,789,187
Current portion of long-term obligations		462,125	462,125	781,228
Total current liabilities	80,944	831,405	912,349	4,578,797
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations:				
Compensated absences		50,705	50,705	2,988
Claims payable				1,603,048
Revenue bonds payable		15,031,383	15,031,383	
Capital lease payable				128,675
Total noncurrent liabilities		15,082,088	15,082,088	1,734,711
Total liabilities	80,944	15,913,493	15,994,437	6,313,508
Net Assets				
Invested in capital assets, net of related debt		2,247,256	2,247,256	64,751
Restricted for debt service		905,816	905,816	
Restricted for projects		8,801,436	8,801,436	
Unrestricted		(3,107,059)	(3,107,059)	(5,927,421)
Total net assets	$ -	$ 8,847,449	$ 8,847,449	$ (5,862,670)

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Revenues, Expenses,
and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Transit	Water	Totals	
Operating Revenues:				
Sales and service charges	$ 11,663	$ 5,833,964	$ 5,845,627	$ 1,878,458
Total operating revenues	11,663	5,833,964	5,845,627	1,878,458
Operating Expenses:				
Administration		602,667	602,667	49,098
Insurance				1,171,675
Claims				654,552
Water utility		4,149,016	4,149,016	
Sewer utility		598,853	598,853	
Garage				196,526
Transit	1,227,619		1,227,619	
Depreciation		156,261	156,261	174,953
Total operating expenses	1,227,619	5,506,797	6,734,416	2,246,804
Operating income (loss)	(1,215,956)	327,167	(888,789)	(368,346)
Nonoperating Revenues (Expenses):				
Use of money and property		551,608	551,608	
Interest expense		(859,342)	(859,342)	(30,209)
Amortization expense		(24,840)	(24,840)	
Total nonoperating revenues (expenses)		(332,574)	(332,574)	(30,209)
Income (loss) before contributions and transfers	(1,215,956)	(5,407)	(1,221,363)	(398,555)
Capital contributions		422,767	422,767	
Transfers in	1,215,956	224,193	1,440,149	250,759
Transfers out		(2,220,255)	(2,220,255)	
Change in net assets		(1,578,702)	(1,578,702)	(147,796)
Net Assets				
Beginning of fiscal year		10,426,151	10,426,151	(5,714,874)
End of fiscal year	$ -	$ 8,847,449	8,847,449	$ (5,862,670)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			222,875	
Change in net assets of business type activities			$ (1,355,827)	

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities
	Transit	Water	Totals	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	$ 11,663	$ 6,119,611	$ 6,131,274	$ 1,867,924
Payments to suppliers	(1,268,745)	(3,724,755)	(4,993,500)	(1,777,028)
Payments to employees		(1,523,541)	(1,523,541)	(77,900)
Net cash provided (used) by operating activities	(1,257,082)	871,315	(385,767)	12,996
Cash flows from noncapital financing activities:				
Transfer to/from other funds	1,215,956	(1,996,062)	(780,106)	250,759
Net cash provided (used) in noncapital financing activities	1,215,956	(1,996,062)	(780,106)	250,759
Cash flows from capital and related financing activities:				
Purchase of capital assets		(27)	(27)	
Principal payments on long-term debt		(300,000)	(300,000)	(233,546)
Interest paid on long-term debt		(860,347)	(860,347)	(30,209)
Net cash provided (used) in capital and related financing activities		(1,160,374)	(1,160,374)	(263,755)
Cash flows from investing activities:				
Interest on investments		542,781	542,781	
Net cash provided by investing activities		542,781	542,781	
Net increase (decrease) in cash and cash equivalents	(41,126)	(1,742,340)	(1,783,466)	
Cash and cash equivalents, beginning of fiscal year	122,070	17,044,916	17,166,986	
Cash and cash equivalents, end of fiscal year	$ 80,944	$ 15,302,576	$ 15,383,520	$ -
Supplemental information - non cash activities				
Capital contributions	$ -	$ 422,767	$ 422,767	$ -
Amortization		24,840	24,840	
Allowance for doubtful accounts		9,532	9,532	
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	$ 80,944	$ 5,524,633	$ 5,605,577	$ -
Cash and investments with fiscal agents		9,777,943	9,777,943	
Cash and cash equivalents - June 30, 2006	$ 80,944	$ 15,302,576	$ 15,383,520	$ -

(Continued)

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2006
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)	$ (1,215,956)	$ 327,167	$ (888,789)	$ (368,346)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation		156,261	156,261	174,953
Decrease (increase) in accounts receivable		283,103	283,103	(10,534)
Increase (decrease) in accounts payable	(41,126)	64,195	23,069	(80,231)
Increase (decrease) in claims payable				(14,639)
Increase (decrease) in deposits payable		12,076	12,076	
Increase (decrease) in accrued employee benefits		28,513	28,513	(23,661)
Decrease (increase) in due to/from other funds				335,454
Total adjustments	(41,126)	544,148	503,022	381,342
Net cash provided (used) by operating activities	$ (1,257,082)	$ 871,315	$ (385,767)	$ 12,996

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006

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

See Notes to Basic Financial Statements

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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.

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.

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.

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" 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.

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 Funds – These funds account 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.

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.

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 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.

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.

Note 1 Summary of Significant Accounting Policies (Continued)

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

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.

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.

Note 1 Summary of Significant Accounting Policies (Continued)

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

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.

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:

Note 1 Summary of Significant Accounting Policies (Continued)

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

Property Taxes (Continued)

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 XIIIA 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.

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

Note 1 Summary of Significant Accounting Policies (Continued)

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

Restricted Assets (Continued)

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 (including infrastructure) 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.

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, 2006.

Note 1 Summary of Significant Accounting Policies (Continued)

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

Capital Assets (Continued)

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

Assets	Years
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.

Generally, compensated absences are liquidated through the City's general fund. 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.

Note 1 Summary of Significant Accounting Policies (Continued)

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

Compensated Absences (Continued)

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.

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.

Note 1 Summary of Significant Accounting Policies (Continued)

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

Net Assets and Fund Equity (Continued)

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

Governmental Accounting Standard Board Statement No. 44

For the fiscal year ended June 30, 2006, the City implemented GASB Statement No. 44, "*Economic Condition Reporting: The Statistical Section".* This Statement is effective for the City for the fiscal period beginning after June 15, 2005. This Statement enhances and updates the statistical section that accompanies a local government's basic financial statements to reflect the significant changes that have taken place in the government. The statistical section comprises schedules presenting trend information about revenues and expenses, trend information about the government's significant revenue source, outstanding debt, economics and demographics, and operating information. Implementation of GASB Statement No. 44 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2006 other than updating the Statistical Section.

Governmental Accounting Standards Board Statement No. 46

For fiscal year ended June 30, 2006 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 46, *"Net Assets Restricted by Enabling Legislation" – an amendment of GASB Statement No. 34".* This Statement is effective for fiscal periods beginning after June 15, 2005. This Statement requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. A legally enforceable enabling legislation restriction is one that a party external to the City – such as citizens, public interest groups, or the judiciary – can compel a government to honor. Implementation of GASB Statement No. 46 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2006, but required additional disclosure related to restricted net assets.

f. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires

Note 1 Summary of Significant Accounting Policies (Continued)

f. Estimates (Continued)

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.

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 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 except for the Dove Grant special revenue fund, AB 2928 Traffic Congestion special revenue fund, and Highway–Thru-Cities special revenue fund.

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.

Note 2 Stewardship, Compliance, and Accountability (Continued)

General Budget Policies (Continued)

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.

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, 2006:

Major Governmental Fund:	
Capital improvement project	$ 421,382
Internal Service Funds:	
Garage	473,936
Self-insurance	5,388,734
Nonmajor Governmental Funds:	
Special Revenue Funds:	
Traffic safety	662,804
State transportation partnership	111,314
Landscape maintenance	772,758
STP	234,622
TEA/ISTEA grant	100,774
Lighting maintenance	115,096
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.

Note 2 Stewardship, Compliance, and Accountability (Continued)

General Budget Policies (Continued)

Excess of Expenditures Over Appropriations

Fund	Final Appropriation	Expenditures	Excess
Major Governmental Funds:			
General Fund			
Public safety			
Fire	$ 4,200,950	$ 4,534,421	$ 333,471
Code enforcement	350,300	374,772	24,472
Public works			
Street maintenance right of way	458,722	509,609	50,887
Redevelopment Agency			
Low/Mod Housing Area "A"			
Administrative costs	127,900	230,070	102,170
Public improvement costs	153,438	164,116	10,678
Nonmajor Governmental Funds:			
Special Revenue Funds:			
HUD Home Program			
Capital outlay	124,100	378,000	253,900
Retirement			
General government	893,900	1,124,693	230,793
Lighting Maintenance			
Public works	888,400	917,633	29,233
Lynwood Information Inc.			
Community development	191,650	192,844	1,194
Debt Service Funds:			
Tax Increment Area "A"			
Community development	100	485	385
City of Lynwood			
Debt service - principal	663,300	710,682	47,382
Interest and fiscal charges	619,400	634,811	15,411
Tax Increment Alameda Area			
Community development		468	468
Special Fund Area "A" Alameda			
Interest and fiscal charges	24,000	29,972	5,972

Note 3 Cash and Investments

Cash and investments are reported as follows:

	Governmental Activities	Business-type Activities	Totals
Cash and investments	$ 31,621,763	$ 5,605,577	$ 37,227,340
Restricted cash and investments:			
Cash and investments	1,230,592		1,230,592
Cash and investments with fiscal agents	5,386,867	9,777,943	15,164,810
	$ 38,239,222	$ 15,383,520	$ 53,622,742

Cash and investments at June 30, 2006 consisted of the following:

Petty cash	$ 4,705
Deposits	8,711,393
Investments	44,906,644
Total	$ 53,622,742

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.

Note 3 Cash and Investments (Continued)

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	$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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	$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

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:

		Remaining maturity (in Months)			
Investment Type	Totals	12 Months or Less	13 to 24 Months	25-60 Months	More Than 60 Months
State Investment Pool	$ 18,129,971	$ 18,129,971	$ -	$ -	$ -
Money Market Funds	7,166,749	7,166,749			
Time Deposits	4,445,114	4,445,114			
Held by Bond Trustees:					
Money Market Funds	15,164,810	15,164,810			
Totals	$ 44,906,644	$ 44,906,644	$ -	$ -	$ -

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).

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.

Note 3 Cash and Investments (Continued)

e. Disclosures Relating to Credit Risk (Continued)

				Rating as of Fiscal Year End			
Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	AAA	AA	A	Not Rated
State Investment Pool	$18,129,971	N/A	$ -	$ -	$ -	$ -	$18,129,971
Money Market Funds	7,166,749	N/A					7,166,749
Time Deposits	4,445,114	N/A					4,445,114
Held by Bond Trustees:							
Money Market Funds	15,164,810	N/A		15,164,810			
Total	$44,906,644		$ -	$15,164,810	$ -	$ -	$29,741,834

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:

US Bank - Time Deposits $ 4,166,685

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

US Bank - Time Deposits $ 4,166,685

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

Note 3 Cash and Investments (Continued)

g. Custodial Credit Risk (Continued)

secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2006, $21,705,037 of the City's deposits with financial institutions, which include money market accounts, time deposits, and passbook savings accounts, are in excess of federal depositary insurance limits and were held in collateralized accounts per the California Government Code. As of June 30, 2006, 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:

Investment Type	Reported Amount
Certificates of deposit	$ 4,166,685

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, 2006, the net realizable value for land held for resale totaled $4,189,143, with this amount offset by a reservation of fund balance.

Note 5 Notes and Loans Receivable

	Outstanding Balance June 30, 2006
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, 2006, the loans receivable balance was $2,111,168 (This amount is net of an allowance in the amount of $4,690,975). The following are descriptions of these loans:	
In late 1999, the City extended a loan to a developer for financial assistance on the Marketplace/Lynwood Town Center project. 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.	

Note 5 Notes and Loans Receivable (Continued)

	Outstanding Balance June 30, 2006
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. This loan is now in litigation, and it is unknown if the loan will be repaid, unless a different developer assumes the debt and completes the project. An allowance of the $645,975 has been established in the event that another developer does not complete the project.	$ -
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.	111,426
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.	164,298
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 dates while others are due upon sale of the underlying property.	1,740,162
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.	93,662
Other miscellaneous loans receivable.	1,620
Total governmental loans and notes receivable	$ 2,111,168

Note 5 Notes and Loans Receivable (Continued)

	Outstanding Balance June 30, 2006
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, 2006. The loans were written in 1988 and 1990 with no stated interest rate. The loans become due when the property is sold.	$ 54,506

Note 6 Accounts Receivable

The following is a list of accounts receivable at June 30, 2006:

	Receivable	Allowance	Net
Governmental Activities			
Intergovernmental	$ 2,729,708	$ -	$ 2,729,708
Accounts (including taxes)	1,765,430		1,765,430
Interest	134,159		134,159
	$ 4,629,297	$ -	$ 4,629,297
Business-type Activities			
Accounts	$ 1,875,171	$ 267,537	$ 1,607,634
Interest	40,036		40,036
	$ 1,915,207	$ 267,537	$ 1,647,670

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, 2006 was $313,560.

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, 2006 was $232,380.

Note 7 Deferred Charges (Continued)

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, 2006 (net of accumulated amortization of $61,920) was $214,969. 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, 2006, the accumulated amortization was $131,274.

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, 2006 was $56,091.

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, 2006 was $50,694 and $59,680 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, 2006 was $26,286.

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, 2006.

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.

Note 8 Interfund Activity (Continued)

a. Current Interfund Balances (Continued)

The following is a summary of current interfund balances as of June 30, 2006.

Receivable Fund	Amount	Payable Fund	Amount
Major Fund:		Nonmajor Funds:	
General	$6,733,804	Traffic Safety	$ 606,314
		Lighting Maintenance	181,171
Nonmajor Fund:		State Transportation Partnership	111,314
Tax Increment Alameda Area	14,876	Landscape Maintenance	817,073
		HUD Home Program	94,444
		STP Grant	234,622
		TEA/ISTEA Grant	100,774
		Justice Assistance	71,577
		City Debt Service	52,985
		Per Capital Grant	77,361
		Safe School Route	298,961
		State Homeland Security Grant	2,244
		Tax Increment Area "A"	14,876
		Capital Project Loan	269,200
		Housing Community Development	26,577
		Internal Service Funds:	
		Garage	535,699
		Self-insurance	3,253,488
Totals	$6,748,680		$ 6,748,680

b. Advances

As of June 30, 2006, the funds below have made advances that were not expected to be repaid within one year.

Fund	Advances Receivable	Advances Payable
Major Fund:		
General	$ 998,720	$ -
Nonmajor Fund:		
Redevelopment Tax Increment Area "A"		998,720
Totals	$ 998,720	$ 998,720

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

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.

Fund	Transfer-in	Transfer-out
Major Funds:		
General	$ 1,704,520	$ 2,070,322
Redevelopment Low/Mod Housing Area "A"	730,235	
Park Replacement		28,262,895
Redevelopment Project Area "A"	1,494,108	
Capital Improvement Projects	33,105,701	
Nonmajor Governmental Funds:		
Traffic Safety	1,632,194	28,897
Lighting Maintenance		295,350
Gas Tax	28,897	1,329,490
Retirement		2,011,264
Air Quality Improvement		100,000
SB 821		74,182
State Transportation Partnership		593,167
Prop A		989,913
Landscape Maintenance		268,450
Housing Community Development		151,242
TEA/ISTEA Grant		100,470
Prop C		694,527
STP Grant		9,160
LA County Park Maintenance Grant		168,617
AB 2928 Traffic Congestion Relief	17,108	
Brownfield Clean-up		670
DOVE Grant	151,286	
Redevelopment Low/Mod Housing Alameda Area	157,582	
Tax Increment Area "A"		2,224,344
Tax Increment Alameda Area		807,323
Public Financing Authority	62,952	
City of Lynwood Debt Service	1,288,924	52,985
Redevelopment Project Alameda Area	649,742	
Capital Project Loan		260,634
Major Enterprise Funds:		
Transit	1,215,956	
Water	224,193	2,220,255
Internal Service Funds		
Garage	759	
Self-Insurance	250,000	
	$ 42,714,157	$ 42,714,157

Note 9 Capital Assets

a. Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2006 was as follows:

	Balance at July 1, 2005	Additions	Deletions	Balance at June 30, 2006
Capital Assets, not being depreciated:				
Land	$ 8,786,460	$ 24,280,266	$ -	$ 33,066,726
Rights of way	22,904,319			22,904,319
Trees	247,140	40,487		287,627
Construction in progress	8,415,832	6,989,179		15,405,011
Total	40,353,751	31,309,932		71,663,683
Capital Assets, being depreciated:				
Buildings and improvements	8,345,556	1,577,935		9,923,491
Machinery and equipment	811,698	76,202		887,900
Infrastructure:				
Roadways, curbs, and gutters	20,079,922	1,348,667		21,428,589
Sidewalks and medians	5,867,424			5,867,424
Other street appurtenances	4,323,832	128,971		4,452,803
Total	39,428,432	3,131,775		42,560,207
Less accumulated depreciation for:				
Buildings and improvements	(4,085,152)	(134,105)		(4,219,257)
Machinery and equipment	(629,593)	(52,202)		(681,795)
Infrastructure:				
Roadways, curbs, and gutters	(8,830,786)	(413,084)		(9,243,870)
Sidewalks and medians	(1,870,433)	(117,340)		(1,987,773)
Other street appurtenances	(1,669,947)	(91,603)		(1,761,550)
Total	(17,085,911)	(808,334)		(17,894,245)
Capital Assets being depreciated, net	22,342,521	2,323,441		24,665,962
Capital Assets, net	$ 62,696,272	$ 33,633,373	$ -	$ 96,329,645

Note 9 Capital Assets (Continued)

a. Governmental Activities (Continued)

Internal Service Fund (Allocated to Governmental Activities)

	Balance at July 1, 2005	Additions	Deletions	Balance at June 30, 2006
Capital Assets, being depreciated:				
Machinery and equipment	$ 2,426,977	$ -	$ -	$ 2,426,977
Total	2,426,977			2,426,977
Less accumulated depreciation for:				
Machinery and equipment	(1,811,720)	(174,953)		(1,986,673)
Total	(1,811,720)	(174,953)		(1,986,673)
Capital Assets being depreciated, net	$ 615,257	$ (174,953)	$ -	$ 440,304

Total Governmental Activities

	Balance at July 1, 2005	Additions	Deletions	Balance at June 30, 2006
Capital Assets, not being depreciated:				
Land	$ 8,786,460	$ 24,280,266	$ -	$ 33,066,726
Rights of way	22,904,319			22,904,319
Trees	247,140	40,487		287,627
Construction in progress	8,415,832	6,989,179		15,405,011
Total	40,353,751	31,309,932		71,663,683
Capital Assets, being depreciated:				
Buildings and improvements	8,345,556	1,577,935		9,923,491
Machinery and equipment	3,238,675	76,202		3,314,877
Infrastructure:				
Roadways, curbs, and gutters	20,079,922	1,348,667		21,428,589
Sidewalks and medians	5,867,424			5,867,424
Other street appurtenances	4,323,832	128,971		4,452,803
Total	41,855,409	3,131,775		44,987,184
Less accumulated depreciation for:				
Buildings and improvements	(4,085,152)	(134,105)		(4,219,257)
Machinery and equipment	(2,441,313)	(227,155)		(2,668,468)
Infrastructure:				
Roadways, curbs, and gutters	(8,830,786)	(413,084)		(9,243,870)
Sidewalks and medians	(1,870,433)	(117,340)		(1,987,773)
Other street appurtenances	(1,669,947)	(91,603)		(1,761,550)
Total	(18,897,631)	(983,287)		(19,880,918)
Capital Assets being depreciated, net	22,957,778	2,148,488		25,106,266
Capital Assets, net	$ 63,311,529	$ 33,458,420	$ -	$ 96,769,949

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	$ 34,114	$ 35,247	$ 69,361
Public safety	7,165	14,546	21,711
Public works	716,030	111,282	827,312
Community development	6,155	3,069	9,224
Parks and recreation	44,870	10,809	55,679
Total	$ 808,334	$ 174,953	$ 983,287

b. Business-type activities

Capital asset business-type activity (Water activity) for the fiscal year ended June 30, 2006 was as follows:

Water Activity	Balance at July 1, 2005	Additions	Deletions	Balance at June 30, 2006
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	11,376,888	422,794		11,799,682
Less - Accumulated depreciation	(4,525,987)	(156,261)		(4,682,248)
Total Capital Assets, being depreciated	6,886,400	266,533		7,152,933
Total Water Capital Assets, net	$ 6,923,652	$ 266,533	$ -	$ 7,190,185

Note 9 Capital Assets (Continued)

b. Business-type activities (Continued)

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

Business-Type Activities:	
Water	$ 156,261

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, 2006:

	Balance at July 1, 2005	Additions	Repayments	Balance at June 30, 2006	Due Within One Year
Governmental Activities:					
Compensated absences	$ 1,442,380	$ 620,725	$ 913,204	$ 1,149,901	$ 862,425
Capital leases payable	1,753,372		421,841	1,331,531	447,821
Tax allocation bonds	13,880,000		265,000	13,615,000	290,000
HUD loan payable	6,775,000		240,000	6,535,000	255,000
Claims payable	2,876,572	533,829	622,738	2,787,663	696,916
Revenue bonds	11,920,000		475,000	11,445,000	480,000
Total	$ 38,647,324	$ 1,154,554	$ 2,937,783	$ 36,864,095	$ 3,032,162
Business-type Activities:					
Water Fund:					
Compensated absences	$ 174,317	$ 167,967	$ 139,454	$ 202,830	$ 152,125
Revenue bonds	15,637,362		295,979	15,341,383	310,000
Total	$ 15,811,679	$ 167,967	$ 435,433	$ 15,544,213	$ 462,125

b. Governmental long-term debt at June 30, 2006 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.

Note 10 Long-Term Liabilities (Continued)

b. Governmental long-term debt at June 30, 2006 consisted of the following: (Continued):

Capital Lease Obligations (Continued)

The principal balances of the capital leases as of June 30, 2006 were $955,978 for the City's energy management system and $375,553 for the City's vehicles.

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, 2006, the total unpaid principal balance was $13,615,000.

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, 2006 was $6,535,000.

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, 2006 is $2,787,663.

Note 10 Long-Term Liabilities (Continued)

b. Governmental long-term debt at June 30, 2006 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, 2006 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, 2006 was $7,685,000.

c. Business-type long-term debt at June 30, 2006 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.

Note 10 Long-Term Liabilities (Continued)

c. Business-type long-term debt at June 30, 2006 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, 2006 net of unamortized discount of $36,400 is $3,438,600.

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, 2006, 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, 2006 net of amortized discount of $58,269 is $5,436,731.

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.

Note 10 Long-Term Liabilities (Continued)

c. Business-type long-term debt at June 30, 2006 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 2006. 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, 2006 including unamortized premium of $31,052 was $6,466,052.

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, 2006, the following bonds are considered defeased:

Bond Defeased	Unpaid Principal Balance
1996 Lease Revenue Bonds	$ 825,000

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, 2006 including interest are as follows:

Fiscal Year(s) Ending June 30,	Capital Leases Payable		
	Principal	Interest	Total
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
	$ 1,331,531	$ 135,713	$ 1,467,244

Fiscal Year(s) Ending June 30,	1999 Tax Allocation Bonds A		
	Principal	Interest	Total
2007	$ -	$ 602,483	$ 602,483
2008		602,483	602,483
2009		602,483	602,483
2010		602,483	602,483
2011		602,483	602,483
2012-2016	1,260,000	2,904,773	4,164,773
2017-2021	2,670,000	2,271,229	4,941,229
2022-2026	3,590,000	1,355,230	4,945,230
2027-2029	2,715,000	246,768	2,961,768
	$ 10,235,000	$ 9,790,415	$ 20,025,415

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, 2006 including interest are as follows (Continued):

Fiscal Year(s) Ending June 30,	1999 Tax Allocation Bonds B		
	Principal	Interest	Total
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	335,000	71,336	406,336
2012-2013	765,000	59,479	824,479
	$ 2,235,000	$ 645,354	$ 2,880,354

Fiscal Year(s) Ending June 30,	1999 Tax Allocation Bonds Alameda		
	Principal	Interest	Total
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	40,000	61,740	101,740
2012-2016	250,000	264,915	514,915
2017-2021	345,000	171,833	516,833
2022-2025	365,000	48,037	413,037
	$ 1,145,000	$ 815,088	$ 1,960,088

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, 2006 including interest are as follows (Continued):

Fiscal Year(s) Ending June 30,	HUD Section 108 Loan		
	Principal	Interest	Total
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	320,000	295,956	615,956
2012-2016	1,915,000	1,210,148	3,125,148
2017-2021	2,590,000	583,189	3,173,189
2022	600,000	18,210	618,210
	$ 6,535,000	$ 3,417,159	$ 9,952,159

Fiscal Year(s) Ending June 30,	Public Financing Authority 1999 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2007	$ -	$ 236,340	$ 236,340
2008		236,340	236,340
2009		236,340	236,340
2010		236,340	236,340
2011		236,340	236,340
2012-2016		1,181,700	1,181,700
2017-2021	505,000	1,150,606	1,655,606
2022-2026	1,580,000	788,154	2,368,154
2027-2030	1,675,000	219,398	1,894,398
	$ 3,760,000	$ 4,521,558	$ 8,281,558

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, 2006 including interest are as follows (Continued):

Fiscal Year(s) Ending June 30,	Public Financing Authority 2003 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
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	535,000	249,294	784,294
2012-2016	3,005,000	892,382	3,897,382
2017-2019	2,160,000	165,500	2,325,500
	$ 7,685,000	$ 2,465,153	$ 10,150,153

Fiscal Year(s) Ending June 30,	Total Governmental Activities		
	Principal	Interest	Total
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	1,230,000	1,517,149	2,747,149
2012-2016	7,195,000	6,513,397	13,708,397
2017-2021	8,270,000	4,342,357	12,612,357
2022-2026	6,135,000	2,209,631	8,344,631
2027-2030	4,390,000	466,166	4,856,166
	$ 32,926,531	$ 21,790,440	$ 54,716,971

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, 2006 including interest are as follows:

Fiscal Year(s) Ending June 30,	1995 Water Revenue Bonds		
	Principal	Interest	Total
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	185,000	184,275	369,275
2012-2016	1,120,000	725,075	1,845,075
2017-2021	1,530,000	310,700	1,840,700
Less - discount	(36,400)		(36,400)
	$ 3,438,600	$ 2,062,807	$ 5,501,407

Fiscal Year(s) Ending June 30,	1999 Water Revenue Bonds		
	Principal	Interest	Total
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	50,000	312,973	362,973
2012-2016	300,000	1,518,393	1,818,393
2017-2021	400,000	1,420,113	1,820,113
2022-2026	2,610,000	1,057,638	3,667,638
2027-2029	1,960,000	235,705	2,195,705
Less - discount	(58,269)		(58,269)
	$ 5,436,731	$ 5,819,093	$ 11,255,824

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, 2006 including interest are as follows (Continued):

Fiscal Year(s) Ending June 30,	2003 Enterprise Revenue Bonds		
	Principal	Interest	Total
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	140,000	289,063	429,063
2012-2016	780,000	1,362,450	2,142,450
2017-2021	980,000	1,155,250	2,135,250
2022-2026	1,250,000	884,750	2,134,750
2027-2031	1,600,000	538,750	2,138,750
2032-2034	1,165,000	118,250	1,283,250
Plus - premium	31,052		31,052
	$ 6,466,052	$ 5,539,395	$ 12,005,447

Fiscal Year(s) Ending June 30,	Total Business-type Activities		
	Principal	Interest	Total
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	375,000	786,311	1,161,311
2012-2016	2,200,000	3,605,918	5,805,918
2017-2021	2,910,000	2,886,063	5,796,063
2022-2026	3,860,000	1,942,388	5,802,388
2027-2031	3,560,000	774,455	4,334,455
2032-2034	1,165,000	118,250	1,283,250
Less-Discount(net)	(63,617)		(63,617)
	$ 15,341,383	$ 13,421,295	$ 28,762,678

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 2005/06 were 18.492% for miscellaneous employees.

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 2005/06, the City's annual pension cost and required contribution were $1,293,717. The required contribution for fiscal year 2005/06 was determined as part of the June 30, 2003 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45%; and (c) 3% cost-of-living adjustment. Both (a) and (b) included an inflation component of 3.00%.

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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2004	$ 618,110	100%	$ -
6/30/2005	1,076,392	100%	-
6/30/2006	1,293,717	100%	-

Note 12 Net Assets and Fund Balance Reservations

GASB Statement No. 34 adds the concept of Net Assets, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

A. Net Assets

Net Assets are divided into three captions under GASB Statement No. 34. These captions apply only to Net Assets as determined at the government-wide level, and are described below:

Invested in Capital Assets, net of related debt describes the portion of Net Assets which is represented by the current net book value of the Agency's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Agency cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income housing purposes.

Unrestricted describes the portion of Net Assets which are not restricted as to use.

Included in restricted net assets are those which are restricted due to enabling legislation. The total amount of restricted net assets due to enabling legislation is $4,268,889.

B. Fund Balances

Fund balances consist of reserved and unreserved amounts. Reserved fund balances represent that portion of fund balance which is legally segregated.

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

a. Amounts reserved for long-term advances indicate that repayments are not available as a resource to meet expenditures of the current fiscal year.

b. The reserve for notes receivable indicates that repayments are not available as a resource to meet expenditures of the current fiscal year.

Note 12 Net Assets and Fund Balance Reservations (Continued)

B. Fund Balances (Continued)

c. 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.

d. The reserve for housing represents the 20% housing set aside money in the Lynwood Redevelopment Agency.

e. The reserve for retirement represents amounts set aside to be used to fund employees' retirement in the future.

f. The reserve for debt service represents funds available for the payment of principal and interest on long-term debt.

g. 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.

h. 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, 2006.

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, 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, 2006, 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.

Note 13 Risk Management (Continued)

While the ultimate amount of losses incurred through June 30, 2006 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, 2006:

	Worker's Compensation	General Liability	Total
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	$ 2,152,037	$ 724,535	$ 2,876,572
Claims and judgments at July 1, 2005	$ 2,152,037	$ 724,535	$ 2,876,572
Claim payments	(548,468)	(74,270)	(622,738)
Claims incurred and changes in estimates	533,829		533,829
Claims and judgments at June 30, 2006	$ 2,137,398	$ 650,265	$ 2,787,663

As of June 30, 2006, the unpaid workers' compensation claims in the amount of $2,137,398 was reported in the self-insurance fund. The unpaid general liability claims in the amount of $650,265 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", 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.

The City is currently involved in various lawsuits with Developers.

The City's total construction commitments as of June 30, 2006 were $15,719,379. Pursuant to the Disposition and Development Agreement executed October 27, 2005 between Casa Grande Development (Developer) and the Agency, the following is a summary of the Agency's obligation to the development:

- Agency's cost to purchase land on the Casa Grande site shall not exceed $5,813,842.

- Upon notice, the Agency will be responsible for a cost not to exceed $1,000,000 for the remediation work, if the remediation work can be completed in 90 days and does not exceed the $1,000,000 amount. The cost may exceed $1,000,000 if it is mutually agreed upon by both the Agency and the Developer to extend the completion date or the Agency or the Developer or both agree to finance the balance of the remediation work.

Note 15 Commitments and Contingencies (Continued)

Single-Family Housing Project – Casa Grande Development, LLC

- The Agency's total obligation to this project is $6,813,842.

Single-Family Housing Project – Whispering Glen, LLC.

The Agency has entered into a Disposition and Development Agreement (DDA) with Whispering Glen LLC to build 46 homes, 20% of which is to be restricted to low and moderate income households. The Agency is committed to paying $2,401,636 to purchase land. Upon the expenditure of this sum of money, the Agency must make a decision as to whether it desires to pay an additional $1,164,126 to purchase more land or terminate the DDA. After the Agency goes forward with the expenditure of an additional $1,164,126, the Developer is then required to pay up to $1,164,126 for the balance of the parcels comprising the site. Upon the acquisition of all of the sites, the Agency deems possible to acquire, the Agency will then transfer the property to the Developer for the sum of $12.54 per square foot. The initial estimate of the gap between the amount the Developer will pay for the land and the cost to purchase the land was estimated to be $2,400,000. It is believed that this gap will increase as acquisition costs have exceeded the original estimates.

Long Beach Pluma

The Agency entered into a Disposition and Development agreement with the Charles Company for a commercial development on Long Beach Blvd.

The Agency expects to be committed to contribute approximately $1,700,000 to the Charles Company through a Tax Increment Loan Agreement (Loan Agreement). Under the Loan Agreement, the Agency will agree to pay approximately $1,700,000 with simple interest on the unpaid balance thereof at the rate of 7% per annum over a 20-year period.

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 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, 2006, the Agency's contribution totaled $1,625,000.

Note 15 Commitments and Contingencies (Continued)

Lynwood Gateway/Atlantic Crossing

The Agency is committed to contribute an additional $635,900 to Grae Ventures, LLC through a Tax Increment Loan Agreement (Loan Agreement) in the future. Under the Loan Agreement, the Agency agrees to pay $635,900 together with simple interest on the unpaid balance thereof at the rate of 11% per annum over a 20-year period.

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, 2006.

Note 17 Fund Equity and Net Assets Restatements and Prior Period Adjustments

The Governmental Activities Net Assets and the fund balance of the Redevelopment Low/Mod Housing Area “A” Major Special Revenue Fund have been adjusted for an understatement of land held for resale of $833,654.

CITY OF LYNWOOD
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2006

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)
6/30/2003	$ 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%
6/30/2005	44,627,996	35,971,907	8,656,089	80.6%	6,897,347	125.5%

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 150,000	$ 912,125	$ 762,125
Total revenues	150,000	912,125	762,125
Other Financing Sources (Uses):			
Transfers out	(35,272,020)	(28,262,895)	7,009,125
Total other financing sources (uses)	(35,272,020)	(28,262,895)	7,009,125
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(35,122,020)	(27,350,770)	7,771,250
Fund balance - July 1, 2005	31,653,104	31,653,104	
Fund balance - June 30, 2006	$ (3,468,916)	$ 4,302,334	$ 7,771,250

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Redevelopment Project Area "A" Fund
For the Fiscal Year Ended June 30, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 3,600	$ 158,522	$ 154,922
Other revenues	4,200	26,155	21,955
Total revenues	7,800	184,677	176,877
Expenditures:			
Current:			
Community development	2,004,605	1,609,706	394,899
Total expenditures	2,004,605	1,609,706	394,899
Excess of revenues over (under) expenditures	(1,996,805)	(1,425,029)	571,776
Other Financing Sources (Uses):			
Transfers in	1,986,555	1,494,108	(492,447)
Total other financing sources (uses)	1,986,555	1,494,108	(492,447)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(10,250)	69,079	79,329
Fund balance - July 1, 2005	1,327,028	1,327,028	
Fund balance - June 30, 2006	$ 1,316,778	$ 1,396,107	$ 79,329

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 409,617	$ -	$ (409,617)
Total revenues	409,617		(409,617)
Expenditures:			
Capital outlay	56,669,700	33,422,501	23,247,199
Total expenditures	56,669,700	33,422,501	23,247,199
Excess of revenues over (under) expenditures	(56,260,083)	(33,422,501)	22,837,582
Other Financing Sources (Uses):			
Transfers in	55,194,201	33,105,701	(22,088,500)
Total other financing sources (uses)	55,194,201	33,105,701	(22,088,500)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,065,882)	(316,800)	749,082
Fund balance - July 1, 2005	(104,582)	(104,582)	
Fund balance - June 30, 2006	$ (1,170,464)	$ (421,382)	$ 749,082

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 214,699	$ 214,699
Total revenues		214,699	214,699
Excess of revenues over (under) expenditures		214,699	214,699
Fund balance - July 1, 2005	5,640,938	5,640,938	
Fund balance - June 30, 2006	$ 5,640,938	$ 5,855,637	$ 214,699

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Redevelopment Project Area "A" Taxable Bond Proceeds Fund
For the Fiscal Year Ended June 30, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 12,000	$ 29,648	$ 17,648
Total revenues	12,000	29,648	17,648
Excess of revenues over (under) expenditures	12,000	29,648	17,648
Fund balance - July 1, 2005	743,935	743,935	
Fund balance - June 30, 2006	$ 755,935	$ 773,583	$ 17,648

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 – This 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 – This 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 – This 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 – This fund accounts for revenue received from the State of California for the development of bicycle and pedestrian facilities.

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

Business Improvement District Fund – This 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.

Housing and Urban Development (HUD) – 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.

CITY OF LYNWOOD

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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 – This fund accounts for revenue received to assist the City in its litter clean-up efforts.

STP Fund – This 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.

TEA/ISTEA Grant Fund– This fund accounts for amounts due to the City for monies advanced to assist in transportation improvement projects.

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

CITY OF LYNWOOD

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Urban Tree Planting Grant Fund – This fund accounts for the Urban Tree Planting Project funded by Proposition A. This fund was 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.

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.

Justice Assistance Fund – This fund accounts for the financial assistance received from the U.S. Department of Justice to be used for supporting a broad range of activities to prevent and control crime and to improve the criminal justice system.

CITY OF LYNWOOD

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Per Capita 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.

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 – This fund accounts 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 accounts 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 for and the payment of the City's long-term debt, principal and interest.

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 – This fund accounts 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.

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CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	Special Revenue Funds			
	Traffic Safety	Lighting Maintenance	Gas Tax	Retirement
Assets:				
Cash and investments	$ -	$ -	$ -	$ 1,110,061
Restricted assets:				
Cash and investments				
Cash and investments with fiscal agents				
Receivables:				
Intergovernmental		67,488	122,536	150,293
Accounts				
Interest		31	1,248	
Notes and loans				
Due from other funds				
Total assets	$ -	$ 67,519	$ 123,784	$ 1,260,354
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ 56,490	$ 1,444	$ -	$ -
Due to other funds	606,314	181,171		
Deferred revenues				
Advances payable				
Total liabilities	662,804	182,615		
Fund Balances:				
Reserved:				
Reserved for projects				
Reserved for housing				
Reserved for retirement				1,260,354
Reserved for debt service				
Reserved for encumbrances				
Unreserved:				
Undesignated	(662,804)	(115,096)	123,784	
Total fund balances	(662,804)	(115,096)	123,784	1,260,354
Total liabilities and fund balances	$ -	$ 67,519	$ 123,784	$ 1,260,354

Special Revenue Funds						
Sheriff Drug Seizure	Air Quality Improvement	SB 821	State Transportation Partnership	Business Improvement District	HUD 108 Loan	Housing Community Development (HUD)
$ 113,001	$ 108,691	$ 649	$ -	$ 67,285	$ 155,208	$ -
						87,687
		3,178				156,798
	22,895	150				100
553	768					
						717,670
$ 113,554	$ 132,354	$ 3,977	$ -	$ 67,285	$ 155,208	$ 962,255
$ -	$ -	$ -	$ -	$ 3,958	$ -	$ 43,882
			111,314			26,577
						858,786
			111,314	3,958		929,245
						33,010
113,554	132,354	3,977	(111,314)	63,327	155,208	
113,554	132,354	3,977	(111,314)	63,327	155,208	33,010
$ 113,554	$ 132,354	$ 3,977	$ -	$ 67,285	$ 155,208	$ 962,255

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006
(Continued)

	Prop A	Landscape Maintenance	HUD Home Program
Assets:			
Cash and investments	$ 571,230	$ -	$ -
Restricted assets:			
Cash and investments			1,084,823
Cash and investments with fiscal agents			
Receivables:			
Intergovernmental		61,549	114,444
Accounts			
Interest	5,231		
Notes and loans			1,022,492
Due from other funds			
Total assets	$ 576,461	$ 61,549	$ 2,221,759
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	$ -	$ 17,234	$ 20,000
Due to other funds		817,073	94,444
Deferred revenues			1,122,319
Advances payable			
Total liabilities		834,307	1,236,763
Fund Balances:			
Reserved:			
Reserved for projects			
Reserved for housing			984,996
Reserved for retirement			
Reserved for debt service			
Reserved for encumbrances			
Unreserved:			
Undesignated	576,461	(772,758)	
Total fund balances	576,461	(772,758)	984,996
Total liabilities and fund balances	$ 576,461	$ 61,549	$ 2,221,759

Special Revenue Funds				
Anti-Litter Grant	Prop C	STP Grant	Graffiti Prevention Grant	Local Law Enforcement Block Grant
$ 3,231	$ 2,064,268	$ -	$ 36,958	$ 852
	155,000			
16	12,418		177	4
$ 3,247	$ 2,231,686	$ -	$ 37,135	$ 856
$ -	$ -	$ -	$ -	$ -
		234,622		
		234,622		
3,247	2,231,686	(234,622)	37,135	856
3,247	2,231,686	(234,622)	37,135	856
$ 3,247	$ 2,231,686	$ -	$ 37,135	$ 856

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006
(Continued)

	Special Revenue Funds			
	State COPS Program	TEA/ ISTEA Grant	Beverage Container Recycling Grant	Urban Tree Planting Grant
Assets:				
Cash and investments	$ 893	$ -	$ 105,220	$ 4,502
Restricted assets:				
Cash and investments				
Cash and investments with fiscal agents				
Receivables:				
Intergovernmental				
Accounts				
Interest	205		504	22
Notes and loans				
Due from other funds				
Total assets	$ 1,098	$ -	$ 105,724	$ 4,524
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds		100,774		
Deferred revenues				
Advances payable				
Total liabilities		100,774		
Fund Balances:				
Reserved:				
Reserved for projects				
Reserved for housing				
Reserved for retirement				
Reserved for debt service				
Reserved for encumbrances				
Unreserved:				
Undesignated	1,098	(100,774)	105,724	4,524
Total fund balances	1,098	(100,774)	105,724	4,524
Total liabilities and fund balances	$ 1,098	$ -	$ 105,724	$ 4,524

Special Revenue Funds						
LA County Park Maintenance Grant	DOVE Grant	AB 2928 Traffic Congestion Relief	Highway -Thru- Cities	Used Oil Recycling Grant	Brownfield Clean-up	Justice Assistance
$ 88,138	$ -	$ 236,471	$ 6,088	$ 16,335	$ -	$ -
		91,670				100,233
1,229		1,139	29	78		
$ 89,367	$ -	$ 329,280	$ 6,117	$ 16,413	$ -	$ 100,233
$ -	$ -	$ -	$ -	$ -	$ -	$ 21,014
						71,577
						92,591
89,367		329,280	6,117	16,413		7,642
89,367		329,280	6,117	16,413		7,642
$ 89,367	$ -	$ 329,280	$ 6,117	$ 16,413	$ -	$ 100,233

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006
(Continued)

	Special Revenue Funds		
	Per Capita Grant 2000	Safe School Route	DuPont Lead Safety Grant
Assets:			
Cash and investments	$ -	$ -	$ 103,740
Restricted assets:			
Cash and investments			
Cash and investments with fiscal agents			
Receivables:			
Intergovernmental			
Accounts			
Interest			497
Notes and loans			
Due from other funds			
Total assets	$ -	$ -	$ 104,237
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	$ -	$ -	$ -
Due to other funds	77,361	298,961	
Deferred revenues			
Advances payable			
Total liabilities	77,361	298,961	
Fund Balances:			
Reserved:			
Reserved for projects			
Reserved for housing			
Reserved for retirement			
Reserved for debt service			
Reserved for encumbrances			
Unreserved:			
Undesignated	(77,361)	(298,961)	104,237
Total fund balances	(77,361)	(298,961)	104,237
Total liabilities and fund balances	$ -	$ -	$ 104,237

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
$ -	$ 187,061	$ 1,223,410	$ 1,771,135	$ 672,116	$ -	$ -
					1,158,108	
			305,096	59,312		
				4,535		
		3,883	18,533	8,245		
				93,662		
				14,876		
$ -	$ 187,061	$ 1,227,293	$ 2,094,764	$ 852,746	$ 1,158,108	$ -
$ -	$ 50,000	$ 81,070	$ 349,060	$ -	$ -	$ -
2,244			14,876			
				93,662		
			998,720			
2,244	50,000	81,070	1,362,656	93,662		
		1,146,223				
			732,108	759,084	1,158,108	
(2,244)	137,061					
(2,244)	137,061	1,146,223	732,108	759,084	1,158,108	
$ -	$ 187,061	$ 1,227,293	$ 2,094,764	$ 852,746	$ 1,158,108	$ -

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006
(Continued)

	Debt Service Funds	Capital Projects Funds			
	City of Lynwood	Redevelopment Project Alameda Area	Capital Project Loan	Lighting and Landscaping Bond Proceeds	Total Nonmajor Governmental Funds
Assets:					
Cash and investments	$ -	$ 498,702	$ -	$ -	$ 9,145,245
Restricted assets:					
Cash and investments					1,172,510
Cash and investments with fiscal agents	3,421,006		807,753		5,386,867
Receivables:					
Intergovernmental					1,232,597
Accounts			17,599	5,441	205,720
Interest					54,810
Notes and loans					1,833,824
Due from other funds					14,876
Total assets	$ 3,421,006	$ 498,702	$ 825,352	$ 5,441	$ 19,046,449
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	$ -	$ 496,337	$ -	$ -	$ 1,140,489
Due to other funds	52,985		269,200		2,959,493
Deferred revenues					2,074,767
Advances payable					998,720
Total liabilities	52,985	496,337	269,200		7,173,469
Fund Balances:					
Reserved:					
Reserved for projects			556,152	5,441	561,593
Reserved for housing					2,164,229
Reserved for retirement					1,260,354
Reserved for debt service	3,368,021				6,017,321
Reserved for encumbrances		2,365			2,365
Unreserved:					
Undesignated					1,867,118
Total fund balances	3,368,021	2,365	556,152	5,441	11,872,980
Total liabilities and fund balances	$ 3,421,006	$ 498,702	$ 825,352	$ 5,441	$ 19,046,449

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CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006

	Special Revenue Funds			
	Traffic Safety	Lighting Maintenance	Gas Tax	Retirement
Revenues:				
Taxes	$ -	$ 1,059,817	$ -	$ 2,343,985
Fines and forfeits				
Use of money and property		12,339	4,163	
Intergovernmental	33,434		1,314,116	
Charges for services	237,534			
Total revenues	270,968	1,072,156	1,318,279	2,343,985
Expenditures:				
Current:				
General government				1,124,693
Public safety	2,023,695			
Public works		917,633		
Community development				
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures	2,023,695	917,633		1,124,693
Excess of revenues over (under) expenditures	(1,752,727)	154,523	1,318,279	1,219,292
Other Financing Sources (Uses):				
Transfers in	1,632,194		28,897	
Transfers out	(28,897)	(295,350)	(1,329,490)	(2,011,264)
Total other financing sources (uses)	1,603,297	(295,350)	(1,300,593)	(2,011,264)
Net change in fund balances	(149,430)	(140,827)	17,686	(791,972)
Fund balances, beginning of fiscal year	(513,374)	25,731	106,098	2,052,326
Fund balances, end of fiscal year	$ (662,804)	$ (115,096)	$ 123,784	$ 1,260,354

Special Revenue Funds						
Sheriff Drug Seizure	Air Quality Improvement	SB 821	State Transportation Partnership	Business Improvement District	HUD 108 Loan	Housing Community Development (HUD)
$ -	$ -	$ -	$ -	$ 132,628	$ -	$ -
8,613						
2,157	2,914	307			5,691	
	111,188	75,117	484,545			1,626,107
10,770	114,102	75,424	484,545	132,628	5,691	1,626,107
18,188						350,000
				251,768		533,333
						433
						591,220
18,188				251,768		1,474,986
(7,418)	114,102	75,424	484,545	(119,140)	5,691	151,121
	(100,000)	(74,182)	(593,167)			(151,242)
	(100,000)	(74,182)	(593,167)			(151,242)
(7,418)	14,102	1,242	(108,622)	(119,140)	5,691	(121)
120,972	118,252	2,735	(2,692)	182,467	149,517	33,131
$ 113,554	$ 132,354	$ 3,977	$ (111,314)	$ 63,327	$ 155,208	$ 33,010

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006
(Continued)

	Prop A	Landscape Maintenance	HUD Home Program
Revenues:			
Taxes	$ 1,197,075	$ 1,096,560	$ -
Fines and forfeits			
Use of money and property	18,779		
Intergovernmental			810,154
Charges for services			
Total revenues	1,215,854	1,096,560	810,154
Expenditures:			
Current:			
General government			
Public safety			
Public works		1,288,706	
Community development			432,154
Capital outlay		25,955	378,000
Debt service:			
Principal			
Interest and fiscal charges			
Total expenditures		1,314,661	810,154
Excess of revenues over (under) expenditures	1,215,854	(218,101)	
Other Financing Sources (Uses):			
Transfers in			
Transfers out	(989,913)	(268,450)	
Total other financing sources (uses)	(989,913)	(268,450)	
Net change in fund balances	225,941	(486,551)	
Fund balances, beginning of fiscal year	350,520	(286,207)	984,996
Fund balances, end of fiscal year	$ 576,461	$ (772,758)	$ 984,996

Special Revenue Funds				
Anti-Litter Grant	Prop C	STP Grant	Graffiti Prevention Grant	Local Law Enforcement Block Grant
$ -	$ 1,168,153	$ -	$ -	$ -
59	43,504	297,766	670	17
59	1,211,657	297,766	670	17
				`
59	1,211,657	297,766	670	17
	(694,527)	(9,160)		
	(694,527)	(9,160)		
59	517,130	288,606	670	17
3,188	1,714,556	(523,228)	36,465	839
$ 3,247	$ 2,231,686	$ (234,622)	$ 37,135	$ 856

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006
(Continued)

	Special Revenue Funds			
	State COPS Program	TEA/ ISTEA Grant	Beverage Container Recycling Grant	Urban Tree Planting Grant
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Fines and forfeits				
Use of money and property	1,277		1,904	82
Intergovernmental	105,636		19,940	
Charges for services				
Total revenues	106,913		21,844	82
Expenditures:				
Current:				
General government				
Public safety	105,926			
Public works				
Community development				
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures	105,926			
Excess of revenues over (under) expenditures	987		21,844	82
Other Financing Sources (Uses):				
Transfers in				
Transfers out		(100,470)		
Total other financing sources (uses)		(100,470)		
Net change in fund balances	987	(100,470)	21,844	82
Fund balances, beginning of fiscal year	111	(304)	83,880	4,442
Fund balances, end of fiscal year	$ 1,098	$ (100,774)	$ 105,724	$ 4,524

Special Revenue Funds						
LA County Park Maintenance Grant	DOVE Grant	AB 2928 Traffic Congestion Relief	Highway -Thru- Cities	Used Oil Recycling Grant	Brownfield Clean-up	Justice Assistance
$ -	$ -	$ -	$ -	$ -	$ -	$ -
						100,233
4,656		2,874	111	371		
		326,406			3,497	
4,656		329,280	111	371	3,497	100,233
						92,591
				8,548		
				8,548		92,591
4,656		329,280	111	(8,177)	3,497	7,642
	151,286	17,108				
(168,617)					(670)	
(168,617)	151,286	17,108			(670)	
(163,961)	151,286	346,388	111	(8,177)	2,827	7,642
253,328	(151,286)	(17,108)	6,006	24,590	(2,827)	
$ 89,367	$ -	$ 329,280	$ 6,117	$ 16,413	$ -	$ 7,642

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006
(Continued)

	Special Revenue Funds		
	Per Capital Grant 2000	Safe School Route	DuPont Lead Safety Grant
Revenues:			
Taxes	$ -	$ -	$ -
Fines and forfeits			
Use of money and property			1,881
Intergovernmental			
Charges for services			
Total revenues			1,881
Expenditures:			
Current:			
General government			
Public safety			
Public works			
Community development			
Capital outlay			
Debt service:			
Principal			
Interest and fiscal charges			
Total expenditures			
Excess of revenues over (under) expenditures			1,881
Other Financing Sources (Uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Net change in fund balances			1,881
Fund balances, beginning of fiscal year	(77,361)	(298,961)	102,356
Fund balances, end of fiscal year	$ (77,361)	$ (298,961)	$ 104,237

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
$ -	$ -	$ -	$ 3,387,722	$ 713,864	$ -	$ -
	3,868	32,756	81,169	64,800	39,726	
	150,000					
	153,868	32,756	3,468,891	778,664	39,726	
						62,952
	192,844	81,070	485	468		
		11,400	192,700	18,600		
		26,158	746,687	42,678	29,972	
	192,844	118,628	939,872	61,746	29,972	62,952
	(38,976)	(85,872)	2,529,019	716,918	9,754	(62,952)
		157,582				62,952
			(2,224,344)	(807,323)		
		157,582	(2,224,344)	(807,323)		62,952
	(38,976)	71,710	304,675	(90,405)	9,754	
(2,244)	176,037	1,074,513	427,433	849,489	1,148,354	
$ (2,244)	$ 137,061	$ 1,146,223	$ 732,108	$ 759,084	$ 1,158,108	$ -

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006
(Continued)

	Debt Service Funds	Capital Projects Funds		Capital Projects Funds	
	City of Lynwood	Redevelopment Project Alameda Area	Capital Project Loan	Lighting and Landscaping Bond Proceeds	Total Nonmajor Governmental Funds
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ 11,099,804
Fines and forfeits					108,846
Use of money and property	146,909	2,365			475,349
Intergovernmental					5,357,906
Charges for services					237,534
Total revenues	146,909	2,365			17,279,439
Expenditures:					
Current:					
General government					1,187,645
Public safety					2,590,400
Public works					2,214,887
Community development		649,742			2,141,864
Capital outlay					404,388
Debt service:					
Principal	710,682				933,382
Interest and fiscal charges	634,811				2,071,526
Total expenditures	1,345,493	649,742			11,544,092
Excess of revenues over (under) expenditures	(1,198,584)	(647,377)			5,735,347
Other Financing Sources (Uses):					
Transfers in	1,288,924	649,742			3,988,685
Transfers out	(52,985)		(260,634)		(10,160,685)
Total other financing sources (uses)	1,235,939	649,742	(260,634)		(6,172,000)
Net change in fund balances	37,355	2,365	(260,634)		(436,653)
Fund balances, beginning of fiscal year	3,330,666		816,786	5,441	12,309,633
Fund balances, end of fiscal year	$ 3,368,021	$ 2,365	$ 556,152	$ 5,441	$ 11,872,980

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ -	$ 33,434	$ 33,434
Charges for services	215,000	237,534	22,534
Total revenues	215,000	270,968	55,968
Expenditures:			
Current:			
Public safety	2,061,050	2,023,695	37,355
Capital outlay	53,500		53,500
Total expenditures	2,114,550	2,023,695	90,855
Excess of revenues over (under) expenditures	(1,899,550)	(1,752,727)	146,823
Other Financing Sources (Uses):			
Transfers in	2,017,000	1,632,194	(384,806)
Transfers out		(28,897)	(28,897)
Total other financing sources (uses)	2,017,000	1,603,297	(413,703)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	117,450	(149,430)	(266,880)
Fund balance - July 1, 2005	(513,374)	(513,374)	
Fund balance - June 30, 2006	$ (395,924)	$ (662,804)	$ (266,880)

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 1,061,050	$ 1,059,817	$ (1,233)
Use of money and property	18,500	12,339	(6,161)
Total revenues	1,079,550	1,072,156	(7,394)
Expenditures:			
Current:			
Public works	888,400	917,633	(29,233)
Total expenditures	888,400	917,633	(29,233)
Excess of revenues over (under) expenditures	191,150	154,523	(36,627)
Other Financing Sources (Uses):			
Transfers out	(295,350)	(295,350)	
Total other financing sources (uses)	(295,350)	(295,350)	
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(104,200)	(140,827)	(36,627)
Fund balance - July 1, 2005	25,731	25,731	
Fund balance - June 30, 2006	$ (78,469)	$ (115,096)	$ (36,627)

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 1,000	$ 4,163	$ 3,163
Intergovernmental	1,435,350	1,314,116	(121,234)
Total revenues	1,436,350	1,318,279	(118,071)
Other Financing Sources (Uses):			
Transfers in		28,897	28,897
Transfers out	(1,621,243)	(1,329,490)	291,753
Total other financing sources (uses)	(1,621,243)	(1,300,593)	320,650
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(184,893)	17,686	202,579
Fund balance - July 1, 2005	106,098	106,098	
Fund balance - June 30, 2006	$ (78,795)	$ 123,784	$ 202,579

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, 2006

	Final Budget	Actual	Variance with Positive (Negative)
Revenues:			
Taxes	$ 1,880,350	$ 2,343,985	$ 463,635
Total revenues	1,880,350	2,343,985	463,635
Expenditures:			
Current:			
General government	893,900	1,124,693	(230,793)
Total expenditures	893,900	1,124,693	(230,793)
Excess of revenues over (under) expenditures	986,450	1,219,292	232,842
Other Financing Sources (Uses):			
Transfers out	(2,136,600)	(2,011,264)	125,336
Total other financing sources (uses)	(2,136,600)	(2,011,264)	125,336
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,150,150)	(791,972)	358,178
Fund balance - July 1, 2005	2,052,326	2,052,326	
Fund balance - June 30, 2006	$ 902,176	$ 1,260,354	$ 358,178

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Fines and forfeits	$ 8,000	$ 8,613	$ 613
Use of money and property	1,100	2,157	1,057
Total revenues	9,100	10,770	1,670
Expenditures:			
Current:			
Public safety	39,120	18,188	20,932
Total expenditures	39,120	18,188	20,932
Excess of revenues over (under) expenditures	(30,020)	(7,418)	22,602
Fund balance - July 1, 2005	120,972	120,972	
Fund balance - June 30, 2006	$ 90,952	$ 113,554	$ 22,602

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 1,500	$ 2,914	$ 1,414
Intergovernmental	100,000	111,188	11,188
Total revenues	101,500	114,102	12,602
Other Financing Sources (Uses):			
Transfers out	(100,000)	(100,000)	
Total other financing sources (uses)	(100,000)	(100,000)	
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,500	14,102	12,602
Fund balance - July 1, 2005	118,252	118,252	
Fund balance - June 30, 2006	$ 119,752	$ 132,354	$ 12,602

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
SB 821 Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 50	$ 307	$ 257
Intergovernmental	36,900	75,117	38,217
Total revenues	36,950	75,424	38,474
Other Financing Sources (Uses):			
Transfers out	(80,766)	(74,182)	6,584
Total other financing sources (uses)	(80,766)	(74,182)	6,584
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(43,816)	1,242	45,058
Fund balance - July 1, 2005	2,735	2,735	
Fund balance - June 30, 2006	$ (41,081)	$ 3,977	$ 45,058

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ -	$ 484,545	$ 484,545
Total revenues		484,545	484,545
Other Financing Sources (Uses):			
Transfers out	(1,017,951)	(593,167)	424,784
Total other financing sources (uses)	(1,017,951)	(593,167)	424,784
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,017,951)	(108,622)	909,329
Fund balance - July 1, 2005	(2,692)	(2,692)	
Fund balance - June 30, 2006	$ (1,020,643)	$ (111,314)	$ 909,329

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 124,650	$ 132,628	$ 7,978
Total revenues	124,650	132,628	7,978
Expenditures:			
Current:			
Community development	272,500	251,768	20,732
Total expenditures	272,500	251,768	20,732
Excess of revenues over (under) expenditures	(147,850)	(119,140)	28,710
Fund balance - July 1, 2005	182,467	182,467	
Fund balance - June 30, 2006	$ 34,617	$ 63,327	$ 28,710

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 1,500	$ 5,691	$ 4,191
Total revenues	1,500	5,691	4,191
Excess of revenues over (under) expenditures	1,500	5,691	4,191
Fund balance - July 1, 2005	149,517	149,517	
Fund balance - June 30, 2006	$ 151,017	$ 155,208	$ 4,191

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing Community Development (HUD) Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 2,901,100	$ 1,626,107	$ (1,274,993)
Total revenues	2,901,100	1,626,107	(1,274,993)
Expenditures:			
Current:			
Public safety	350,000	350,000	
Community development	550,533	533,333	17,200
Capital outlay	3,000	433	2,567
Debt service:			
Interest and fiscal charges	591,220	591,220	
Total expenditures	1,494,753	1,474,986	19,767
Excess of revenues over (under) expenditures	1,406,347	151,121	(1,255,226)
Other Financing Sources (Uses):			
Transfers out	(1,693,909)	(151,242)	1,542,667
Total other financing sources (uses)	(1,693,909)	(151,242)	1,542,667
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(287,562)	(121)	287,441
Fund balance - July 1, 2005	33,131	33,131	
Fund balance - June 30, 2006	$ (254,431)	$ 33,010	$ 287,441

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 1,027,950	$ 1,197,075	$ 169,125
Use of money and property	2,400	18,779	16,379
Total revenues	1,030,350	1,215,854	185,504
Excess of revenues over (under) expenditures	1,030,350	1,215,854	185,504
Other Financing Sources (Uses):			
Transfers out	(1,097,134)	(989,913)	107,221
Total other financing sources (uses)	(1,097,134)	(989,913)	107,221
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(66,784)	225,941	292,725
Fund balance - July 1, 2005	350,520	350,520	
Fund balance - June 30, 2006	$ 283,736	$ 576,461	$ 292,725

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 1,118,250	$ 1,096,560	$ (21,690)
Total revenues	1,118,250	1,096,560	(21,690)
Expenditures:			
Current:			
Public works	1,480,766	1,288,706	192,060
Capital outlay	30,000	25,955	4,045
Total expenditures	1,510,766	1,314,661	196,105
Excess of revenues over (under) expenditures	(392,516)	(218,101)	174,415
Other Financing Sources (Uses):			
Transfers in	78,000		(78,000)
Transfers out	(268,450)	(268,450)	
Total other financing sources (uses)	(190,450)	(268,450)	(78,000)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(582,966)	(486,551)	96,415
Fund balance - July 1, 2005	(286,207)	(286,207)	
Fund balance - June 30, 2006	$ (869,173)	$ (772,758)	$ 96,415

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 668,100	$ 810,154	$ 142,054
Total revenues	668,100	810,154	142,054
Expenditures:			
Current:			
Community development	603,300	432,154	171,146
Capital outlay	124,100	378,000	(253,900)
Total expenditures	727,400	810,154	(82,754)
Excess of revenues over (under) expenditures	(59,300)		59,300
Fund balance - July 1, 2005	984,996	984,996	
Fund balance - June 30, 2006	$ 925,696	$ 984,996	$ 59,300

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 50	$ 59	$ 9
Total revenues	50	59	9
Excess of revenues over (under) expenditures	50	59	9
Fund balance - July 1, 2005	3,188	3,188	
Fund balance - June 30, 2006	$ 3,238	$ 3,247	$ 9

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 1,007,600	$ 1,168,153	$ 160,553
Use of money and property	13,000	43,504	30,504
Total revenues	1,020,600	1,211,657	191,057
Other Financing Sources (Uses):			
Transfers out	(2,466,043)	(694,527)	1,771,516
Total other financing sources (uses)	(2,466,043)	(694,527)	1,771,516
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,445,443)	517,130	1,962,573
Fund balance - July 1, 2005	1,714,556	1,714,556	
Fund balance - June 30, 2006	$ 269,113	$ 2,231,686	$ 1,962,573

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ -	$ 297,766	$ 297,766
Total revenues		297,766	297,766
Other Financing Sources (Uses):			
Transfers out	(440,422)	(9,160)	431,262
Total other financing sources (uses)	(440,422)	(9,160)	431,262
Excess of revenues and other sources over (under) expenditures	(440,422)	288,606	729,028
Fund balance - July 1, 2005	(523,228)	(523,228)	
Fund balance - June 30, 2006	$ (963,650)	$ (234,622)	$ 729,028

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 150	$ 670	$ 520
Total revenues	150	670	520
Excess of revenues over (under) expenditures	150	670	520
Fund balance - July 1, 2005	36,465	36,465	
Fund balance - June 30, 2006	$ 36,615	$ 37,135	$ 520

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 500	$ 17	$ (483)
Intergovernmental			
Total revenues	500	17	(483)
Expenditures:			
Current:			
Public safety	14,224		14,224
Total expenditures	14,224		14,224
Excess of revenues over (under) expenditures	(13,724)	17	13,741
Fund balance - July 1, 2005	839	839	
Fund balance - June 30, 2006	$ (12,885)	$ 856	$ 13,741

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 750	$ 1,277	$ 527
Intergovernmental	107,000	105,636	(1,364)
Total revenues	107,750	106,913	(837)
Expenditures:			
Current:			
Public safety	107,000	105,926	1,074
Total expenditures	107,000	105,926	1,074
Excess of revenues over (under) expenditures	750	987	237
Fund balance - July 1, 2005	111	111	
Fund balance - June 30, 2006	$ 861	$ 1,098	$ 237

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
TEA/ISTEA Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Final Budget	Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfers out	$ (300,000)	$ (100,470)	$ 199,530
Total other financing sources (uses)	(300,000)	(100,470)	199,530
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(300,000)	(100,470)	199,530
Fund balance - July 1, 2005	(304)	(304)	
Fund balance - June 30, 2006	$ (300,304)	$ (100,774)	$ 199,530

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 1,904	$ 1,904
Intergovernmental		19,940	19,940
Total revenues		21,844	21,844
Excess of revenues over (under) expenditures		21,844	21,844
Fund balance - July 1, 2005	83,880	83,880	
Fund balance - June 30, 2006	$ 83,880	$ 105,724	$ 21,844

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 82	$ 82
Total revenues		82	82
Excess of revenues over (under) expenditures		82	82
Fund balance - July 1, 2005	4,442	4,442	
Fund balance - June 30, 2006	$ 4,442	$ 4,524	$ 82

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 4,656	$ 4,656
Intergovernmental			
Total revenues		4,656	4,656
Other Financing Sources (Uses):			
Transfers out	(221,167)	(168,617)	52,550
Total other financing sources (uses)	(221,167)	(168,617)	52,550
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(221,167)	(163,961)	57,206
Fund balance - July 1, 2005	253,328	253,328	
Fund balance - June 30, 2006	$ 32,161	$ 89,367	$ 57,206

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 100	$ 371	$ 271
Intergovernmental	20,000		(20,000)
Total revenues	20,100	371	(19,729)
Expenditures:			
Current:			
Public Works	20,000	8,548	11,452
Total expenditures	20,000	8,548	11,452
Excess of revenues over (under) expenditures	100	(8,177)	(8,277)
Fund balance - July 1, 2005	24,590	24,590	
Fund balance - June 30, 2006	$ 24,690	$ 16,413	$ (8,277)

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 996,484	$ 3,497	$ (992,987)
Total revenues	996,484	3,497	(992,987)
Excess of Revenues Over (under) Expenditures	996,484	3,497	(992,987)
Other Financing Sources (Uses):			
Transfers out	(996,484)	(670)	995,814
Total other financing sources (uses)	(996,484)	(670)	995,814
Excess of revenues and other financing sources over (under) expenditures and other financing uses		2,827	2,827
Fund balance - July 1, 2005	(2,827)	(2,827)	
Fund balance - June 30, 2006	$ (2,827)	$ -	$ 2,827

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Justice Assistance Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Fines and forfeits	$ 100,233	$ 100,233	$ -
Use of money and property	1,000		(1,000)
Total revenues	101,233	100,233	(1,000)
Expenditures:			
Current:			
Public safety	101,233	92,591	8,642
Total expenditures	101,233	92,591	8,642
Excess of revenues over (under) expenditures		7,642	7,642
Fund balance - July 1, 2005			
Fund balance - June 30, 2006	$ -	$ 7,642	$ 7,642

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfers out	$ (472,638)	$ -	$ 472,638
Total other financing sources (uses)	(472,638)		472,638
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(472,638)		472,638
Fund balance - July 1, 2005	(77,361)	(77,361)	
Fund balance - June 30, 2006	$ (549,999)	$ (77,361)	$ 472,638

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfers out	$ 1,039	$ -	$ (1,039)
Total other financing sources (uses)	1,039		(1,039)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,039		(1,039)
Fund balance - July 1, 2005	(298,961)	(298,961)	
Fund balance - June 30, 2006	$ (297,922)	$ (298,961)	$ (1,039)

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 1,881	$ 1,881
Total revenues		1,881	1,881
Other Financing Sources (Uses):			
Transfers out	(100,000)		100,000
Total other financing sources (uses)	(100,000)		100,000
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(100,000)	1,881	101,881
Fund balance - July 1, 2005	102,356	102,356	
Fund balance - June 30, 2006	$ 2,356	$ 104,237	$ 101,881

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 52,688	$ -	$ (52,688)
Total revenues	52,688		(52,688)
Expenditures:			
Current:			
Public safety	16,230		16,230
Capital outlay	36,458		36,458
Total expenditures	52,688		52,688
Excess of revenues over (under) expenditures			
Fund balance - July 1, 2005	(2,244)	(2,244)	
Fund balance - June 30, 2006	$ (2,244)	$ (2,244)	$ -

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 1,000	$ 3,868	$ 2,868
Intergovernmental	150,000	150,000	
Total revenues	151,000	153,868	2,868
Expenditures:			
Current:			
Community development	191,650	192,844	(1,194)
Total expenditures	191,650	192,844	(1,194)
Excess of revenues over (under) expenditures	(40,650)	(38,976)	1,674
Fund balance - July 1, 2005	176,037	176,037	
Fund balance - June 30, 2006	$ 135,387	$ 137,061	$ 1,674

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 14,000	$ 32,756	$ 18,756
Total revenues	14,000	32,756	18,756
Expenditures:			
Current:			
Community development	127,500	81,070	46,430
Debt service:			
Principal	11,400	11,400	
Interest and fiscal charges	27,300	26,158	1,142
Total expenditures	166,200	118,628	47,572
Excess of revenues over (under) expenditures	(152,200)	(85,872)	66,328
Other Financing Sources (Uses):			
Transfers in	105,220	157,582	52,362
Total other financing sources (uses)	105,220	157,582	52,362
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(46,980)	71,710	118,690
Fund balance - July 1, 2005	1,074,513	1,074,513	
Fund balance - June 30, 2006	$ 1,027,533	$ 1,146,223	$ 118,690

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 3,016,150	$ 3,387,722	$ 371,572
Use of money and property	66,950	81,169	14,219
Total revenues	3,083,100	3,468,891	385,791
Expenditures:			
Current:			
Community development	100	485	(385)
Debt service:			
Principal	412,700	192,700	220,000
Interest and fiscal charges	768,900	746,687	22,213
Total expenditures	1,181,700	939,872	241,828
Excess of revenues over (under) expenditures	1,901,400	2,529,019	627,619
Other Financing Sources (Uses):			
Transfers out	(2,559,805)	(2,224,344)	335,461
Total other financing sources (uses)	(2,559,805)	(2,224,344)	335,461
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(658,405)	304,675	963,080
Fund balance - July 1, 2005	427,433	427,433	
Fund balance - June 30, 2006	$ (230,972)	$ 732,108	$ 963,080

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 526,100	$ 713,864	$ 187,764
Use of money and property	35,200	64,800	29,600
Total revenues	561,300	778,664	217,364
Expenditures:			
Current:			
Community development		468	(468)
Debt service:			
Principal	18,600	18,600	
Interest and fiscal charges	44,500	42,678	1,822
Total expenditures	63,100	61,746	1,354
Excess of revenues over (under) expenditures	498,200	716,918	218,718
Other Financing Sources (Uses):			
Transfers out	(779,214)	(807,323)	(28,109)
Total other financing sources (uses)	(779,214)	(807,323)	(28,109)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(281,014)	(90,405)	190,609
Fund balance - July 1, 2005	849,489	849,489	
Fund balance - June 30, 2006	$ 568,475	$ 759,084	$ 190,609

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 24,000	$ 39,726	$ 15,726
Total revenues	24,000	39,726	15,726
Expenditures:			
Debt service:			
Interest and fiscal charges	24,000	29,972	(5,972)
Total expenditures	24,000	29,972	(5,972)
Excess of revenues over (under) expenditures		9,754	9,754
Fund balance - July 1, 2005	1,148,354	1,148,354	
Fund balance - June 30, 2006	$ 1,148,354	$ 1,158,108	$ 9,754

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Expenditures:			
Current:			
General government	$ 64,400	$ 62,952	$ 1,448
Total expenditures	64,400	62,952	1,448
Excess of revenues over (under) expenditures	(64,400)	(62,952)	1,448
Other Financing Sources (Uses):			
Transfers in	64,400	62,952	(1,448)
Total other financing sources (uses)	64,400	62,952	(1,448)
Excess of revenues and other financing sources over (under) expenditures and other financing uses			
Fund balance - July 1, 2005			
Fund balance - June 30, 2006	$ -	$ -	$ -

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 146,909	$ 146,909
Total revenues		146,909	146,909
Expenditures:			
Debt service:			
Principal	663,300	710,682	(47,382)
Interest and fiscal charges	619,400	634,811	(15,411)
Total expenditures	1,282,700	1,345,493	(62,793)
Excess of revenues over (under) expenditures	(1,282,700)	(1,198,584)	84,116
Other Financing Sources (Uses):			
Transfers in	1,282,700	1,288,924	6,224
Transfers out	(1,500,000)	(52,985)	1,447,015
Total other financing sources (uses)	(217,300)	1,235,939	1,453,239
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,500,000)	37,355	1,537,355
Fund balance - July 1, 2005	3,330,666	3,330,666	
Fund balance - June 30, 2006	$ 1,830,666	$ 3,368,021	$ 1,537,355

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 2,365	$ 2,365
Total revenues		2,365	2,365
Expenditures:			
Current:			
Community development	720,750	649,742	71,008
Total expenditures	720,750	649,742	71,008
Excess of revenues over (under) expenditures	(720,750)	(647,377)	73,373
Other Financing Sources (Uses):			
Transfers in	710,500	649,742	(60,758)
Total other financing sources (uses)	710,500	649,742	(60,758)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(10,250)	2,365	12,615
Fund balance - July 1, 2005			
Fund balance - June 30, 2006	$ (10,250)	$ 2,365	$ 12,615

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, 2006

	Final Budget	Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfers out	$ (803,961)	$ (260,634)	$ 543,327
Total other financing sources (uses)	(803,961)	(260,634)	543,327
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(803,961)	(260,634)	543,327
Fund balance - July 1, 2005	816,786	816,786	
Fund balance - June 30, 2006	$ 12,825	$ 556,152	$ 543,327

CITY OF LYNWOOD

INTERNAL SERVICE FUNDS

Internal service funds are used to account for transactions related to the City's garage department and for its self-insurance programs. These services are provided to other department on a cost reimbursement basis.

Garage Fund – Accounts for reimbursements from City departments for the cost of upkeep on City vehicles.

Self Insurance Fund – Accounts for reimbursements from City departments for the cost of insurance premiums, claims and administration.

CITY OF LYNWOOD
Combining Statement of Net Assets
Internal Service Funds
June 30, 2006

	Garage	Self-Insurance	Totals
Assets			
Current Assets:			
Accounts receivable	$ -	$ 10,534	$ 10,534
Total current assets		10,534	10,534
Noncurrent Assets:			
Depreciable equipment, net	440,304		440,304
Total noncurrent assets	440,304		440,304
Total assets	440,304	10,534	450,838
Liabilities			
Current Liabilities:			
Accounts payable		8,382	8,382
Due to other funds	535,699	3,253,488	3,789,187
Current portion of long-term obligations	246,878	534,350	781,228
Total current liabilities	782,577	3,796,220	4,578,797
Noncurrent Liabilities:			
Noncurrent portion of long-term obligations:			
Compensated absences	2,988		2,988
Claims payable		1,603,048	1,603,048
Capital lease payable	128,675		128,675
Total noncurrent liabilities	131,663	1,603,048	1,734,711
Total liabilities	914,240	5,399,268	6,313,508
Net Assets			
Invested in capital assets, net of related debt	64,751		64,751
Unrestricted	(538,687)	(5,388,734)	(5,927,421)
Total net assets	$ (473,936)	$ (5,388,734)	$ (5,862,670)

CITY OF LYNWOOD
Combing Statement of Revenues, Expenses,
and Changes in Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2006

	Garage	Self-Insurance	Totals
Operating Revenues:			
Sales and service charges	$ 503,540	$ 1,374,918	$ 1,878,458
Total operating revenues	503,540	1,374,918	1,878,458
Operating Expenses:			
Administration		49,098	49,098
Insurance		1,171,675	1,171,675
Claims		654,552	654,552
Garage	196,526		196,526
Depreciation	174,953		174,953
Total operating expenses	371,479	1,875,325	2,246,804
Operating income (loss)	132,061	(500,407)	(368,346)
Nonoperation Revenues (Expenses):			
Interest expense	(30,209)		(30,209)
Total nonoperating revenues (expenses)	(30,209)		(30,209)
Income (loss) before transfers	101,852	(500,407)	(398,555)
Transfers in	759	250,000	250,759
Change in net assets	102,611	(250,407)	(147,796)
Net Assets			
Beginning of fiscal year	(576,547)	(5,138,327)	(5,714,874)
End of fiscal year	$ (473,936)	$ (5,388,734)	$ (5,862,670)

CITY OF LYNWOOD
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2006

	Garage	Self-Insurance	Totals
Cash flows from operating activities:			
Receipts from customers and users	$ 503,540	$ 1,364,384	$ 1,867,924
Payments to suppliers	(211,742)	(1,565,286)	(1,777,028)
Payments to employees	(28,802)	(49,098)	(77,900)
Net cash provided (used) by operating activities	262,996	(250,000)	12,996
Cash flows from noncapital financing activities:			
Transfer to/from other funds	759	250,000	250,759
Net cash provided (used) in noncapital financing activities	759	250,000	250,759
Cash flows from capital and related financing activities:			
Principal payments on long-term debt	(233,546)		(233,546)
Interest paid on long-term debt	(30,209)		(30,209)
Net cash provided (used) in capital and related financing activities	(263,755)		(263,755)
Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents, beginning of fiscal year	$ -	$ -	$ -
Cash and cash equivalents, end of fiscal year	$ -	$ -	$ -
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	$ -	$ -	$ -
Cash and cash equivalents - June 30, 2005	$ -	$ -	$ -

(Continued)

CITY OF LYNWOOD
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2006
(Continued)

	Garage	Self-Insurance	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operations:			
Operating income (loss)	$ 132,061	$ (500,407)	$ (368,346)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	174,953		174,953
Decrease (increase) in accounts receivable		(10,534)	(10,534)
Increase (decrease) in accounts payable	(12,303)	(67,928)	(80,231)
Increase (decrease) in claim payable		(14,639)	(14,639)
Increase (decrease) in accrued employee benefits	(23,661)		(23,661)
Decrease (increase) in due to/from other funds	(8,054)	343,508	335,454
Total adjustments	130,935	250,407	381,342
Net cash provided (used) by operating activities	$ 262,996	$ (250,000)	$ 12,996

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CITY OF LYNWOOD
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2006

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
State Deferred Payment Loan Program				
Assets:				
Receivables:				
Notes and loans	$ 54,506	$ -	$ -	$ 54,506
Total assets	$ 54,506	$ -	$ -	$ 54,506
Liabilities:				
Deferred revenue	$ 54,506	$ -	$ -	$ 54,506
Total liabilities	$ 54,506	$ -	$ -	$ 54,506

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Schedule 1
City of Lynwood
Net Assets by Component,
Last Two Fiscal Years
(accrual basis by accounting)

	Fiscal Year	
	2005	**2006**
Governmental activities		
Invested in capital assets, net of related debt	$36,453,679	$71,070,677
Restricted	57,339,342	34,546,018
Unrestricted	1,002,841	24,793
Total governmental activities net assets	94,795,862	105,641,488
Business-type activities		
Invested in capital assts, net of related debt	3,960,818	2,247,256
Restricted	11,961,502	9,707,252
Unrestricted	(5,719,044)	(3,107,059)
Total business-type activities net assets	10,203,276	2,247,256
Primary government		
Invested in capital assets, net of related debt	40,414,497	73,317,933
Restricted	69,300,844	44,253,270
Unrestricted	(4,716,203)	(3,082,266)
Total primary government net assets	$104,999,138	$114,488,937

Source: Moss Levy Hartzheim

Schedule 2
City of Lynwood
Changes in Net Assets, Last Two Fiscal Years
(accrual basis of accounting)

	Fiscal Year	
	2005	**2006**
Expenses		
Governmental activities:		
General government	$6,936,325	$6,213,553
Public safety	$13,182,693	$13,922,118
Public works	$5,791,864	$5,363,619
Redevelopment	$7,550,558	$4,694,655
Parks and recreation	$2,761,444	$2,840,996
Interest on long-term debt	$2,235,271	$2,377,448
Total governmental activities expenses	$38,458,155	$35,412,389
Business-type activities:		
Water	$6,517,910	$6,168,104
Transit	$1,320,016	$1,227,619
Total business-type activities expenses	$7,837,926	$7,395,723
Total primary government expenses	$46,296,081	$42,808,112
Program Revenues (see Schedule 3)		
Governmental activities:		
Charges for services:		
General government	$369,070	$693,390
Public safety	$829,237	$1,024,589
Public works	$7,202,653	$4,607,579
Community development	$5,564	$284,119
Parks and recreation	$283,326	$317,006
Operating grants and contributions	$7,714,006	$7,368,051
Capital grants and contributions	$575,179	$1,648,244
Total governmental activities program revenues	$16,979,035	$15,942,978
Business-type activities:		
Charges for services:		
Water	$6,503,052	$5,833,964
Transit	$23,956	$11,663
Operating grants and contributions	$0	$0
Capital grants and contributions	$0	$422,767
Total business-type activities program revenues	$6,527,008	$6,268,394
Total primary government program revenues	$23,506,043	$22,211,372

Source: Moss Levy Hartzheim

Schedule 2
City of Lynwood
Changes in Net Assets, Last Two Fiscal Years
(accrual basis of accounting)

	Fiscal Year	
	2005	**2006**
Net (Expenses)/Revenue		
Governmental activities	($21,479,120)	($19,469,411)
Business-type activities	$0	$0
Total primary government net expense	($21,479,120)	($19,469,411)
General Revenues and Other Changes in Net Assets		
Governmental activities:		
Taxes		
Property taxes	$10,205,679	$13,831,194
Utility users tax	$5,533,166	$5,810,278
Franchise taxes	$1,278,192	$1,332,113
Sales taxes	$3,198,615	$3,247,091
Business license taxes	$394,083	$262,305
Other taxes	$150,623	$93,142
Unrestricted grants and contributions	$0	$0
Payments in lieu of taxes	$474,591	$1,738,552
Investment earnings	$1,354,489	$1,897,716
Miscellaneous	$219,998	$488,886
Transfers	$1,709,871	$780,106
Total governmental activities	$24,519,307	$29,481,383
Business-type activities		
Investment earnings	$313,212	$551,608
Miscellaneous	$3,363	$0
Transfers	($1,709,871)	($780,106)
Total business-type activities	($1,393,296)	($228,498)
Total primary government	$23,126,011	$29,252,885
Change in Net Assets		
Governmental activities	$3,040,187	$10,011,972
Business-type activities	($2,704,214)	($1,355,827)
Total primary government	$335,973	$8,656,145

Source: Moss Levy Hartzheim

Schedule 3
City of Lynwood
Program Revenues by Function/Program,
Last Two Fiscal Years
(accrual basis of accounting)

	Program Revenues	
	2005	**2006**
Function/Program		
Governmental activities:		
General government	$2,479,554	$693,390
Public safety	$1,121,784	$1,486,038
Public works	$9,783,918	$10,567,318
Redevelopment	$2,664,353	$2,855,004
Parks and recreation	$587,601	$341,228
Interest on long-term debt	$341,825	$0
Subtotal governmental activities	$16,979,035	$15,942,978
Business-type activities:		
Water	$6,503,052	$6,256,731
Transit	$23,956	$11,663
Subtotal business-type activities	$6,527,008	$6,268,394
Total primary government	$23,506,043	$22,211,372

Source: Moss Levy Hartzheim

Schedule 4
City of Lynwood
Fund Balances, Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund									
Reserved	$1,598,959	$1,513,160	$2,475,020	$2,585,425	$2,205,644	$1,989,973	$1,962,864	$1,628,825	$1,000,340
Unreserved	$5,261,097	$6,798,056	$8,323,972	$8,860,106	$8,699,004	$11,711,978	$10,399,462	$11,691,290	$15,512,533
Total general fund	$6,860,056	$8,311,216	$10,798,992	$11,445,531	$10,904,648	$13,701,951	$12,362,326	$13,320,115	$16,512,873
All Other Governmental Funds									
Reserved	$8,264,387	$7,675,652	$7,784,374	$9,347,509	$9,054,081	$22,422,534	$54,423,105	$54,245,733	$26,536,539
Unreserved, reported in:									
Special revenue funds	$2,289,078	$4,457,056	$8,707,651	$6,186,881	$5,206,318	$1,575,850	$1,368,974	$1,616,959	$1,867,118
Capital projects funds	$4,527,333	$4,715,603	$7,901,684	$7,755,740	$5,461,571	$0	($584,387)	$225,465	$1,005,908
Debt service funds	$0	$0	$0	$0	$0	($816,809)	($195,031)	$0	$0
Total all other governmental funds	$15,080,798	$16,848,311	$24,393,709	$23,290,130	$19,721,970	$23,181,575	$55,012,661	$56,088,157	$29,409,565

Source: Moss Levy Hartzheim

Schedule 5
City of Lynwood
Changes in Fund Balances, Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues									
Taxes (see Schedule 6)	$16,917,927	$16,240,249	$17,335,051	$19,080,026	$19,495,439	$21,128,956	$22,954,611	$26,978,169	$29,252,885
Licenses, fees, and permits	$158,766	$188,108	$188,586	$202,334	$254,271	$454,611	$502,598	$607,075	$639,142
Fines and penalties	$273,211	$470,944	$484,733	$792,935	$776,010	$811,231	$796,674	$893,895	$1,007,352
Charges for services	$4,947,020	$4,723,459	$4,867,813	$5,014,112	$5,397,825	$4,853,504	$3,732,973	$3,106,996	$3,338,468
Administrative support	$0	$0	$285,000	$0	$288,909	$2,469,978	$2,416,859	$1,476,834	$3,228,043
Intergovernmental	$7,314,208	$8,782,892	$8,122,999	$9,396,980	$8,413,014	$12,486,772	$40,526,204	$6,322,206	$7,299,319
Use of money and property	$1,034,597	$1,153,114	$1,436,631	$1,806,237	$1,206,049	$1,027,588	$639,696	$3,347,760	$2,137,438
Other revenues	$1,879,993	$1,604,825	$1,830,081	$2,628,961	$2,486,714	$849,567	$278,324	$451,571	$135,177
Loan repayment	$0	$0	$0	$0	$210,000	$0	$0	$0	$0
Total revenues	$32,525,722	$33,163,591	$34,550,894	$38,921,585	$38,528,231	$44,082,207	$71,847,939	$43,184,506	$47,037,824
Expenditures									
General government	$4,831,366	$6,082,059	$5,802,827	$7,954,422	$7,998,353	$5,470,466	$6,671,970	$5,897,451	$6,615,223
Public safety	$10,418,471	$10,068,073	$9,121,454	$11,874,087	$11,690,690	$12,750,489	$13,522,180	$12,763,219	$13,900,407
Public works	$5,693,201	$4,640,197	$4,938,247	$4,989,919	$4,982,360	$6,009,954	$5,688,359	$4,394,322	$5,124,278
Community development	$5,591,081	$6,057,726	$10,115,866	$7,532,248	$9,061,949	$5,687,161	$4,852,042	$7,487,623	$6,393,455
Parks and recreation	$0	$0	$0	$0	$0	$2,209,511	$2,588,372	$2,601,140	$2,785,317
Capital outlay	$4,312,619	$2,620,687	$3,868,968	$7,597,442	$5,131,272	$7,538,476	$4,390,038	$6,050,387	$34,153,313
Real estate acquisition	$0	$0	$1,146,887	$0	$2,075,547	$0	$0	$0	$0
Debt service									
Interest	$1,218,121	$1,330,811	$1,295,782	$1,843,283	$1,829,488	$1,965,260	$1,934,549	$2,017,357	$2,207,102
Principal	$953,721	$1,051,813	$506,570	$723,887	$770,006	$584,038	$440,438	$1,122,553	$975,682
Bond issue costs	$1,073	$0	$803,817	$48,350	$0	$0	$351,369	$0	$0
Payments to escrow agents	$0	$0	$4,239,810	$0	$0	$0	$0	$0	$0
Total expenditures	$33,019,653	$31,851,366	$41,840,228	$42,563,638	$43,539,665	$42,215,355	$40,439,317	$42,334,052	$72,154,777
Excess of revenues over (under) expenditures	($493,931)	$1,312,225	($7,289,334)	($3,642,053)	($5,011,434)	$1,866,852	$31,408,622	$850,454	($25,116,953)
Other Financing Sources (Uses)									
Bonds proceeds	$0	$0	$13,480,997	$0	$0	$0	$8,630,000	$0	$0
Premium on bond issuance	$0	$0	$2,720,280	$0	$0	$0	$74,214	$0	$0
Payments to escrow agent	$0	$0	($2,720,280)	$0	$0	$0	($7,067,541)	$0	$0
Proceeds from loan	$0	$0	$1,300,000	$0	$0	$0	$0	$0	$0
Loan repayment	$0	$0	$1,383,351	$0	$0	$0	$0	$0	$0
Transfers in	$9,723,489	$8,369,299	$8,806,080	$13,807,397	$10,388,722	$13,777,876	$11,272,762	$13,085,974	$41,023,249
Transfers out	($10,086,929)	($8,567,539)	($8,466,007)	($13,090,279)	($10,875,724)	($14,954,778)	($13,173,740)	($11,903,143)	($40,493,902)
Total other financing sources (uses)	($363,440)	($198,240)	$16,504,421	$717,118	($487,002)	($1,176,902)	($264,305)	$1,182,831	$529,347
Net change in fund balances	($857,371)	$1,113,985	$9,215,087	($2,924,935)	($5,498,436)	$689,950	$31,144,317	$2,033,285	($24,587,606)
Debt service as a percentage of noncapital expenditures	6.58%	7.48%	16.36%	6.14%	5.97%	6.04%	6.74%	7.42%	4.41%

Source: Moss Levy Hartzheim

Schedule 6
City of Lynwood
Tax Revenues by Source, Governmental Funds,
Last Nine Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property[1]	Sales Taxes	Utility Users Tax	Franchise	Property Transfer	Other	Total
1998	$8,858,183	$2,596,173	$3,273,293	$842,722	$50,343	$1,297,213	$16,917,927
1999	$8,004,640	$2,528,370	$3,330,513	$853,379	$62,237	$1,461,110	$16,240,249
2000	$8,081,827	$3,158,318	$3,566,091	$889,304	$66,458	$1,573,053	$17,335,051
2001	$8,611,329	$3,513,929	$4,065,631	$924,140	$82,434	$1,882,743	$19,080,206
2002	$9,013,828	$3,152,678	$4,336,947	$863,190	$137,221	$1,991,575	$19,495,439
2003	$9,756,399	$3,366,567	$4,967,836	$958,608	$88,045	$1,991,501	$21,128,956
2004	$9,895,303	$3,850,286	$5,077,227	$1,227,649	$103,270	$2,800,876	$22,954,611
2005	$14,015,024	$4,149,973	$5,533,166	$1,216,656	$150,623	$1,912,727	$26,978,169
2006	$13,831,194	$3,247,091	$5,810,278	$1,332,113	$262,305	$4,769,904	$29,252,885
Change							
1998-2006	56.1%	25.1%	77.5%	58.1%	421.0%	267.7%	72.9%

Source: Moss Levy Hartzheim

Schedule 7
City of Lynwood
Assessed Value,
Last Ten Fiscal Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Residential	$1,008,769,258	$1,024,774,629	$1,054,100,481	$1,082,038,556	$1,120,004,508	$1,175,340,933	$1,226,896,242	$1,310,009,169	$1,405,031,881	$1,548,641,607
Commercial	$137,642,491	$150,011,488	$152,020,848	$152,406,985	$154,492,760	$158,893,529	$167,814,148	$179,860,921	$187,518,358	$234,685,857
Industrial	$120,993,604	$123,207,696	$125,927,073	$130,290,804	$137,303,692	$149,075,762	$167,989,151	$172,530,335	$178,999,129	$175,850,603
Government	$380,934	$212,627	$216,279	$219,730	$30,000	$33,600	$38,822	$39,620	$985,000	$0
Institutional	$33,990,639	$10,815,681	$10,649,096	$11,602,939	$11,736,110	$16,747,221	$86,817,332	$17,108,202	$17,251,962	$14,856,434
Miscellaneous	$27,984	$3,789,423	$3,865,188	$4,006,760	$4,015,497	$4,095,787	$4,177,680	$280,487	$32,194	$32,835
Recreational	$286,651	$292,380	$298,225	$303,747	$309,818	$316,011	$448,517	$202,485	$206,264	$210,388
Vacant Land	$14,417,920	$12,700,282	$11,839,893	$17,128,598	$16,982,861	$11,913,213	$13,816,735	$15,349,735	$26,096,792	$20,682,997
SBE Nonunitary	$99,597	$139,180	$170,649	$116,555	$107,896	$118,100	$113,701	$907,822	$902,410	$906,787
Possessory Int.	$3,149,294	$3,054,991	$2,764,281	$3,766,529	$1,892,724	$11,521,308	$3,858,929	$3,937,652	$3,893,265	$4,199,252
Unsecured	$62,009,045	$57,212,511	$64,120,275	$63,480,913	$59,205,717	$60,097,988	$79,682,144	$76,819,836	$76,884,821	$78,080,903
Less: Tax Exempt	($14,683,083)	($15,990,256)	($15,732,039)	($14,814,132)	($15,281,591)	($14,610,159)	($14,219,966)	($13,205,320)	($18,979,457)	($21,827,731)
Unknown	$0	$0	$0	$0	$0	$0	$0	$74,460	$8,198,017	$1,446,975
TOTALS	$1,367,084,334	$1,370,220,632	$1,410,240,249	$1,450,547,984	$1,490,799,992	$1,573,543,293	$1,737,433,435	$1,763,915,404	$1,887,020,636	$2,057,766,907
Total Direct Rate	0.38151%	0.62415%	0.63038%	0.63654%	0.39651%	0.38275%	0.42779%	0.39575%	0.40396%	0.41059%

Source: HdL, Coren Cole

Schedule 8
City of Lynwood
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per $1,000 of assessed value)

	City Direct Rate	Overlapping Rates				
Fiscal Year	Basic Rate	Lynwood School District	Flood Control District	Los Angeles County	Metropolitan Water District	Compton Community College District
1998	1.000000%	0.000724%	0.002197%	0.001584%	0.008900%	0.000000%
1999	1.000000%	0.000097%	0.001953%	0.001451%	0.008900%	0.000000%
2000	1.000000%	0.000000%	0.001765%	0.001422%	0.008900%	0.000000%
2001	1.000000%	0.000089%	0.001552%	0.001314%	0.008800%	0.000000%
2002	1.000000%	0.000104%	0.001073%	0.001128%	0.007700%	0.000000%
2003	1.000000%	0.000000%	0.000881%	0.001033%	0.006700%	0.000000%
2004	1.000000%	0.061331%	0.000462%	0.000992%	0.006100%	0.027143%
2005	1.000000%	0.048275%	0.000049%	0.000795%	0.005200%	0.020514%
2006	1.000000%	0.043175%	0.000052%	0.125000%	0.004700%	0.019747%

Source: Los Angeles County Auditor-Controller

Schedule 9
City of Lynwood
Principal Property Tax Payers,
Last Two Years

	2005			2006		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
St. Francis Medical Center Foundation	$ 188,066,582.00	1	8.86%	$ 166,703,907	1	7.30%
2700 East Imperial Highway Inc.	$ 19,606,748.00	2	0.92%	$ 18,000,000	4	0.79%
Lynwood Alameda Corporation	$ 17,974,497.00	3	0.85%	$ 18,333,983	3	0.80%
Lynwood Unified School District	$ 13,502,341.00	4	0.64%	$ 16,092,058	5	0.70%
Albi Lynwood Investment LLC	$ 11,300,000.00	5	0.53%	$ 11,526,000	7	0.50%
Universal Molding Company	$ 11,119,260.00	6	0.52%	$ 10,954,897	9	0.48%
McWhorter Inc.	$ 10,982,704.00	7	0.52%	$ -	-	-
Economic Resources Corporation	$ 10,878,978.00	8	0.51%	$ 11,089,620	8	0.49%
805 Property LLC	$ 9,444,083.00	9	0.44%	$ -	-	-
Shapco Partnership	$ 9,025,102.00	10	0.43%	$ -	-	-
Placo Investment	$ -	-	-	$ 32,536,639	2	1.42%
Earl M. Jorgensen Company	$ -	-	-	$ 13,178,283	6	0.58%
Atlantic Lynwood LLC	$ -	-	-	$ 10,575,000	10	0.46%
Total	$ 301,900,295.00		14.22%	$ 308,990,387.00		2.46%

Note:
Only Most Recent Information Available

Source: HdL Coren and Cole

Schedule 10
City of Lynwood
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Other Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	$1,272,577.92	$ 1,189,584	93.48%	$ (2,312)	$ 1,187,272	93.30%
1998	$1,225,540.34	$ 1,177,224	90.14%	$ 88,575	1,265,799	96.93%
1999	$1,253,438.56	$ 1,189,778	94.92%	$ 95,781	$ 1,285,559	102.56%
2000	$1,305,930.30	$ 1,232,313	94.36%	$ 252,934	$ 1,485,247	113.73%
2001	$1,320,000.01	$ 1,264,308	95.78%	$ 88,521	$ 1,352,829	102.49%
2002	$1,381,069.96	$ 1,312,567	95.04%	$ 95,836	$ 1,408,403	101.98%
2003	$1,435,562.79	$ 1,478,210	102.97%	$ 112,208	$ 1,590,418	110.79%
2004	$1,529,632.02	$ 1,446,731	94.58%	$ 123,679	$ 1,570,410	102.67%
2005	$1,628,786.59	$ 1,121,313	68.84%	$ 293,270	$ 1,414,583	86.85%
2006	$1,785,744.11	$ 1,335,441	74.78%	$ 458,772	$ 1,794,213	100.47%

Note:
*Other Collections may included Prior Years delinquencies, Interest and Penalties, Tax Redemption, and Supplemental Taxes.

Sources: HdL Coren Cone
City Finance Department

Schedule 11
City of Lynwood
Taxable Sales by Category,
Last Ten Calendar Years
(in thousands of dollars)

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Apparel Stores	$3,171	$3,654	$4,255	$4,680	$5,920	$8,187	$8,862	$13,988	$14,088	$16,046
General Merchandise	$2,002	$1,652	$1,340	$1,668	$1,720	$1,637	$1,695	$2,665	$3,534	$3,422
Food Stores	$25,612	$30,849	$31,239	$33,638	$33,090	$29,943	$29,695	$29,311	$30,336	$30,016
Eating and Drinking Places	$20,575	$21,500	$24,075	$26,348	$31,679	$31,284	$33,530	$51,153	$48,379	$51,235
Building Materials	$17,332	$19,271	$19,407	$22,642	$19,985	$20,549	$19,645	$22,480	$28,319	$31,626
Auto Dealers and Supplies	$9,224	$11,533	$13,636	$15,533	$18,693	$19,005	$22,378	$25,430	$27,607	$30,457
Service Stations	$20,459	$20,265	$21,177	$27,952	$36,611	$39,604	$38,667	$45,516	$50,408	$55,558
Other Retail Stores	$14,832	$24,956	$27,881	$28,281	$25,182	$24,598	$26,829	$30,729	$33,860	$42,302
All Other Outlets	$51,632	$47,736	$53,380	$59,582	$73,182	$57,285	$62,705	$56,047	$68,371	$76,319
Total	$164,839	$181,416	$196,390	$220,324	$246,062	$232,092	$244,006	$277,319	$304,902	$336,981

Source: HdL Coren and Cole

Schedule 12
City of Lynwood
Direct and Overlapping Sales Tax Rates,
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Los Angeles County
1997	1%	1%
1998	1%	1%
1999	1%	1%
2000	1%	1%
2001	1%	1%
2002	1%	1%
2003	1%	1%
2004	1%	1%
2005	1%	1%
2006	1%	1%

Source: HdL Coren and Cole

Schedule 13
City of Lynwood
Principal Sales Tax Remitters,
Last Two Years

2005

Tax Remitter	Business Category
Ahmed Union Services	Service Stations
Airgas West	Heavy Industrial
Andy's Shell	Service Stations
Atlantic Chevron	Service Stations
Auto Zone	Automotive Supply Stores
Chuck E Cheeses	Restaurants Beer And Wine
Del Steel	Contractors
Food 4 Less	Grocery Stores Liquor
G & M Oil	Service Stations
Imaging Supplies	Business Services
J & S Union 76	Service Stations
Jones Lumber	Lumber/Building Materials
Less Union 76	Service Stations
Lynwood Arco	Service Stations
Lynwood Unified School District	Government/Social Org.
McDonalds	Restaurants No Alcohol
Oles Enterprises	Service Stations
Rapid Gas	Service Stations
Rite Aid	Drug Stores
Suns Market	Service Stations
Superior Super Warehouse	Grocery Stores Liquor
US Royal	Service Stations
Valu Plus	Grocery Stores Liquor
Walgreens	Drug Stores
Warehouse Shoes	Shoe Stores

2006

Tax Remitter	Business Category
Ahmed Union Services	Service Stations
Airgas West	Heavy Industrial
Andy's Shell	Service Stations
Atlantic Chevron	Service Stations
Auto Zone	Automotive Supply Stores
Del Steel	Contractors
Factory 2 U	Family Apparel
Food 4 Less	Grocery Stores Liquor
G & M Oil	Service Stations
Hometown Buffet	Restaurants No Alcohol
J & S Union 76	Service Stations
Jones Lumber	Lumber/Building Materials
King Taco	Restaurants No Alcohol
La Curacao	Home Furnishings
Less Union 76	Service Stations
Lynwood Arco	Service Stations
McDonalds	Restaurants No Alcohol
Oles Enterprises	Service Stations
Rapid Gas	Service Stations
Rite Aid	Drug Stores
Superior Super Warehouse	Grocery Stores Liquor
US Royal	Service Stations
Valu Plus	Grocery Stores Liquor
Walgreens	Drug Stores
Warehouse Shoes	Shoe Stores

Note:
California Law Prohibits Further Detail.

Source: HdL

Schedule 14
City of Lynwood
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years
(dollars in thousands, except per capita)

	Governmental Activities						Business-type Activities				
Fiscal Year	Tax Allocation Bonds	HUD Loan Payable	Claims Payable	Revenue Bonds	Capital Leases Payable	Compensated Bonds	Water Revenue Bonds	Compensated Absences	Total Primary Government	Percentage of Personal Income	Debt Per Capita
1997	$8,895,000	N/A	$726,231	$9,605,000	$726,231	N/A	N/A	N/A	$19,952,462	1.21%	0.33%
1998	$8,350,000	N/A	$1,492,595	$9,345,000	$2,173,433	N/A	N/A	N/A	$21,361,028	1.19%	0.31%
1999	$7,780,000	N/A	$1,072,755	$9,070,000	$2,048,952	N/A	$4,205,400	N/A	$24,177,107	1.29%	0.28%
2000	$14,970,000	N/A	$719,730	$11,235,000	$3,515,115	N/A	$9,841,933	N/A	$40,281,778	1.99%	0.17%
2001	$14,780,000	N/A	$760,589	$7,621,000	$3,207,342	N/A	$9,629,666	N/A	$35,998,597	1.69%	0.20%
2002	$14,580,000	N/A	$642,726	$10,760,000	$2,878,057	$875,562	$9,494,799	$84,271	$39,315,415	1.80%	0.18%
2003	$14,365,000	$7,000,000	$668,914	$10,505,000	$2,566,301	$1,074,208	$9,354,932	$116,167	$45,650,522	2.02%	0.16%
2004	$14,130,000	$7,000,000	$696,169	$12,390,000	$2,151,859	$1,438,271	$15,918,341	$155,473	$53,880,113	2.26%	0.14%
2005	$13,880,000	$6,775,000	$2,876,572	$11,920,000	$1,753,372	$1,442,380	$15,637,362	$174,317	$54,459,003	N/A	0.13%
2006	$13,615,000	$6,535,000	$2,787,663	$11,445,000	$1,331,531	$1,149,901	$15,341,383	$202,830	$52,408,308	N/A	0.14%

Source: City Finance Department

Schedule 15
City of Lynwood
Direct and Overlapping Governmental Activities Debt,
As of June 30, 3006
(dollars in thousands)

2005-06 Assessed Valuation:	$2,079,594,638
Redevelopment Incremental Valuation:	407,064,756
Adjusted Assessed Valuation:	$1,672,529,882

Overlapping Tax and Assessment Debt:	**Total Debt 6/30/06**	**% Applicable (1)**	**City's Share of Debt 6/30/06**
Los Angeles County	$8,395,000	0.227%	$19,057
Los Angeles County Flood Control District	$127,840,000	0.232%	$296,589
Metropolitan Water District	$389,565,000	0.114%	$444,104
Compton Community College District	$39,100,000	16.848%	$6,587,568
Los Angeles Community College District	$694,705,000	0.002%	$13,894
Compton and Los Angles Unified School Districts	$5,767,169,711	0.002% & 0.317%	$369,563
Lynwood Unified School District	$19,649,801	97.598%	$19,177,813
Los Angeles County Regional Park and Open Space Assessment District	$325,710,000	0.227%	$739,362
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$27,647,950
DIRECT AND OVERLAPPING GENERAL FUND DEBT			
Los Angeles County General Fund Obligations	$1,267,261,972	0.227%	$2,876,685
Los Angeles County Pension Obligations	$737,082,395	0.227%	$1,673,177
Los Angeles County Superintendent of Schools Certificates of Participation	$21,784,577	0.227%	$49,451
Compton and Los Angeles Unified School District Certificates of Participation	$436,803,350	0.002% & 0.317%	$103,188
Lynwood Unified School District Certificates of Participation	$5,420,000	97.598%	$5,289,812
City of Lynwood General Fund Obligations	**$11,445,000**	**100%**	**$11,445,000**
Los Angeles County Sanitation District No. 1 Authority	$26,692,428	11.281%	$3,011,173
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			$24,448,486
Less: Los Angeles County Certificates of Participation (100% self-supporting from leasehold revenues on properties in Marina Del Rey)			$89,052
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			$114
			$24,359,320
GROSS COMBINED TOTAL DEBT			$52,096,436 (2)
NET COMBINED TOTAL DEBT			$52,007,270

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2005-06 Assessed Valuation:
Total Overlapping Tax and Assessment Debt ……1.33%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt ($11,445,000)…… ……0.68%
Gross Combined Total Debt……..3.11%
Net Combined Total Debt……3.11%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/06: $3,500

Source: California Municipal Statistics

Schedule 16
City of Lynwood
Legal Debt Margin Information,
Last Ten Fiscal Years

	Fiscal Year									
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
Assessed Valuation	$ 1,367,084,334	$ 1,370,220,632	$ 1,410,240,249	$ 1,450,547,984	$ 1,490,799,992	$ 1,573,543,293	$ 1,737,433,435	$ 1,763,915,404	$ 1,887,020,636	$ 2,057,766,907
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	$ 341,771,083.50	$ 342,555,158.00	$ 352,560,062.25	$ 362,636,996.00	$ 372,699,998.00	$ 393,385,823.25	$ 434,358,358.75	$ 440,978,851.00	$ 471,755,159.00	$ 514,441,726.75
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	$ 51,265,662.53	$ 51,383,273.70	$ 52,884,009.34	$ 54,395,549.40	$ 55,904,999.70	$ 59,007,873.49	$ 65,153,753.81	$ 66,146,827.65	$ 70,763,273.85	$ 77,166,259.01
Total net debt applicable to the limit: General obligation bonds	0	0	0	0	0	0	0	0	0	0
Legal debt margin	$ 51,265,662.53	$ 51,383,273.70	$ 52,884,009.34	$ 54,395,549.40	$ 55,904,999.70	$ 59,007,873.49	$ 65,153,753.81	$ 66,146,827.65	$ 70,763,273.85	$ 77,166,259.01

Source: County of Los Angeles Department of Auditor-Contoller

Schedule 17
City of Lynwood
Demographic and Economic Statistics,
Last Ten Calendar Years

Calendar Year	Population[1]	Personal Income *(thousands of dollars)*	Per Capita Personal Income[2]	School Enrollment[3]	Unemployment Rate[4]
1997	66,400	$1,654,555,200	$24,918	16,206	7.0%
1998	67,200	$1,790,073,600	$26,638	16,025	6.8%
1999	68,200	$1,875,500,000	$27,500	16,860	5.7%
2000	69,845	$2,025,714,535	$29,003	17,520	5.4%
2001	70,801	$2,124,738,010	$30,010	18,237	8.6%
2002	71,798	$2,179,284,694	$30,353	18,786	9.1%
2003	72,610	$2,255,193,990	$31,059	19,464	10.8%
2004	72,853	$2,385,280,073	$32,741	19,658	11.1%
2005	72,787	N/A	N/A	19,072	10.4%
2006	73,044	N/A	N/A	17,772	8.5%

Sources:

[1] California Department of Finance
http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/ReportsPapers.asp
Official estimate as of January 1st of each calendat year except 2006, which is a preliminary estimate that is subject to change.

[2] Bureau of Economic Analysis
Los Angeles-Long Beach-Riverside are data (City of Lynwood data not available)
http://www.bea.gov/bea/regional/reis/default.cfm?catable=CA1-3&section=2
Per Capita Personal Income was unavailable for calendar year 2005 and 2006.

[3] Lynwood Unified School District

[4] California Employment Development Department Labormarketinfo
http://labormarketinfo.edd.ca.gov/cgi/dataanalysis/AreaSelection.asp?tableName=Labforce

Schedule 18
City of Lynwood
Principal Employers

	2006	
Employer	**Employees**	**Rank**
Superior Warehouse Grocers Inc.	196	1
Aaron Industries Inc.	140	2
Universal Molding Co. Inc.	114	3
DV Industries Inc.	109	4
Elite Slides	103	5
St. Francis Medical Center	100	6
Midas Express (Los Angeles) Inc.	90	7
Airgas West	89	8
Country Villa Lynwood Health Care	85	9
McDonalds	83	10

Only 2006 Information Available

Source: HdL Coren and Cole

Schedule 19
City of Lynwood
Full-time Equivalent City Government Employees by Function/Program,
Last Seven Fiscal Years

	Full-time Equivalent Employees as of June 30						
	2000	2001	2002	2003	2004	2005	2006
Function/Program							
General Government							
City Council	5	5	5	5	5	12	12
City Manager	12	12	12	12	12	9	11
City Clerk	3	3	3	4	4	4	4
City Treasurer	1	1	2	2	2	2	2
Finance & Administration	22	22	24	41	41	25	26
Human Resources	6	6	6	6	6	18	19
Public Works	102	104	96	102	102	62	72
Redevelopment	19	19	15	12	12	7	7
Development Services	0	0	16	23	23	19	20
Quality of Life	0	0	0	0	0	40	40
Parks and Recreation	138	144	95	100	100	87	105

Source: City of Lynwood Finance Department

Schedule 20
City of Lynwood
Operating Indicators by Function/Program

Function / Program	Fiscal Year 2006
General government	
Building permits issued	2,100
Building inspections conducted	6,300
Police	
Physical arrests	2,251
Fire	
Emergency responses	4,716
Fires extinguished	273
Inspections	830
Refuse collection	
Refuse collected (tons per day)	228
Recyclables collected (tons per day)	94
Other public works	
Potholes repaired	73,000
Water	
New connections	36
Water main breaks	4
Average daily consumption (thousands of gallons)	5,660

Source: City Finance Department

Schedule 21
City of Lynwood
Capital Asset Statistics by Function/Program,
Last Two Fiscal Years

	Fiscal Year	
	2005	2006
Function/Program		
Police		
Stations	1	1
Zone offices	0	0
Patrol units	0	0
Fire Stations	2	2
Other public works		
Streets (miles)	85	85
Streetlights	2,300	2,300
Parks and recreation		
Acreage	35	35
Playgrounds	6	6
Baseball/softball diamonds	3	3
Soccer/football fields	2	2
Community Centers	2	2
Water		
Water mains (miles)	85	85
Fire hydrants	1,100	1,100
Storage capacity (thousands of gallons)	3,000	3,000
Wastewater		
Sanitary sewers (miles)	81	81
Storm sewers (miles)	0	0

Source: City Finance Department