CITY OF LYNWOOD

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDING JUNE 30, 2007

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Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2007

TABLE OF CONTENTS

I. INTRODUCTORY SECTION — Page

A. Table of Contents 1

II. FINANCIAL SECTION

A. Independent Auditor's Report 7
B. Management's Discussion and Analysis 9
C. Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Assets 17
Statement of Activities 18
Fund Financial Statements:
Governmental Funds:
Balance Sheet 20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets 23
Statement of Revenues, Expenditures, and Changes in Fund Balances 24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 26
Proprietary Funds:
Statement of Net Assets 27
Statement of Revenues, Expenses, and Changes in Net Assets 28
Statement of Cash Flows 29
Fiduciary Funds:
Statement of Fiduciary Net Assets 31
Notes to Basic Financial Statements 33

D. Required Supplemental Information:
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 81
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Redevelopment Agency Low/Mod Housing Area "A" Special Revenue Fund 83
Schedule of Funding Progress – Public Employee Retirement Plan 84

CITY OF LYNWOOD
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2007

TABLE OF CONTENTS

II. FINANCIAL SECTION (Continued) Page

E. Other Supplemental Information

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Capital Projects Funds:

Park Replacement Capital Projects Fund 86
Redevelopment Agency Project Area "A" Capital Projects Fund.... 87
Capital Improvement Projects Capital Projects Fund 88
Redevelopment Project Area "A" Taxable Bond Proceeds Fund 89

Nonmajor Governmental Funds

Descriptions of Nonmajor Governmental Funds 90
Combining Balance Sheet 96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 106
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:
Traffic Safety Special Revenue Fund 116
Lighting Maintenance Special Revenue Fund 117
Gas Tax Special Revenue Fund..... 118
Retirement Special Revenue Fund..... 119
Sheriff Drug Seizure Special Revenue Fund 120
Air Quality Improvement Special Revenue Fund..... 121
SB 821 Special Revenue Fund 122
State Transportation Partnership Special Revenue Fund 123
Business Improvement District Special Revenue Fund..... 124
HUD 108 Loan Special Revenue Fund 125
Housing Community Development (HUD) Special Revenue Fund... 126
Prop A Special Revenue Fund 127
Landscape Maintenance Special Revenue Fund 128
HUD HOME Program Special Revenue Fund..... 129
Anti-Litter Grant Special Revenue Fund..... 130
Prop C Special Revenue Fund 131

CITY OF LYNWOOD
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2007

TABLE OF CONTENTS

II. FINANCIAL SECTION (Continued) Page

E. Other Supplemental Information (continued)

Nonmajor Governmental Funds (continued)

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (continued):

STP Grant Special Revenue Fund 132
Graffiti Prevention Grant Special Revenue Fund..... 133
State COPs Program Special Revenue Fund..... 134
TEA/ISTEA Grant Special Revenue Fund 135
Beverage Container Recycling Grant Special Revenue Fund..... 136
LA County Park Maintenance Grant Special Revenue Fund..... 137
Used Oil Recycling Grant Special Revenue Fund..... 138
AB 2928 Traffic Congestion Relief Special Revenue Fund 139
Justice Assistance Special Revenue Fund.... 140
Per Capita Grant 2000 Special Revenue Fund 141
Safe School Route Grant Special Revenue Fund 142
DuPont Lead Safety Grant Special Revenue Fund 143
State Homeland Security Grant Special Revenue Fund..... 144
Lynwood Information, Inc. Special Revenue Fund 145
Redevelopment Agency Low/Mod Housing Alameda Area Special Revenue Fund 146
Tax Increment Area "A" Debt Service Fund..... 147
Tax Increment Alameda Area Debt Service Fund 148
Special Fund Area "A" Alameda Debt Service Fund 149
Public Financing Authority Debt Service Fund 150
City of Lynwood Debt Service Fund 151
Redevelopment Project Alameda Area Capital Projects Fund 152
Capital Project Loan Capital Projects Fund..... 153

CITY OF LYNWOOD
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2007

TABLE OF CONTENTS

II. FINANCIAL SECTION (Continued) Page

E. Other Supplemental Information (continued)

Nonmajor Proprietary Funds

Internal Service Funds:
Combining Statement of Net Assets 155
Combining Statement of Revenues, Expenses, and Changes in Net Assets. 156
Combining Statement of Cash Flows 157

Agency Funds
Statement of Changes in Assets and Liabilities 159

F. Statistical Section

Net Assets by Component 161
Changes in Net Assets 162
Program Revenues by Function/Program 164
Fund Balances, Governmental Funds 165
Changes in Fund Balances, Governmental Funds 166
Tax Revenues by Source, Governmental Funds 167
Assessed Value 168
Direct and Overlapping Property Tax Rates 169
Principal Property Tax Payers 170
Property Tax Levies and Collections 171
Taxable Sales by Category 172
Direct and Overlapping Sales Tax Rates 173
Principal Sales Tax Remitters 174
Ratios of General Bonded Debt Outstanding 175
Ratios of Outstanding Debt by Type 176
Direct and Overlapping Governmental Activities Debt 177
Legal Debt Margin Information 178
Pledged-Revenue Coverage 179
Demographic and Economic Statistics 180
Principal Employers 181
Full-time Equivalent City Government Employees by Function/Program 182
Operating Indicators by Function/Program 183
Capital Asset Statistics by Function/Program 184

FINANCIAL

SECTION

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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, 2007, 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, 2007, 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.

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In accordance with Government Auditing Standards, we have also issued a report dated May 8, 2008, 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 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 statistical section has 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, LLP
Beverly Hills, California
June 23, 2008

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, 2007. We encourage readers to consider information noted below in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's total assets as of June 30, 2007 were $181.4 million and total liabilities were $59.8 million. The assets exceeded liabilities by $121.6 million (net assets).
- During the fiscal year, the City's general fund sources (including revenues and transfers in) exceeded uses (including expenditures and transfers out) by $378,063; however there were prior period adjustments that resulted in a net decrease of $208,604 in the general fund balance. The year-end fund balance for the General Fund was $16.3 million, of which $1.4 million was reserved for long-term advances, prepaid items, and encumbrances.
- Total revenues from all sources were $57.5 million and total expenditures were $49.3 million. Of the total revenues, program revenues were $21.2 million. Program revenues are broken into three categories: Charges for services at $14.3 million, operating contributions and grants at $5.2 million; and capital contributions and grants at $1.7 million.

ROAD MAP FOR THE FY 2006-2007 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 ways 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 other 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 2006-07 (CURRENT)			Fiscal Year 2005-06 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current Assets & Other Assets	$ 51,894,782	$ 11,767,710	$ 63,662,492	$ 51,009,222	$ 17,651,701	$ 68,660,923
Capital Assets	109,374,559	8,330,403	117,704,962	96,769,949	7,190,185	103,960,134
Total assets	**$ 161,269,341**	**$ 20,098,113**	**$ 181,367,454**	**$ 147,779,171**	**$ 24,841,886**	**$ 172,621,057**
Liabilities:						
Other Liabilities	7,806,016	513,669	8,319,685	5,273,588	450,224	5,723,812
Long-Term Debt Outstanding	36,184,902	15,249,861	51,434,763	36,864,095	15,544,213	52,408,308
Total liabilities	**$ 43,990,918**	**$ 15,763,530**	**$ 59,754,448**	**$ 42,137,683**	**$ 15,994,437**	**$ 58,132,120**
Net Assets:						
Invested in capital assets, net of related debt	79,540,927	(2,167,357)	77,373,570	71,070,677	2,247,256	73,317,933
Restricted	33,396,865	4,891,486	38,288,351	34,546,018	9,707,252	44,253,270
Unrestricted	4,340,631	1,610,454	5,951,085	24,793	(3,107,059)	(3,082,266)
Total net assets	**$ 117,278,423**	**$ 4,334,583**	**$ 121,613,006**	**$ 105,641,488**	**$ 8,847,449**	**$ 114,488,937**

The City's overall assets increased to $181.4 million in FY 2006-07, and the overall liabilities increased to $59.8 million over the same period. As a result, the net assets increased from $114.5 million to $121.6 million. The Governmental Activities accounted for this increase, from $105.6 million to $117.3 million, while the net assets of the Business-type Activities decreased from $8.9 million to $4.3 million.

Table 2
Changes in Net Assets

	Fiscal Year 2006-07 (CURRENT)			Fiscal Year 2005-06 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
REVENUES						
Program Revenues						
Charges for services	$ 6,387,954	$ 7,881,493	$ 14,269,447	$ 6,926,683	$5,845,627	$ 12,772,310
Operating Contributions and grants	5,178,618		5,178,618	7,368,051		7,368,051
Capital contributions and grants	1,703,546		1,703,546	1,648,244	422,767	2,071,011
Subtotal	13,270,118	7,881,493	21,151,611	15,942,978	6,268,394	22,211,372
General Revenues						
Property taxes	18,209,991		18,209,991	13,831,194		13,831,194
Utility users tax	6,193,590		6,193,590	5,810,278		5,810,278
Sales taxes	3,688,238		3,688,238	3,247,091		3,247,091
Franchise taxes	1,257,149		1,257,149	1,332,113		1,332,113
Business license taxes	407,714		407,714	262,305		262,305
Other taxes	1,327,499		1,327,499	93,142		93,142
Motor vehicle in lieu tax, unrestricted	540,103		540,103	1,738,552		1,738,552
Use of money and property	2,176,869	607,504	2,784,373	1,897,716	551,608	2,449,324
Other	1,118,246		1,118,246	488,886		488,886
Gain on sale of capital assets	833,480		833,480			
Loss on disposal of capital assets	0		0			
Transfers	5,312,643	(5,312,643)	0	780,106	(780,106)	0
Total	**$ 54,335,640**	**$ 3,176,354**	**$ 57,511,994**	**$ 45,424,361**	**$6,039,896**	**$ 51,464,257**
EXPENSES						
General government	8,117,721		8,117,721	6,213,553		6,213,553
Public safety	15,505,809		15,505,809	13,922,118		13,922,118
Public w orks	5,294,634		5,294,634	5,363,619		5,363,619
Community development	6,390,638		6,390,638	4,694,655		4,694,655
Parks and recreation	3,312,944		3,312,944	2,840,996		2,840,996
Interest on long-term debt	1,984,742		1,984,742	2,377,448		2,377,448
Unallocated depreciation	1,025,821		1,025,821			
Water		6,544,735	6,544,735		6,168,104	6,168,104
Transit		1,144,485	1,144,485		1,227,619	1,227,619
Total	**$ 41,632,309**	**$ 7,689,220**	**$ 49,321,529**	**$ 35,412,389**	**$7,395,723**	**$ 42,808,112**
Change in net assets	12,703,331	(4,512,866)	8,190,465	10,011,972	(1,355,827)	8,656,145
Net assets at beginning of fiscal year	105,641,488	8,847,449	114,488,937	94,795,862	10,203,276	104,999,138
Prior period adjustments	(1,066,396)		(1,066,396)	833,654		833,654
Net assets at beginning of fiscal year restated	**104,575,092**	**8,847,449**	**113,422,541**	**95,629,516**	**10,203,276**	**105,832,792**

The City's overall net assets increased since the beginning of the year, from $114.5 million to $121.6 million. The reason for the increase is the positive difference between the actual revenues of $57.5 million and the actual expenditures of $49.3 million. As reflected in the above table, the positive revenue/expenditure difference is significantly larger for the Governmental Activities (where a surplus of $12.7 million was recorded), while the revenues were actually lower than expenditures for the Business-Type Activities (resulting in a gap of $4.5 million).

Compared to FY 2005-06, the City's overall revenues increased from $51.5 million to $57.5 million. The majority of this increase is due to the increase in general revenues. The fiscal year 2006-07 includes revenues that are not on-going such as $1.2 million of restitution payment,

gain on the sale of capital assets of $833,480 and $242,900 from a billboard agreement. New fees implemented in FY 2006-07 were also included such as impact fees and art fees totaling $372,635. The overall expenditures increased from $42.8 million to $49.3 million. The increase impacted almost all of the governmental activities.

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 2006-07 (CURRENT)			Fiscal Year 2005-06 (PRIOR)		
	Expenses	Program Revenues	Net Cost of Services	Expenses	Program Revenues	Net Cost of Services
FUNCTIONS/PROGRAMS						
General government	$ 8,117,721	$ 2,041,391	$ 6,076,330	$ 6,213,553	$ 693,390	$ 5,520,163
Public safety	15,505,809	1,491,632	14,014,177	13,922,118	1,486,038	12,436,080
Public works	5,294,634	6,536,513	(1,241,879)	5,363,619	10,567,318	(5,203,699)
Community development	6,390,638	2,652,992	3,737,646	4,694,655	2,855,004	1,839,651
Parks and recreation	3,312,944	547,590	2,765,354	2,840,996	341,228	2,499,768
Interest on long-term debt	1,984,742		1,984,742	2,377,448		2,377,448
Unallocated depreciation	1,025,821		1,025,821			0
Total	**$ 41,632,309**	**$ 13,270,118**	**$ 28,362,191**	**$ 35,412,389**	**$ 15,942,978**	**$ 19,469,411**

The cost of the City's Governmental Activities increased from $35.4 million in FY 2005-06 to $41.6 million in FY 2006-07 primarily due to increased costs of public safety services, costs of city-wide services as well as salaries and benefits. The program revenue generated by these activities has decreased from $15.9 million to $13.8 million. As a result of the respective changes in the revenues and expenditures, the net cost of the Government Activities was $27.8 million in FY 2006-07, as opposed to the net cost of $19.5 recorded in FY 2005-06.

Overall, ***the cost of government in FY 2006-07 exceeded the program 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 revenue for both activities was $192,273 in FY 2006-07, with the transit services having the net cost of $1.1 million, as opposed to the net revenue of $1.3 million recorded in the water program.

Table 4
Business-Type Activities
Net Cost of Services

	Fiscal Year 2006-07 (CURRENT)			Fiscal Year 2005-06 (PRIOR)		
	Expenses	Program Revenues	Net Cost of Services	Expenses	Program Revenues	Net Cost of Services
FUNCTIONS/PROGRAMS						
Water	$ 6,544,735	$ 7,861,420	$ (1,316,685)	$ 6,168,104	$ 6,256,731	$ (88,627)
Transit	1,144,485	20,073	1,124,412	1,227,619	11,663	1,215,956
Total	**$ 7,689,220**	**$ 7,881,493**	**$ (192,273)**	**$ 7,395,723**	**$ 6,268,394**	**$ 1,127,329**

The cost of the City's Business-Type Activities increased from $7.4 million in FY 2005-06 to $7.7 million in FY 2006-07. The program revenue generated by these activities also increased, from $6.3 million to $7.9 million. As a result, the net revenue of the Business-Type Activities in FY 2006-07 was $192,273. Overall, ***the revenues generated from the City's business operations exceed the costs incurred by these activities***.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At fiscal year-end, the City's governmental funds reported combined fund balances of $44.7 million, which is a $1.2 million decrease from the prior fiscal year. The General Fund had a net decrease of $208,604 in its fund balance, from $16.5 million to $16.3 million.

General Fund Budgetary Highlights

The year-end actual revenues for the General Fund (including transfers in) were $32.6 million; the actual expenditures (including transfers out) totaled $32.2 million. The actual revenues including transfers exceeded the budgeted estimate by $2.1 million, while the actual spending with transfers was $3.9 million below budget. The budget to actual variance in expenditures was principally due to conservative estimates at mid-year by management.

Capital Assets

At the end of Fiscal Year 2006-07, the City had $117.7 million invested in capital assets. Of this amount, $109.4 million is related to Governmental Activities and another $8.3 million to Business-Type Activities. These amounts represent an increase from the previous year (FY 2005-06), when the City's overall capital assets were $104 million, including $96.8 million in Governmental Activities and $7.2 million in Business-Type Activities.

Table 5
Capital Assets

	Fiscal Year 200-07 (CURRENT)			Fiscal Year 2005-06 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	$ 81,057,254	$ 37,252	$ 81,094,506	$ 71,663,683	$ 37,252	$ 71,700,935
Capital assets, net of accumulated depreciation	28,317,305	8,293,151	36,610,456	25,106,266	7,152,933	32,259,199
Total	**$ 109,374,559**	**$ 8,330,403**	**$ 117,704,962**	**$ 96,769,949**	**$ 7,190,185**	**$ 103,960,134**

The City has a number of capital projects planned or in progress. The amount budgeted for these in FY 2007-08 were $23.3 million, of which $2.5 million represents new projects. The City's major projects include the replacement of the Ham Park with $5 million included in the FY 2007-08 adopted budget, Esther Park/Lynwood Meadows with $1 million in the budget, various street improvements (includes $2.4 million of new funding from TEA Grant for the Long Beach Blvd. Street Improvement), and the upgrade of water and sewer systems.

Long-Term Debt

At fiscal year-end, the City's governmental activities accounted for approximately $36.2 million in tax allocation and revenue bonds, a HUD loan, claims payable and compensated absences. Another $15.2 million was outstanding for the business-type activities. The outstanding debt amounts have decreased from $36.9 million in FY 2005-06 for the Government Activities, and from $15.5 million for the Business-Type Activities.

Table 6
Outstanding Long-Term Debt

	Balance at July 1, 2006	Additions	Repayments	Repayments	Balance at June 30, 2007	Due Within One Year
Governmental Activities:						
Compensated absences	$ 1,149,901	$ 877,292	$ 862,425	$ -	$ 1,164,768	$ 873,576
Capital leases payable	1,331,531		333,847	(50,968)	946,716	451,285
Tax Allocation bonds	13,615,000		290,000		13,325,000	305,000
HUD loan payable	6,535,000		255,000		6,280,000	270,000
Claims payable	2,787,663	1,412,671	696,916		3,503,418	875,855
Revenue bonds	11,445,000		480,000		10,965,000	490,000
Total	$ 36,864,095	$ 2,289,963	$ 2,918,188	$ (50,968)	$ 36,184,902	$ 3,265,716
Business-type Activities:						
Water Fund:						
Compensated absences	$ 202,830	$ 163,752	$ 152,125		$ 214,457	$ 160,843
Revenue bonds	15,341,383		305,979		15,035,404	330,000
Total	$ 15,544,213	$ 163,752	$ 458,104	$ -	$ 15,249,861	$ 490,843

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 reflects an expenditure plan that maintains the City's current level of services to residents and businesses and addresses the need for financial stability for years to come. 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.

One of the major challenges facing the City of Lynwood is to find ways to contain costs while at the same time maintain the current level of services to residents and businesses. During the budget process, staff addressed the increasing demand for services with limited financial resources. The City is faced with the challenge to look for additional revenue sources and identify cost containment measures to ensure future financial stability.

The increasing population increases the demands for services, and also affects public infrastructure. The City's implementation of impact fees last fiscal year will help pay for some of the infrastructure expansions and improvements, but not for the increasing demand for services.

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, 2007

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	$ 32,853,593	$ 4,210,054	$ 37,063,647
Restricted Assets:			
Cash and investments	58,082		58,082
Cash and investments with fiscal agents	5,292,043	4,961,079	10,253,122
Receivables:			
Intergovernmental	3,601,301		3,601,301
Accounts	591,040	1,956,155	2,547,195
Interest	203,678	51,980	255,658
Notes and loans	2,192,243		2,192,243
Prepaid items	174,531		174,531
Internal balances	11,250	(11,250)	
Land held for resale	5,233,937		5,233,937
Deferred charges, net of accumulated amortization	1,683,084	599,692	2,282,776
Capital assets not being depreciated	81,057,254	37,252	81,094,506
Capital assets, net of accumulated depreciation	28,317,305	8,293,151	36,610,456
Total assets	161,269,341	20,098,113	181,367,454
Liabilities:			
Accounts payable	5,748,911	349,761	6,098,672
Accrued interest payable	599,702	69,593	669,295
Unearned revenue	506,667		506,667
Deposits payable	950,736	94,315	1,045,051
Noncurrent liabilities:			
Due within one year	3,265,716	490,843	3,756,559
Due in more than one year	32,919,186	14,759,018	47,678,204
Total liabilities	43,990,918	15,763,530	59,754,448
Net Assets:			
Invested in capital assets, net of related debt	79,540,927	(2,167,357)	77,373,570
Restricted for:			
Retirement	908,532		908,532
Public safety	148,997		148,997
Housing	9,543,385		9,543,385
Debt service	4,642,063	953,534	5,595,597
Development projects	14,200,331		14,200,331
Water improvement		3,937,952	3,937,952
Streets, roads, and transportation	3,580,746		3,580,746
Air and street cleaning	369,955		369,955
Unrestricted	4,343,487	1,610,454	5,953,941
Total net assets	$ 117,278,423	$ 4,334,583	$ 121,613,006

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Activities
For the Fiscal Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contributions and Grants	Program Revenues: Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	$ 8,117,721	$ 1,652,328	$ 249,573	$ 139,490
Public safety	15,505,809	514,552	957,435	19,645
Public works	5,294,634	3,853,232	1,321,779	1,361,502
Community development	6,390,638	3,161	2,649,831	
Parks and recreation	3,312,944	364,681		182,909
Interest on long-term debt	1,984,742			
Unallocated depreciation	1,025,821			
Total governmental activities	41,632,309	6,387,954	5,178,618	1,703,546
Business-type Activities:				
Water	6,544,735	7,861,420		
Transit	1,144,485	20,073		
Total business-type activities	7,689,220	7,881,493		
Total primary government	$ 49,321,529	$ 14,269,447	$ 5,178,618	$ 1,703,546

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
Gain on sale of capital assets
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

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
$ (6,076,330)	$ -	$ (6,076,330)
(14,014,177)		(14,014,177)
1,241,879		1,241,879
(3,737,646)		(3,737,646)
(2,765,354)		(2,765,354)
(1,984,742)		(1,984,742)
(1,025,821)		(1,025,821)
(28,362,191)		(28,362,191)
	1,316,685	1,316,685
	(1,124,412)	(1,124,412)
	192,273	192,273
(28,362,191)	192,273	(28,169,918)
18,209,991		18,209,991
6,193,590		6,193,590
3,688,238		3,688,238
1,257,149		1,257,149
407,714		407,714
1,327,499		1,327,499
540,103		540,103
2,176,869	607,504	2,784,373
1,118,246		1,118,246
833,480		833,480
5,312,643	(5,312,643)	
41,065,522	(4,705,139)	36,360,383
12,703,331	(4,512,866)	8,190,465
105,641,488	8,847,449	114,488,937
(1,066,396)		(1,066,396)
104,575,092	8,847,449	113,422,541
$ 117,278,423	$ 4,334,583	$ 121,613,006

CITY OF LYNWOOD
Balance Sheet
Governmental Funds
June 30, 2007

		Special Revenue Fund	Capital Projects Funds	
	General	Redevelopment Low/Mod Housing Area "A"	Park Replacement	Redevelopment Project Area "A"
Assets:				
Cash and investments	$ 8,267,494	$ 2,883,084	$ -	$ 693,552
Restricted assets:				
Cash and investments				58,082
Cash and investments with fiscal agents				
Receivables:				
Intergovernmental	1,232,495			
Accounts	289,333			
Interest	139,183			
Notes and loans	1,620	645,975		2,319,989
Prepaid items	174,531			
Due from other funds	9,973,014			
Advances to other funds	845,000			957,380
Land held for resale		3,646,568		1,082,893
Total assets	$ 20,922,670	$ 7,175,627	$ -	$ 5,111,896
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ 3,116,547	$ 213,537	$ -	$ 482,911
Due to other funds	117,594		970,350	
Deferred revenue	506,667	645,975		2,378,071
Deposits payable	877,593			73,143
Advances from other funds				
Total liabilities	4,618,401	859,512	970,350	2,934,125
Fund balances:				
Reserved:				
Reserved for long term advances	845,000			957,380
Reserved for notes receivable	1,620			
Reserved for projects				
Reserved for housing		2,669,547		
Reserved for retirement				
Reserved for debt service				
Reserved for land held for resale		3,646,568		1,082,893
Reserved for prepaid items	174,531			
Reserved for encumbrances	391,143			
Unreserved reported in:				
General Fund	14,891,975			
Special Revenue Funds				
Capital Projects Funds			(970,350)	137,498
Total fund balances	16,304,269	6,316,115	(970,350)	2,177,771
Total liabilities and fund balances	$ 20,922,670	$ 7,175,627	$ -	$ 5,111,896

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
$ 4,233,941	$ 6,150,657	$ 816,692	$ 9,808,173	$ 32,853,593
				58,082
			5,292,043	5,292,043
			2,368,806	3,601,301
			4,535	293,868
			64,495	203,678
		2,000,000	1,915,634	6,883,218
				174,531
			145,946	10,118,960
				1,802,380
			504,476	5,233,937
$ 4,233,941	$ 6,150,657	$ 2,816,692	$ 20,104,108	$ 66,515,591
$ 1,093,274	$ -	$ -	$ 571,639	$ 5,477,908
			4,776,728	5,864,672
		2,000,000	2,156,212	7,686,925
				950,736
			1,802,380	1,802,380
1,093,274		2,000,000	9,306,959	21,782,621
				1,802,380
				1,620
3,140,667	6,150,657		1,241,514	10,532,838
			1,227,377	3,896,924
			908,532	908,532
			5,241,765	5,241,765
			504,476	5,233,937
				174,531
			27,196	418,339
				14,891,975
			1,641,242	1,641,242
		816,692	5,047	(11,113)
3,140,667	6,150,657	816,692	10,797,149	44,732,970
$ 4,233,941	$ 6,150,657	$ 2,816,692	$ 20,104,108	$ 66,515,591

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CITY OF LYNWOOD
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2007

Fund balances of governmental funds	$ 44,732,970
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 $1,226,915).	109,374,559
Certain restricted revenue and notes receivable are not available to pay for current period expenditures and, therefore, are offset by deferred revenue in the governmental funds.	
Deferred revenue, notes receivable	6,883,218
Allowance for uncollectible notes and loans	(4,690,975)
Deferred revenue, restricted revenue	297,040
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 $3,161,831)	(36,184,902)
Deferred charges, net of accumulated amortization for debt issuance costs on long-term debt have not been reported in the governmental funds.	1,683,084
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.	(599,702)
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).	(4,216,869)
Net assets of governmental activities	$ 117,278,423

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007

		Special Revenue Funds	Capital Project Funds	
	General	Redevelopment Low/Mod Housing Area "A"	Park Replacement	Redevelopment Project Area "A"
Revenues:				
Taxes	$ 18,813,928	$ -	$ -	$ -
Licenses and permits	646,340			
Fines and forfeits	1,109,698			
Use of money and property	901,210	269,402	55,617	13,197
Intergovernmental	883,997			
Charges for services	3,859,352			
Administrative support	3,060,251			
Program income				21,249
Sale of land held for resale				833,480
Other	1,456,338			
Total revenues	30,731,114	269,402	55,617	867,926
Expenditures:				
Current:				
General government	5,928,598			
Public safety	13,067,165			
Public works	3,579,545			
Community development	2,098,656	590,691		1,916,991
Parks and recreation	3,312,944			
Capital outlay				
Debt service:				
Principal		45,900		
Interest and fiscal charges		137,176		
Total expenditures	27,986,908	773,767		1,916,991
Excess of revenues over (under) expenditures	2,744,206	(504,365)	55,617	(1,049,065)
Other Financing Sources (Uses):				
Transfers in	1,834,550	1,190,174		1,907,376
Transfers out	(4,200,693)		(5,328,301)	(76,647)
Total other financing sources (uses)	(2,366,143)	1,190,174	(5,328,301)	1,830,729
Net change in fund balances	378,063	685,809	(5,272,684)	781,664
Fund balances, beginning of fiscal year	16,512,873	5,630,306	4,302,334	1,396,107
Prior period adjustments	(586,667)			
Fund balances, beginning of fiscal year, restated	15,926,206	5,630,306	4,302,334	1,396,107
Fund balances, end of fiscal year	$ 16,304,269	$ 6,316,115	$ (970,350)	$ 2,177,771

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
$ -	$ -	$ -	$ 12,270,253	$ 31,084,181
				646,340
			65,471	1,175,169
	295,020	43,109	599,314	2,176,869
			5,363,101	6,247,098
			425,924	4,285,276
				3,060,251
			246,336	267,585
				833,480
				1,456,338
	295,020	43,109	18,970,399	51,232,587
			1,598,821	7,527,419
			2,438,644	15,505,809
			2,463,275	6,042,820
			3,328,760	7,935,098
				3,312,944
12,936,919			374,906	13,311,825
			1,129,079	1,174,979
			1,689,031	1,826,207
12,936,919			13,022,516	56,637,101
(12,936,919)	295,020	43,109	5,947,883	(5,404,514)
16,498,968			5,448,864	26,879,932
			(12,472,578)	(22,078,219)
16,498,968			(7,023,714)	4,801,713
3,562,049	295,020	43,109	(1,075,831)	(602,801)
(421,382)	5,855,637	773,583	11,872,980	45,922,438
				(586,667)
(421,382)	5,855,637	773,583	11,872,980	45,335,771
$ 3,140,667	$ 6,150,657	$ 816,692	$ 10,797,149	$ 44,732,970

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, 2007

Net change in fund balances - Total governmental funds	$ (602,801)
Amounts reported for governmental activities in the statement of activities differ because:	
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.	12,352,466
Certain notes receivable are reported in the governmental funds as expenditures and then offset by 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.	114,906
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.	1,274,117
Dispositions of capital assets result in no gain or loss on the governmental funds statements, however, on the statement of activities gains and losses on sales and dispositions are reported.	(3,770)
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.	14,836
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.	(289,115)
Change in net assets of governmental activities	$ 12,703,331

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Net Assets
Proprietary Funds
June 30, 2007

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Transit	Water	Totals	
Assets				
Current Assets:				
Cash and investments	$ 83,818	$ 4,126,236	$ 4,210,054	$ -
Restricted assets:				
Cash and investments with fiscal agents		4,961,079	4,961,079	
Accounts receivable, net		1,956,155	1,956,155	297,172
Interest receivable		51,980	51,980	
Total current assets	83,818	11,095,450	11,179,268	297,172
Noncurrent Assets:				
Deferred issuance costs, net		599,692	599,692	
Capital assets:				
Land		37,252	37,252	
Depreciable infrastructure, net		8,266,172	8,266,172	
Depreciable buildings and improvements, net		26,979	26,979	
Depreciable equipment, net				1,226,915
Total noncurrent assets		8,930,095	8,930,095	1,226,915
Total assets	83,818	20,025,545	20,109,363	1,524,087
Liabilities				
Current Liabilities:				
Accounts payable	87,468	262,293	349,761	271,003
Accrued interest payable		69,593	69,593	
Deposits payable		94,315	94,315	
Due to other funds		11,250	11,250	4,243,038
Current portion of long-term obligations		490,843	490,843	925,769
Total current liabilities	87,468	928,294	1,015,762	5,439,810
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations:				
Compensated absences		53,614	53,614	33,812
Claims payable				2,202,250
Revenue bonds payable		14,705,404	14,705,404	
Total noncurrent liabilities		14,759,018	14,759,018	2,236,062
Total liabilities	87,468	15,687,312	15,774,780	7,675,872
Net Assets				
Invested in capital assets, net of related debt		(2,167,357)	(2,167,357)	613,687
Restricted for debt service		953,534	953,534	
Restricted for projects		3,937,952	3,937,952	
Unrestricted	(3,650)	1,614,104	1,610,454	(6,765,472)
Total net assets	$ (3,650)	$ 4,338,233	$ 4,334,583	$ (6,151,785)

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, 2007

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Transit	Water	Totals	
Operating Revenues:				
Sales and service charges	$ 20,073	$ 7,861,420	$ 7,881,493	$ 2,637,923
Total operating revenues	20,073	7,861,420	7,881,493	2,637,923
Operating Expenses:				
Administration		622,394	622,394	478,741
Insurance				1,159,244
Claims				1,552,550
Water utility		4,417,405	4,417,405	
Sewer utility		476,680	476,680	
Garage				33,402
Transit	1,144,485		1,144,485	
Depreciation		156,217	156,217	194,634
Total operating expenses	1,144,485	5,672,696	6,817,181	3,418,571
Operating income (loss)	(1,124,412)	2,188,724	1,064,312	(780,648)
Nonoperating Revenues (Expenses):				
Use of money and property		607,504	607,504	
Loss on disposal of capital assets				(3,334)
Interest expense		(847,199)	(847,199)	(16,063)
Amortization expense		(24,840)	(24,840)	
Total nonoperating revenues (expenses)		(264,535)	(264,535)	(19,397)
Income (loss) before transfers	(1,124,412)	1,924,189	799,777	(800,045)
Transfers in	1,120,762	217,604	1,338,366	510,930
Transfers out		(6,651,009)	(6,651,009)	
Change in net assets	(3,650)	(4,509,216)	(4,512,866)	(289,115)
Net Assets				
Beginning of fiscal year		8,847,449	8,847,449	(5,862,670)
End of fiscal year	$ (3,650)	$ 4,338,233	$ 4,334,583	$ (6,151,785)

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds			Governmental Activities
	Transit	Water	Totals	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	$ 20,073	$ 7,508,363	$ 7,528,436	$ 2,351,285
Payments to suppliers	(1,137,961)	(4,195,980)	(5,333,941)	(1,456,108)
Payments to employees		(1,235,067)	(1,235,067)	(221,597)
Net cash provided (used) by operating activities	(1,117,888)	2,077,316	959,428	673,580
Cash flows from noncapital financing activities:				
Transfer to/from other funds	1,120,762	(6,433,405)	(5,312,643)	510,930
Net cash provided (used) in noncapital financing activities	1,120,762	(6,433,405)	(5,312,643)	510,930
Cash flows from capital and related financing activities:				
Purchase of capital assets		(1,296,435)	(1,296,435)	(984,579)
Principal payments on long-term debt		(310,000)	(310,000)	(183,868)
Interest paid on long-term debt		(848,297)	(848,297)	(16,063)
Net cash provided (used) in capital and related financing activities		(2,454,732)	(2,454,732)	(1,184,510)
Cash flows from investing activities:				
Interest on investments		595,560	595,560	
Net cash provided by investing activities		595,560	595,560	
Net increase (decrease) in cash and cash equivalents	2,874	(6,215,261)	(6,212,387)	
Cash and cash equivalents, beginning of fiscal year	80,944	15,302,576	15,383,520	
Cash and cash equivalents, end of fiscal year	$ 83,818	$ 9,087,315	$ 9,171,133	$ -
Supplemental information - non cash activities				
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	$ 83,818	$ 4,126,236	$ 4,210,054	$ -
Cash and investments with fiscal agents		4,961,079	4,961,079	
Cash and cash equivalents - June 30, 2007	$ 83,818	$ 9,087,315	$ 9,171,133	$ -

(Continued)

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2007
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)	$ (1,124,412)	$ 2,188,724	$ 1,064,312	$ (780,648)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation		156,217	156,217	194,634
Decrease (increase) in accounts receivable		(348,521)	(348,521)	(286,638)
Increase (decrease) in accounts payable	6,524	62,555	69,079	262,621
Increase (decrease) in claims payable				798,936
Increase (decrease) in deposits payable		(4,536)	(4,536)	
Increase (decrease) in accrued employee benefits		11,627	11,627	30,824
Decrease (increase) in due to/from other funds		11,250	11,250	453,851
Total adjustments	6,524	(111,408)	(104,884)	1,454,228
Net cash provided (used) by operating activities	$ (1,117,888)	$ 2,077,316	$ 959,428	$ 673,580

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	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 Funds are charges to customers for sales and services. Operating expenses for the Enterprise 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 (Continued)

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 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, 2007.

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. Estimates

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

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.

Note 2 Stewardship, Compliance, and Accountability (Continued)

General Budget Policies (Continued)

Budgets are adopted for all general, special revenue, capital projects, and debt service funds except for the 2002 HUD Section 108 Loan capital project fund, Local Law Enforcement Block Grant special revenue fund, Urban Tree Planting Grant special revenue fund, Highway-Thru-Cities special revenue fund, Impact Fees special revenue fund, Public Art special revenue fund, Litter Abatement special revenue fund, and Lighting and Landscaping Bond Proceeds capital projects 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.

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, 2007:

Note 2 Stewardship, Compliance, and Accountability (Continued)

General Budget Policies (Continued)

Deficit Fund Balances/Net Assets (Continued)

Major Governmental Fund:	
Park replacement	$ 970,350
Internal Service Fund:	
Self-insurance	6,914,907
Nonmajor Governmental Funds:	
Special Revenue Funds:	
Traffic safety	1,073,255
Lighting maintenance	522,797
SB 821	13,818
State transportation partnership	95,657
Business improvement district	1,644
Landscape maintenance	874,047
STP	463,097
TEA/ISTEA grant	315,739
Per-capita grant 2000	340,686
Safe school route	298,961
Litter abatement	901

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			
General government			
City council	$ 552,826	$ 598,677	$ 45,851
City attorney	540,000	597,593	57,593
Media services	527,743	532,116	4,373
Public works			
Administration	85,868	88,131	2,263
Sanitation	2,130,589	2,216,049	85,460
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Lighting Maintenance			
Public works	1,095,579	1,170,521	74,942
Business Improvement District			
Community development	191,980	197,924	5,944
Housing Community Development			
Debt service - principal	169,508	255,000	85,492
HUD Home Program			
Community development	1,491,650	1,493,731	2,081
Capital outlay		335,518	335,518
Redevelopment Agency Low/Mod Housing			
Alameda Area Interest and fiscal charges	26,430	26,614	184
Debt Service Funds:			
Tax Increment Area "A"			
Community development		29,295	29,295
Tax Increment Alameda Area			
Community development		273	273
Interest and fiscal charges	43,125	43,422	297
Capital Projects Funds:			
Redevelopment Project Alameda Area			
Community development		830,966	830,966
Capital outlay		9,241	9,241

Note 3 Cash and Investments

Cash and investments are reported as follows:

	Governmental Activities	Business-type Activities	Totals
Cash and investments	$ 32,853,593	$ 4,210,054	$ 37,063,647
Restricted cash and investments:			
Cash and investments	58,082		58,082
Cash and investments with fiscal agents	5,292,043	4,961,079	10,253,122
	$ 38,203,718	$ 9,171,133	$ 47,374,851

Cash and investments at June 30, 2007 consisted of the following:

Petty cash	$ 4,405
Deposits	4,160,105
Investments	43,210,341
Total	$ 47,374,851

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%	None
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	$ 20,155,173	$ 20,155,173	$ -	$ -	$ -
Money Market Funds	8,098,408	8,098,408			
Passbook Savings	195,016	195,016			
Time Deposits	4,508,621	4,508,621			
Held by Bond Trustees:					
Money Market Funds	10,253,123	10,253,123			
Totals	$ 43,210,341	$ 43,210,341	$ -	$ -	$ -

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)

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End: AAA	AA	A	Not Rated
State Investment Pool	$20,155,173	N/A	$ -	$ -	$ -	$ -	$20,155,173
Money Market Funds	8,098,408	N/A					8,098,408
Passbook Savings	195,016	N/A					195,016
Time Deposits	4,508,621	N/A					4,508,621
Held by Bond Trustees:							
Money Market Funds	10,253,123	N/A		10,253,123			
Total	$43,210,341		$ -	$10,253,123	$ -	$ -	$32,957,218

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 $ 4,370,531

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

US Bank - Time Deposits $ 4,370,531

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, 2007, $18,950,449 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, 2007, 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	$ 4,370,531

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, 2007, the net realizable value for land held for resale totaled $5,233,937, with this amount offset by a reservation of fund balance.

Note 5 Notes and Loans Receivable

	Outstanding Balance June 30, 2007
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, 2007, the loans receivable balance was $2,192,243 (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, 2007
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.	111,629
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.	163,360
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.	1,815,862
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.	99,772
Other miscellaneous loans receivable.	1,620
Total governmental loans and notes receivable	$ 2,192,243

Note 5 Notes and Loans Receivable (Continued)

	Outstanding Balance June 30, 2007
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, 2007. 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, 2007:

	Receivable	Allowance	Net
Governmental Activities			
Intergovernmental	$ 3,601,301	$ -	$ 3,601,301
Accounts (including taxes)	591,040		591,040
Interest	203,678		203,678
	$ 4,396,019	$ -	$ 4,396,019
Business-type Activities			
Accounts	$ 2,226,729	$ 270,574	$ 1,956,155
Interest	51,980		51,980
	$ 2,278,709	$ 270,574	$ 2,008,135

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, 2007 was $360,594.

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, 2007 was $267,237.

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, 2007 (net of accumulated amortization of $71,208) was $205,681. 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, 2007, the accumulated amortization was $177,606.

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, 2007 was $75,888.

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, 2007 was $55,484 and $68,632 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, 2007 was $33,363.

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, 2007.

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, 2007.

Receivable Fund	Amount	Payable Fund	Amount
Major Fund:		Major Fund:	
General	$ 9,973,014	General	$ 117,594
		Park Replacement	970,350
		Major Enterprise Fund:	
Nonmajor Funds:		Water	11,250
Litter Abatement	13,476	Nonmajor Funds:	
Tax Increment Area "A"	117,594	Traffic Safety	1,029,652
Tax Increment Alameda Area	14,876	Lighting Maintenance	513,261
		SB 821	13,847
		State Transportation Partnership	95,657
		Business Improvement District	1,644
		Housing Community Development (HUD)	226,658
		Landscape Maintenance	903,243
		HUD Home Program	21,523
		STP Grant	534,347
		TEA/ISTEA Grant	315,739
		Justice Assistance	70,464
		Per Capita Grant	340,686
		Safe School Route	298,961
		Tax Increment Area "A"	14,876
		City Debt Service	334,501
		Capital Project Loan	61,669
		Internal Service Funds:	
		Garage	145,845
		Self-insurance	3,898,593
		Information Technology	198,600
Totals	$ 10,118,960		$ 10,118,960

b. Advances

As of June 30, 2007, the funds below have made advances that were not expected to be repaid within one year.

Fund	Advances Receivable	Advances Payable
Major Funds:		
General	$ 845,000	$ -
Redevelopment Project Area "A"	957,380	
Nonmajor Funds:		
HUD Home Program		957,380
Redevelopment Tax Increment Area "A"		845,000
Totals	$ 1,802,380	$ 1,802,380

Note 8 Interfund Activity (Continued)

b. Advances (Continued)

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

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	$ 1,834,550	$ 4,200,693
Redevelopment Low/Mod Housing Area "A"	1,190,174	
Park Replacement		5,328,301
Redevelopment Project Area "A"	1,907,376	76,647
Capital Improvement Projects	16,498,968	
Nonmajor Governmental Funds:		
Traffic Safety	1,445,678	
Lighting Maintenance		255,011
Gas Tax		1,290,680
Retirement		2,005,072
Air Quality Improvement		85,000
SB 821		17,916
State Transportation Partnership		726
Housing Community Development (HUD)		448,273
Prop A		893,242
Landscape Maintenance		185,698
Prop C		435,516
STP Grant		586,709
Graffiti Prevention Grant		38,273
TEA/ISTEA Grant		214,965
LA County Park Maintenance Grant		18,678
AB 2928 Traffic Congestion Relief		324,014
Per Capita Grant 2000		263,325
Litter Abatement	788,825	
Dupont Lead Safety Grant		7,576
Redevelopment Low/Mod Housing Alameda Area	222,654	
Tax Increment Area "A"		3,020,903
Tax Increment Alameda Area		1,063,010
Public Financing Authority	55,092	
City of Lynwood Debt Service	1,357,588	1,264,682
Redevelopment Project Alameda Area	840,356	
Capital Project Loan	738,671	53,309
Major Enterprise Funds:		
Transit	1,120,762	
Water	217,604	6,651,009
Internal Service Funds		
Garage	5,772	
Information Technology	505,158	
	$ 28,729,228	$ 28,729,228

Note 9 Capital Assets

a. Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2007 was as follows:

	Balance at July 1, 2006	Additions	Deletions	Prior Period Adjustments	Balance at June 30, 2007
Capital Assets, not being depreciated:					
Land	$ 33,066,726	$ 2,112,233	$ -	$ (695,679)	$ 34,483,280
Rights of way	22,904,319				22,904,319
Trees	287,627				287,627
Construction in progress	15,405,011	7,977,017			23,382,028
Total	71,663,683	10,089,250		(695,679)	81,057,254
Capital Assets, being depreciated:					
Buildings and improvements	9,923,491	246,733			10,170,224
Machinery and equipment	887,900		(225,258)		662,642
Infrastructure:					
Roadways, curbs, and gutters	21,428,589	2,709,465			24,138,054
Sidewalks and medians	5,867,424	73,600			5,941,024
Other street appurtenances	4,452,803	64,605			4,517,408
Total	42,560,207	3,094,403	(225,258)		45,429,352
Less accumulated depreciation for:					
Buildings and improvements	(4,219,257)	(145,131)			(4,364,388)
Machinery and equipment	(681,795)	(62,168)	221,488		(522,475)
Infrastructure:					
Roadways, curbs, and gutters	(9,243,870)	(414,146)		164,982	(9,493,034)
Sidewalks and medians	(1,987,773)	(118,133)			(2,105,906)
Other street appurtenances	(1,761,550)	(91,609)			(1,853,159)
Total	(17,894,245)	(831,187)	221,488	164,982	(18,338,962)
Capital Assets being depreciated, net	24,665,962	2,263,216	(3,770)	164,982	27,090,390
Capital Assets, net	$ 96,329,645	$ 12,352,466	$ (3,770)	$ (530,697)	$ 108,147,644

Note 9 Capital Assets (Continued)

a. Governmental Activities (Continued)

Internal Service Fund (Allocated to Governmental Activities)

	Balance at July 1, 2006	Additions	Deletions	Balance at June 30, 2007
Capital Assets, being depreciated:				
Machinery and equipment	$ 2,426,977	$ 984,579	$ (391,000)	$ 3,020,556
Total	2,426,977	984,579	(391,000)	3,020,556
Less accumulated depreciation for:				
Machinery and equipment	(1,986,673)	(194,634)	387,666	$ (1,793,641)
Total	(1,986,673)	(194,634)	387,666	(1,793,641)
Capital Assets being depreciated, net	$ 440,304	$ 789,945	$ (3,334)	$ 1,226,915

Total Governmental Activities

	Balance at July 1, 2006	Additions	Deletions	Prior Period Adjustments	Balance at June 30, 2007
Capital Assets, not being depreciated:					
Land	$ 33,066,726	$ 2,112,233	$ -	$ (695,679)	$ 34,483,280
Rights of way	22,904,319				22,904,319
Trees	287,627				287,627
Construction in progress	15,405,011	7,977,017			23,382,028
Total	71,663,683	10,089,250		(695,679)	81,057,254
Capital Assets, being depreciated:					
Buildings and improvements	9,923,491	246,733			10,170,224
Machinery and equipment	3,314,877	984,579	(616,258)		3,683,198
Infrastructure:					
Roadways, curbs, and gutters	21,428,589	2,709,465			24,138,054
Sidewalks and medians	5,867,424	73,600			5,941,024
Other street appurtenances	4,452,803	64,605			4,517,408
Total	44,987,184	4,078,982	(616,258)		48,449,908
Less accumulated depreciation for:					
Buildings and improvements	(4,219,257)	(145,131)			(4,364,388)
Machinery and equipment	(2,668,468)	(256,802)	609,154		(2,316,116)
Infrastructure:					
Roadways, curbs, and gutters	(9,243,870)	(414,146)		164,982	(9,493,034)
Sidewalks and medians	(1,987,773)	(118,133)			(2,105,906)
Other street appurtenances	(1,761,550)	(91,609)			(1,853,159)
Total	(19,880,918)	(1,025,821)	609,154	164,982	(20,132,603)
Capital Assets being depreciated, net	25,106,266	3,053,161	(7,104)	164,982	28,317,305
Capital Assets, net	$ 96,769,949	$ 13,142,411	$ (7,104)	$ (530,697)	$ 109,374,559

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
Unallocated	$ 831,187	$ 194,634	$ 1,025,821
Total	$ 831,187	$ 194,634	$ 1,025,821

b. Business-type activities

Capital asset business-type activity (Water activity) for the fiscal year ended June 30, 2007 was as follows:

	Balance at July 1, 2006	Additions	Deletions	Balance at June 30, 2007
Water Activity				
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	11,799,682	1,296,435		13,096,117
Less - Accumulated depreciation	(4,682,248)	(156,217)		(4,838,465)
Total Capital Assets, being depreciated	7,152,933	1,140,218		8,293,151
Total Water Capital Assets, net	$ 7,190,185	$ 1,140,218	$ -	$ 8,330,403

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

Business-Type Activities:	
Water	$ 156,217

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, 2007:

	Balance at July 1, 2006	Additions	Repayments	Prior Period Adjustments	Balance at June 30, 2007	Due Within One Year
Governmental Activities:						
Compensated absences	$ 1,149,901	$ 877,292	$ 862,425	$ -	$ 1,164,768	$ 873,576
Capital leases payable	1,331,531		333,847	(50,968)	946,716	451,285
Tax allocation bonds	13,615,000		290,000		13,325,000	305,000
HUD loan payable	6,535,000		255,000		6,280,000	270,000
Claims payable	2,787,663	1,412,671	696,916		3,503,418	875,855
Revenue bonds	11,445,000		480,000		10,965,000	490,000
Total	$ 36,864,095	$ 2,289,963	$ 2,918,188	$ (50,968)	$ 36,184,902	$ 3,265,716
Business-type Activities:						
Water Fund:						
Compensated absences	$ 202,830	$ 163,752	$ 152,125	$ -	$ 214,457	$ 160,843
Revenue bonds	15,341,383		305,979		15,035,404	330,000
Total	$ 15,544,213	$ 163,752	$ 458,104	$ -	$ 15,249,861	$ 490,843

b. Governmental long-term debt at June 30, 2007 consisted of the following:

Capital Lease Obligations

During fiscal year 2000, the City entered into a vehicle 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 consumption systems in fiscal year 1998. Because of the nature of the agreement, the transaction is being accounted for as though the City owned and financed the related assets directly.

The principal balances of the capital leases as of June 30, 2007 were $755,031 for the City's energy management system and $191,685 for the City's vehicles.

Note 10 Long-Term Liabilities (Continued)

b. Governmental long-term debt at June 30, 2007 consisted of the following: (Continued):

LRA 1999 Tax Allocation Bonds

On October 1, 1999, the Agency issued Tax Allocation Bonds Series A in the amount of $10,235,000, Tax Allocation Bonds Series B in the amount of $3,425,000, and Tax Allocation Bonds Alameda Project Area A in the amount of $1,310,000. The interest rate varies from 4.45% to 7.65%. A portion of the proceeds was used to refund $7,780,000 of outstanding 1993 Tax Allocation Bonds. The primary purpose of the issuance of the 1999 Tax Allocation Bonds is to establish more appropriate bond payment dates which correspond with tax roll collections and allow the Agency to capture the maximum tax increment allowed by the legislation. Also, the 1999 Tax Allocation Bonds provide a source of funding for the various proposed redevelopment projects. As of June 30, 2007, the total unpaid principal balance was $13,325,000.

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, 2007 was $6,280,000.

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, 2007 is $3,503,418.

Note 10 Long-Term Liabilities (Continued)

b. Governmental long-term debt at June 30, 2007 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, 2007 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, 2007 was $7,205,000.

c. Business-type long-term debt at June 30, 2007 consisted of the following:

Revenue Bonds Payable, Water Fund 1995 Series A

On November 22, 1995, the City of Lynwood issued $4,500,000 of 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, 2007 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, 2007, net of unamortized discount of $33,800, is $3,296,200.

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, 2007, 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, 2007 net of amortized discount of $55,736 is $5,399,264.

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, 2007 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, 2007 including unamortized premium of $29,940 was $6,339,940.

d. 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, 2007 including interest are as follows:

	Capital Leases Payable		
Fiscal Year(s) Ending June 30,	Principal	Interest	Total
2008	$ 451,285	$ 44,776	$ 496,061
2009	324,475	22,103	346,578
2010	170,956	3,778	174,734
	$ 946,716	$ 70,657	$ 1,017,373

Note 10 Long-Term Liabilities (Continued)

d. 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, 2007 including interest are as follows (Continued):

1999 Tax Allocation Bonds A

Fiscal Year(s) Ending June 30,	Principal	Interest	Total
2008	$ -	$ 602,483	$ 602,483
2009		602,483	602,483
2010		602,483	602,483
2011		602,483	602,483
2012		602,483	602,483
2013-2017	1,735,000	2,817,167	4,552,167
2018-2022	2,830,000	2,109,611	4,939,611
2023-2027	3,805,000	1,137,077	4,942,077
2028-2029	1,865,000	111,657	1,976,657
	$ 10,235,000	$ 9,187,927	$ 19,422,927

1999 Tax Allocation Bonds B

Fiscal Year(s) Ending June 30,	Principal	Interest	Total
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	370,000	44,370	414,370
2013-2014	395,000	15,109	410,109
	$ 1,980,000	$ 485,641	$ 2,465,641

1999 Tax Allocation Bonds Alameda

Fiscal Year(s) Ending June 30,	Principal	Interest	Total
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	45,000	59,063	104,063
2013-2017	265,000	248,693	513,693
2018-2022	365,000	149,467	514,467
2023-2025	285,000	27,562	312,562
	$ 1,110,000	$ 745,042	$ 1,855,042

Note 10 Long-Term Liabilities (Continued)

d. 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, 2007 including interest are as follows (Continued):

Fiscal Year(s) Ending June 30,	HUD Section 108 Loan		
	Principal	Interest	Total
2008	$ 270,000	$ 333,705	$ 603,705
2009	285,000	322,647	607,647
2010	300,000	310,074	610,074
2011	320,000	295,957	615,957
2012	340,000	280,240	620,240
2013-2017	2,035,000	1,104,896	3,139,896
2018-2022	2,730,000	426,411	3,156,411
	$ 6,280,000	$ 3,073,930	$ 9,353,930

Fiscal Year(s) Ending June 30,	Public Financing Authority 1999 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2008	$ -	$ 236,340	$ 236,340
2009		236,340	236,340
2010		236,340	236,340
2011		236,340	236,340
2012		236,340	236,340
2013-2017		1,181,700	1,181,700
2018-2022	785,000	1,150,606	1,935,606
2023-2027	1,680,000	788,154	2,468,154
2028-2030	1,295,000	219,398	1,514,398
	$ 3,760,000	$ 4,521,558	$ 8,281,558

Note 10 Long-Term Liabilities (Continued)

d. 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, 2007 including interest are as follows (Continued):

Fiscal Year(s) Ending June 30,	Public Financing Authority 2003 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2008	$ 490,000	$ 297,435	$ 787,435
2009	500,000	283,570	783,570
2010	515,000	267,823	782,823
2011	535,000	249,294	784,294
2012	555,000	228,163	783,163
2013-2017	3,135,000	755,094	3,890,094
2018-2019	1,475,000	74,625	1,549,625
	$ 7,205,000	$ 2,156,004	$ 9,361,004

Fiscal Year(s) Ending June 30,	Total Governmental Activities		
	Principal	Interest	Total
2008	$ 1,516,285	$ 1,722,920	$ 3,239,205
2009	1,439,475	1,652,212	3,091,687
2010	1,340,956	1,580,591	2,921,547
2011	1,230,000	1,517,150	2,747,150
2012	1,310,000	1,450,659	2,760,659
2013-2017	7,565,000	6,122,659	13,687,659
2018-2022	8,185,000	3,910,720	12,095,720
2023-2027	5,770,000	1,952,793	7,722,793
2028-2030	3,160,000	331,055	3,491,055
	$ 31,516,716	$ 20,240,759	$ 51,757,475

Note 10 Long-Term Liabilities (Continued)

e. Business-type Long-Term Debt Amortization:

The schedules of annual requirements to amortize all business-type long-term debt outstanding as of June 30, 2007 including interest are as follows:

Fiscal Year(s) Ending June 30,	1995 Water Revenue Bonds		
	Principal	Interest	Total
2008	$ 155,000	$ 215,908	$ 370,908
2009	165,000	206,375	371,375
2010	175,000	195,650	370,650
2011	185,000	184,275	369,275
2012	195,000	172,250	367,250
2013-2017	1,195,000	652,275	1,847,275
2018-2021	1,260,000	211,250	1,471,250
Less - discount	(33,800)		(33,800)
	$ 3,296,200	$ 1,837,983	$ 5,134,183

Fiscal Year(s) Ending June 30,	1999 Water Revenue Bonds		
	Principal	Interest	Total
2008	$ 45,000	$ 319,759	$ 364,759
2009	45,000	317,554	362,554
2010	45,000	315,281	360,281
2011	50,000	312,973	362,973
2012	55,000	310,348	365,348
2013-2017	315,000	1,500,843	1,815,843
2018-2022	795,000	1,396,713	2,191,713
2023-2027	2,760,000	903,880	3,663,880
2028-2029	1,345,000	120,065	1,465,065
Less - discount	(55,736)		(55,736)
	$ 5,399,264	$ 5,497,416	$ 10,896,680

Note 10 Long-Term Liabilities (Continued)

e. 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, 2007 including interest are as follows:

Fiscal Year(s) Ending June 30,	2003 Enterprise Revenue Bonds		
	Principal	Interest	Total
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	145,000	284,513	429,513
2013-2017	815,000	1,327,688	2,142,688
2018-2022	1,025,000	1,106,250	2,131,250
2023-2027	1,315,000	822,250	2,137,250
2028-2032	1,680,000	458,750	2,138,750
2033-2034	795,000	60,000	855,000
Plus - premium	29,940		29,940
	$ 6,339,940	$ 5,237,602	$ 11,577,542

Fiscal Year(s) Ending June 30,	Total Business-type Activities		
	Principal	Interest	Total
2008	$ 330,000	$ 835,117	$ 1,165,117
2009	340,000	820,454	1,160,454
2010	355,000	804,044	1,159,044
2011	375,000	786,311	1,161,311
2012	395,000	767,111	1,162,111
2013-2017	2,325,000	3,480,806	5,805,806
2018-2022	3,080,000	2,714,213	5,794,213
2023-2027	4,075,000	1,726,130	5,801,130
2028-2032	3,025,000	578,815	3,603,815
2033-2034	795,000	60,000	855,000
Less-Discount(net)	(59,596)		(59,596)
	$ 15,035,404	$ 12,573,001	$ 27,608,405

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 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 will 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 rate for fiscal year 2006/07 was 17.149% 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 2006/07, the City's annual pension cost and required contribution was $1,411,788. The required contribution for fiscal year 2006/07 was determined as part of the June 30, 2004 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

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2005	$ 1,076,392	100%	$ -
6/30/2006	1,293,717	100%	-
6/30/2007	1,411,788	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 $4,983,504.

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 prepaid items is equal to the amount of prepaid items.

i. 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, 2007.

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 in 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, 2007 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, 2007:

	Worker's Compensation	General Liability	Total
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
Claims and judgments at July 1, 2006	$ 2,137,398	$ 650,265	$ 2,787,663
Claim payments	(613,735)	(26,453)	(640,188)
Claims incurred and changes in estimates	1,412,671	(56,728)	1,355,943
Claims and judgments at June 30, 2007	$ 2,936,334	$ 567,084	$ 3,503,418

As of June 30, 2007, the unpaid workers' compensation claims in the amount of $2,936,334 was reported in the self-insurance fund. The unpaid general liability claims in the amount of $567,084 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 and employee/former employee 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.

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. 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 has increased 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 has paid approximately $1,516,168 to the Charles Company through a Tax Increment Loan Agreement (Loan Agreement).

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. The Agency is committed to contribute an additional $635,900 to Grae Ventures, LLC through a Tax Increment Loan Agreement. 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. As of June 30, 2007, the Agency's contribution totaled $1,625,000.

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, 2007.

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

The Governmental Activities Net Assets has been adjusted a total of ($1,066,396) for an overstatement of capital assets of ($530,697), an overstatement of capital leases payable of $50,968, and an understatement of deferred revenue of ($586,667) in the prior fiscal year.

The General Fund's Fund Balance has been adjusted ($586,667) for an understatement of deferred revenue in the prior fiscal year.

Note 18 Subsequent Event

On November 6, 2007, the Lynwood Information Inc. Board of Directors passed a resolution (No. 2007.023) to dissolve the Corporation and eliminate all related compensation to elected officials.

Note 19 Postemployment Benefits

The City provides certain health and life insurance benefits, in accordance with memorandum of understandings, to retired employees. The City recognizes the cost of providing these benefits on a pay-as-you-go basis by expensing the annual insurance premiums which totaled $464,607, which was paid by the City during the 06/07 fiscal year. Currently, these various benefits are provided for up to 70 retirees.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For The Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 17,333,950	$ 17,344,800	$ 18,813,928	$ 1,469,128
Licenses and permits	691,300	669,650	646,340	(23,310)
Fines and forfeits	1,022,750	1,022,750	1,109,698	86,948
Use of money and property	410,560	410,560	901,210	490,650
Intergovernmental	987,300	757,300	883,997	126,697
Charges for services	3,569,700	3,989,200	3,859,352	(129,848)
Administrative support	4,319,579	4,319,579	3,060,251	(1,259,328)
Other	424,850	246,150	1,456,338	1,210,188
Total revenues	28,759,989	28,759,989	30,731,114	1,971,125
Expenditures:				
General government:				
City council	544,573	552,826	598,677	(45,851)
City clerk	241,394	241,394	184,792	56,602
City attorney	540,000	540,000	597,593	(57,593)
City manager	1,287,703	1,144,805	703,014	441,791
Accounting and auditing	1,065,678	1,087,691	850,607	237,084
City treasurer	174,850	174,850	171,023	3,827
Business license	390,941	390,940	371,792	19,148
Human resources	1,248,451	1,248,452	969,361	279,091
Quality of life	263,084	263,084	256,192	6,892
Community promotion	177,750	177,750	52,062	125,688
Building and safety	693,398	785,679	641,369	144,310
Media services	526,921	527,743	532,116	(4,373)
Total general government	7,154,743	7,135,214	5,928,598	1,206,616
Public safety:				
Parking enforcement	686,897	720,383	603,283	117,100
Police	7,068,952	7,843,396	7,587,940	255,456
Fire	4,412,958	4,412,958	4,382,059	30,899
Animal control	100,794	100,795	98,188	2,607
Code enforcement	452,939	452,940	395,695	57,245
Total public safety	12,722,540	13,530,472	13,067,165	463,307
Parks and recreation:				
Parks, recreation, and community services	3,997,097	4,004,860	3,312,944	691,916
Total parks and recreation	3,997,097	4,004,860	3,312,944	691,916

(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, 2007
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Public works:				
Weed abatement/tree maintenance	$ 45,872	$ 57,524	$ 37,064	$ 20,460
Administration	105,080	85,868	88,131	(2,263)
Building maintenance	1,311,477	1,297,891	955,411	342,480
Sanitation	2,146,294	2,130,589	2,216,049	(85,460)
City engineering	446,166	425,295	282,890	142,405
Total public works	4,054,889	3,997,167	3,579,545	417,622
Community development:				
Community development	2,571,611	3,198,378	2,098,656	1,099,722
Total community development	2,571,611	3,198,378	2,098,656	1,099,722
Total expenditures	30,500,880	31,866,091	27,986,908	3,879,183
Excess (deficiency) of revenues over expenditures	(1,740,891)	(3,106,102)	2,744,206	5,850,308
Other Financing Sources (Uses):				
Transfers in	1,512,847	1,669,945	1,834,550	164,605
Transfers out	(2,067,666)	(4,237,171)	(4,200,693)	36,478
Total other financing sources (uses)	(554,819)	(2,567,226)	(2,366,143)	201,083
Net change in fund balance	(2,295,710)	(5,673,328)	378,063	6,051,391
Fund balance at beginning of fiscal year	16,512,873	16,512,873	16,512,873	
Prior period adjustment			(586,667)	(586,667)
Fund balance at beginning of fiscal year, restated	16,512,873	16,512,873	15,926,206	(586,667)
Fund balance at end of fiscal year	$ 14,217,163	$ 10,839,545	$ 16,304,269	$ 5,464,724

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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Use of money and property	$ 40,000	$ 40,000	$ 269,402	$ 229,402
Total revenues	40,000	40,000	269,402	229,402
Expenditures:				
Current:				
Administrative costs	177,140	177,140	143,518	33,622
Public improvement costs	82,138	459,138	447,173	11,965
Debt service:				
Principal repayments	45,900	45,900	45,900	
Interest and fiscal charges	137,195	137,195	137,176	19
Total expenditures	442,373	819,373	773,767	45,606
Excess (deficiency) of revenues over (under) expenditures	(402,373)	(779,373)	(504,365)	275,008
Other Financing Sources (Uses):				
Transfers in	693,478	693,478	1,190,174	496,696
Total other financing sources (uses)	693,478	693,478	1,190,174	496,696
Excess of revenues and other financing sources over (under) expenditures and other financing uses	291,105	(85,895)	685,809	771,704
Fund balance at beginning of fiscal year	5,630,306	5,630,306	5,630,306	
Fund balance at end of fiscal year	$ 5,921,411	$ 5,544,411	$ 6,316,115	$ 771,704

CITY OF LYNWOOD
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2007

Schedule of Funding Progress – Miscellaneous Employee Benefit 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)
6/30/2004	$ 40,320,103	$ 32,946,565	$ 7,373,538	81.7%	$ 7,587,069	97.2%
6/30/2005	44,627,996	36,986,442	7,641,554	82.9%	6,897,347	110.8%
6/30/2006	48,349,357	41,514,494	6,834,863	85.9%	7,977,729	85.7%

OTHER SUPPLEMENTAL INFORMATION

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL-MAJOR CAPITAL PROJECTS FUNDS

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Replacement Capital Project Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 55,617	$ 55,617
Total revenues		55,617	55,617
Other Financing Sources (Uses):			
Transfers out	(8,566,508)	(5,328,301)	3,238,207
Total other financing sources (uses)	(8,566,508)	(5,328,301)	3,238,207
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(8,566,508)	(5,272,684)	3,293,824
Fund balance - July 1, 2006	4,302,334	4,302,334	
Fund balance - June 30, 2007	$ (4,264,174)	$ (970,350)	$ 3,293,824

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Redevelopment Project Area "A" Capital Project Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 3,600	$ 13,197	$ 9,597
Program income		21,249	21,249
Sale of real estate		833,480	833,480
Other revenues	4,200		(4,200)
Total revenues	7,800	867,926	860,126
Expenditures:			
Current:			
Community development	2,283,940	1,916,991	366,949
Total expenditures	2,283,940	1,916,991	366,949
Excess of revenues over (under) expenditures	(2,276,140)	(1,049,065)	1,227,075
Other Financing Sources (Uses):			
Transfers in	2,276,140	1,907,376	(368,764)
Transfers out		(76,647)	(76,647)
Total other financing sources (uses)	2,276,140	1,830,729	(445,411)
Excess of revenues and other financing sources over (under) expenditures and other financing uses		781,664	781,664
Fund balance - July 1, 2006	1,396,107	1,396,107	
Fund balance - June 30, 2007	$ 1,396,107	$ 2,177,771	$ 781,664

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Improvement Projects Capital Project Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 200,000	$ -	$ (200,000)
Total revenues	200,000		(200,000)
Expenditures:			
Capital outlay	34,768,709	12,936,919	21,831,790
Total expenditures	34,768,709	12,936,919	21,831,790
Excess of revenues over (under) expenditures	(34,568,709)	(12,936,919)	21,631,790
Other Financing Sources (Uses):			
Transfers in	39,442,701	16,498,968	(22,943,733)
Total other financing sources (uses)	39,442,701	16,498,968	(22,943,733)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	4,873,992	3,562,049	(1,311,943)
Fund balance - July 1, 2006	(421,382)	(421,382)	
Fund balance - June 30, 2007	$ 4,452,610	$ 3,140,667	$ (1,311,943)

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 12,000	$ 43,109	$ 31,109
Total revenues	12,000	43,109	31,109
Excess of revenues over (under) expenditures	12,000	43,109	31,109
Fund balance - July 1, 2006	773,583	773,583	
Fund balance - June 30, 2007	$ 785,583	$ 816,692	$ 31,109

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 the 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 a new community center and street improvements.

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

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 a buffer zone via landscaping 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.

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.

Impact Fees Fund – This fund accounts for the fees collected from new developments, which will be used to construct public infrastructure.

Public Art Fund – This fund accounts for the fees collected from new developments in lieu of the developer placing an art piece. Funds will be used for the placement of public art.

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.

Litter Abatement Fund – This fund accounts for Environmental Service Fees and Street Sweeping Charges for the City. This revenue funds a portion of the cost for the Right of Way Division and Storm water Division.

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.

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Special Revenue Funds			
	Traffic Safety	Lighting Maintenance	Gas Tax	Retirement
Assets:				
Cash and investments	$ -	$ -	$ 29,978	$ 800,024
Restricted assets:				
Cash and investments with fiscal agents				
Land held for resale				
Receivables:				
Intergovernmental		42,883	122,085	108,510
Accounts				
Interest			2,426	
Notes and loans				
Due from other funds				
Total assets	$ -	$ 42,883	$ 154,489	$ 908,534
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ 43,603	$ 52,419	$ -	$ 2
Due to other funds	1,029,652	513,261		
Deferred revenues				
Advances payable				
Total liabilities	1,073,255	565,680		2
Fund Balances:				
Reserved:				
Reserved for land held for resale				
Reserved for projects				
Reserved for housing				
Reserved for retirement				908,532
Reserved for debt service				
Reserved for encumbrances				
Unreserved:				
Undesignated	(1,073,255)	(522,797)	154,489	
Total fund balances	(1,073,255)	(522,797)	154,489	908,532
Total liabilities and fund balances	$ -	$ 42,883	$ 154,489	$ 908,534

Special Revenue Funds						
Sheriff Drug Seizure	Air Quality Improvement	SB 821	State Transportation Partnership	Business Improvement District	HUD 108 Loan	Housing Community Development (HUD)
$ 100,752	$ 115,654	$ -	$ -	$ -	$ 163,028	$ -
	22,804					478,569
731	866	29				625,303
$ 101,483	$ 139,324	$ 29	$ -	$ -	$ 163,028	$ 1,103,872
$ -	$ -	$ -	$ -	$ -	$ -	$ 11,333
		13,847	95,657	1,644		226,658
						865,881
		13,847	95,657	1,644		1,103,872
101,483	139,324	(13,818)	(95,657)	(1,644)	163,028	
101,483	139,324	(13,818)	(95,657)	(1,644)	163,028	
$ 101,483	$ 139,324	$ 29	$ -	$ -	$ 163,028	$ 1,103,872

(Continued)

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007
(Continued)

	Special Revenue Funds		
	Prop A	Landscape Maintenance	HUD Home Program
Assets:			
Cash and investments	$ 936,548	$ -	$ -
Restricted assets:			
Cash and investments with fiscal agents			
Land held for resale			504,476
Receivables:			
Intergovernmental		41,494	684,245
Accounts			
Interest	9,074		
Notes and loans			1,190,559
Due from other funds			
Total assets	$ 945,622	$ 41,494	$ 2,379,280
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	$ -	$ 12,298	$ 25,787
Due to other funds		903,243	21,523
Deferred revenues			1,190,559
Advances payable			957,380
Total liabilities		915,541	2,195,249
Fund Balances:			
Reserved:			
Reserved for land held for resale			504,476
Reserved for projects			
Reserved for housing			
Reserved for retirement			
Reserved for debt service			
Reserved for encumbrances			27,196
Unreserved:			
Undesignated	945,622	(874,047)	(347,641)
Total fund balances	945,622	(874,047)	184,031
Total liabilities and fund balances	$ 945,622	$ 41,494	$ 2,379,280

Special Revenue Funds				
Anti-Litter Grant	Prop C	STP Grant	Graffiti Prevention Grant	Local Law Enforcement Block Grant
$ 3,322	$ 2,835,155	$ -	$ -	$ -
	155,000	71,250		
24	20,791			
$ 3,346	$ 3,010,946	$ 71,250	$ -	$ -
$ -	$ -	$ -	$ -	$ -
		534,347		
		534,347		
3,346	3,010,946	(463,097)		
3,346	3,010,946	(463,097)		
$ 3,346	$ 3,010,946	$ 71,250	$ -	$ -

(Continued)

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007
(Continued)

	Special Revenue Funds			
	State COPS Program	TEA/ ISTEA Grant	Beverage Container Recycling Grant	Urban Tree Planting Grant
Assets:				
Cash and investments	$ 95,215	$ -	$ 108,187	$ 4,629
Restricted assets:				
Cash and investments with fiscal agents				
Land held for resale				
Receivables:				
Intergovernmental				
Accounts				
Interest	1,048		774	33
Notes and loans				
Due from other funds				
Total assets	$ 96,263	$ -	$ 108,961	$ 4,662
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ 48,749	$ -	$ -	$ -
Due to other funds		315,739		
Deferred revenues				
Advances payable				
Total liabilities	48,749	315,739		
Fund Balances:				
Reserved:				
Reserved for land held for resale				
Reserved for projects				
Reserved for housing				
Reserved for retirement				
Reserved for debt service				
Reserved for encumbrances				
Unreserved:				
Undesignated	47,514	(315,739)	108,961	4,662
Total fund balances	47,514	(315,739)	108,961	4,662
Total liabilities and fund balances	$ 96,263	$ -	$ 108,961	$ 4,662

Special Revenue Funds						
LA County Park Maintenance Grant	AB 2928 Traffic Congestion Relief	Highway -Thru- Cities	Used Oil Recycling Grant	Impact Fees	Public Art	Justice Assistance
$ 76,701	$ 563,993	$ 6,259	$ 25,934	$ 233,628	$ 136,839	$ -
						100,233
1,888	6,351	45	160	1,385	783	
$ 78,589	$ 570,344	$ 6,304	$ 26,094	$ 235,013	$ 137,622	$ 100,233
$ -	$ -	$ -	$ 7,397	$ -	$ -	$ 13,054
						70,464
			7,397			83,518
78,589	570,344	6,304	18,697	235,013	137,622	16,715
78,589	570,344	6,304	18,697	235,013	137,622	16,715
$ 78,589	$ 570,344	$ 6,304	$ 26,094	$ 235,013	$ 137,622	$ 100,233

(Continued)

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007
(Continued)

	Special Revenue Funds			
	Per Capita Grant 2000	Safe School Route	Litter Abatement	DuPont Lead Safety Grant
Assets:				
Cash and investments	$ -	$ -	$ 10,294	$ 98,920
Restricted assets:				
Cash and investments with fiscal agents				
Land held for resale				
Receivables:				
Intergovernmental				
Accounts				
Interest				707
Notes and loans				
Due from other funds			13,476	
Total assets	$ -	$ -	$ 23,770	$ 99,627
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ 24,671	$ -
Due to other funds	340,686	298,961		
Deferred revenues				
Advances payable				
Total liabilities	340,686	298,961	24,671	
Fund Balances:				
Reserved:				
Reserved for land held for resale				
Reserved for projects				
Reserved for housing				
Reserved for retirement				
Reserved for debt service				
Reserved for encumbrances				
Unreserved:				
Undesignated	(340,686)	(298,961)	(901)	99,627
Total fund balances	(340,686)	(298,961)	(901)	99,627
Total liabilities and fund balances	$ -	$ -	$ 23,770	$ 99,627

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
$ 16,057	$ 19,837	$ 1,227,377	$ 1,507,499	$ 412,961	$ -	$ -
					1,214,606	
	140,000		327,698	74,035		
				4,535		
			17,380			
				99,772		
			117,594	14,876		
$ 16,057	$ 159,837	$ 1,227,377	$ 1,970,171	$ 606,179	$ 1,214,606	$ -
$ -	$ 28,695	$ -	$ 29,296	$ -	$ -	$ -
			14,876			
				99,772		
			845,000			
	28,695		889,172	99,772		
		1,227,377				
			1,080,999	506,407	1,214,606	
16,057	131,142					
16,057	131,142	1,227,377	1,080,999	506,407	1,214,606	
$ 16,057	$ 159,837	$ 1,227,377	$ 1,970,171	$ 606,179	$ 1,214,606	$ -

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CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007
(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	$ -	$ 279,382	$ -	$ -	$ 9,808,173
Restricted assets:					
Cash and investments with fiscal agents	2,774,254		1,303,183		5,292,043
Land held for resale					504,476
Receivables:					
Intergovernmental					2,368,806
Accounts					4,535
Interest					64,495
Notes and loans					1,915,634
Due from other funds					145,946
Total assets	$ 2,774,254	$ 279,382	$ 1,303,183	$ -	$ 20,104,108
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	$ -	$ 274,335	$ -	$ -	$ 571,639
Due to other funds	334,501		61,669		4,776,728
Deferred revenues					2,156,212
Advances payable					1,802,380
Total liabilities	334,501	274,335	61,669		9,306,959
Fund Balances:					
Reserved:					
Reserved for land held for resale					504,476
Reserved for projects			1,241,514		1,241,514
Reserved for housing					1,227,377
Reserved for retirement					908,532
Reserved for debt service	2,439,753				5,241,765
Reserved for encumbrances					27,196
Unreserved:					
Undesignated		5,047			1,646,289
Total fund balances	2,439,753	5,047	1,241,514		10,797,149
Total liabilities and fund balances	$ 2,774,254	$ 279,382	$ 1,303,183	$ -	$ 20,104,108

CITY OF LYNWOOD
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007

	Special Revenue Funds			
	Traffic Safety	Lighting Maintenance	Gas Tax	Retirement
Revenues:				
Taxes	$ -	$ 1,007,589	$ -	$ 2,425,572
Fines and forfeits				
Use of money and property		10,242	11,733	
Intergovernmental	50,000		1,309,652	
Program income				
Charges for services				
Total revenues	50,000	1,017,831	1,321,385	2,425,572
Expenditures:				
Current:				
General government				772,322
Public safety	1,906,129			
Public works		1,170,521		
Community development				
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures	1,906,129	1,170,521		772,322
Excess of revenues over (under) expenditures	(1,856,129)	(152,690)	1,321,385	1,653,250
Other Financing Sources (Uses):				
Transfers in	1,445,678			
Transfers out		(255,011)	(1,290,680)	(2,005,072)
Total other financing sources (uses)	1,445,678	(255,011)	(1,290,680)	(2,005,072)
Net change in fund balances	(410,451)	(407,701)	30,705	(351,822)
Fund balances, beginning of fiscal year	(662,804)	(115,096)	123,784	1,260,354
Fund balances, end of fiscal year	$ (1,073,255)	$ (522,797)	$ 154,489	$ 908,532

Special Revenue Funds						
Sheriff Drug Seizure	Air Quality Improvement	SB 821	State Transportation Partnership	Business Improvement District	HUD 108 Loan	Housing Community Development (HUD)
$ -	$ -	$ -	$ -	$ 132,953	$ -	$ -
5,782						
3,131	4,084	121			7,820	
	87,886		16,383			1,621,547
						239,692
8,913	91,970	121	16,383	132,953	7,820	1,861,239
20,984						355,539
				197,924		492,204
						255,000
						343,233
20,984				197,924		1,445,976
(12,071)	91,970	121	16,383	(64,971)	7,820	415,263
	(85,000)	(17,916)	(726)			(448,273)
	(85,000)	(17,916)	(726)			(448,273)
(12,071)	6,970	(17,795)	15,657	(64,971)	7,820	(33,010)
113,554	132,354	3,977	(111,314)	63,327	155,208	33,010
$ 101,483	$ 139,324	$ (13,818)	$ (95,657)	$ (1,644)	$ 163,028	$ -

(Continued)

CITY OF LYNWOOD
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007
(Continued)

	Special Revenue Funds		
	Prop A	Landscape Maintenance	HUD Home Program
Revenues:			
Taxes	$ 1,225,959	$ 1,047,637	$ -
Fines and forfeits			
Use of money and property	36,444		
Intergovernmental			1,028,284
Program income			
Charges for services			
Total revenues	1,262,403	1,047,637	1,028,284
Expenditures:			
Current:			
General government			
Public safety			
Public works		963,228	
Community development			1,493,731
Capital outlay			335,518
Debt service:			
Principal			
Interest and fiscal charges			
Total expenditures		963,228	1,829,249
Excess of revenues over (under) expenditures	1,262,403	84,409	(800,965)
Other Financing Sources (Uses):			
Transfers in			
Transfers out	(893,242)	(185,698)	
Total other financing sources (uses)	(893,242)	(185,698)	
Net change in fund balances	369,161	(101,289)	(800,965)
Fund balances, beginning of fiscal year	576,461	(772,758)	984,996
Fund balances, end of fiscal year	$ 945,622	$ (874,047)	$ 184,031

Special Revenue Funds				
Anti-Litter Grant	Prop C	STP Grant	Graffiti Prevention Grant	Local Law Enforcement Block Grant
$ -	$ 1,131,347	$ -	$ -	$ -
99	83,429	358,234	1,138	20
99	1,214,776	358,234	1,138	20
				876
				876
99	1,214,776	358,234	1,138	(856)
	(435,516)	(586,709)	(38,273)	
	(435,516)	(586,709)	(38,273)	
99	779,260	(228,475)	(37,135)	(856)
3,247	2,231,686	(234,622)	37,135	856
$ 3,346	$ 3,010,946	$ (463,097)	$ -	$ -

(Continued)

CITY OF LYNWOOD
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007
(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	4,245		3,237	138
Intergovernmental	142,171			
Program income				
Charges for services				
Total revenues	146,416		3,237	138
Expenditures:				
Current:				
General government				
Public safety	100,000			
Public works				
Community development				
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures	100,000			
Excess of revenues over (under) expenditures	46,416		3,237	138
Other Financing Sources (Uses):				
Transfers in				
Transfers out		(214,965)		
Total other financing sources (uses)		(214,965)		
Net change in fund balances	46,416	(214,965)	3,237	138
Fund balances, beginning of fiscal year	1,098	(100,774)	105,724	4,524
Fund balances, end of fiscal year	$ 47,514	$ (315,739)	$ 108,961	$ 4,662

Special Revenue Funds						
LA County Park Maintenance Grant	AB 2928 Traffic Congestion Relief	Highway -Thru- Cities	Used Oil Recycling Grant	Impact Fees Fund	Public Art	Justice Assistance
$ -	$ -	$ -	$ -	$ 231,258	$ -	$ -
						59,689
7,900	26,269	187	585	3,755	1,976	
	538,809		17,187			
					135,646	
7,900	565,078	187	17,772	235,013	137,622	59,689
						50,616
			15,488			
			15,488			50,616
7,900	565,078	187	2,284	235,013	137,622	9,073
(18,678)	(324,014)					
(18,678)	(324,014)					
(10,778)	241,064	187	2,284	235,013	137,622	9,073
89,367	329,280	6,117	16,413			7,642
$ 78,589	$ 570,344	$ 6,304	$ 18,697	$ 235,013	$ 137,622	$ 16,715

(Continued)

CITY OF LYNWOOD
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007
(Continued)

	Special Revenue Funds			
	Per Capita Grant 2000	Safe School Route	Litter Abatement	DuPont Lead Safety Grant
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Fines and forfeits				
Use of money and property				2,966
Intergovernmental				
Program income				
Charges for services			290,278	
Total revenues			290,278	2,966
Expenditures:				
Current:				
General government			765,966	
Public safety				
Public works			314,038	
Community development				
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures			1,080,004	
Excess of revenues over (under) expenditures			(789,726)	2,966
Other Financing Sources (Uses):				
Transfers in			788,825	
Transfers out	(263,325)			(7,576)
Total other financing sources (uses)	(263,325)		788,825	(7,576)
Net change in fund balances	(263,325)		(901)	(4,610)
Fund balances, beginning of fiscal year	(77,361)	(298,961)		104,237
Fund balances, end of fiscal year	$ (340,686)	$ (298,961)	$ (901)	$ 99,627

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
$ -	$ -	$ -	$ 4,205,811	$ 862,127	$ -	$ -
	1,308	35,554	92,535	6,957	56,616	
52,948	140,000					
				6,644		
52,948	141,308	35,554	4,298,346	875,728	56,616	
						55,092
4,500						
	147,227	137,140	29,295	273		
30,147						
		13,300	209,100	21,700		
		26,614	690,157	43,422	118	
34,647	147,227	177,054	928,552	65,395	118	55,092
18,301	(5,919)	(141,500)	3,369,794	810,333	56,498	(55,092)
		222,654				55,092
			(3,020,903)	(1,063,010)		
		222,654	(3,020,903)	(1,063,010)		55,092
18,301	(5,919)	81,154	348,891	(252,677)	56,498	
(2,244)	137,061	1,146,223	732,108	759,084	1,158,108	
$ 16,057	$ 131,142	$ 1,227,377	$ 1,080,999	$ 506,407	$ 1,214,606	$ -

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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, 2007
(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
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ 12,270,253
Fines and forfeits					65,471
Use of money and property	194,292	2,533			599,314
Intergovernmental					5,363,101
Program income					246,336
Charges for services					425,924
Total revenues	194,292	2,533			18,970,399
Expenditures:					
Current:					
General government				5,441	1,598,821
Public safety					2,438,644
Public works					2,463,275
Community development		830,966			3,328,760
Capital outlay		9,241			374,906
Debt service:					
Principal	629,979				1,129,079
Interest and fiscal charges	585,487				1,689,031
Total expenditures	1,215,466	840,207		5,441	13,022,516
Excess of revenues over (under) expenditures	(1,021,174)	(837,674)		(5,441)	5,947,883
Other Financing Sources (Uses):					
Transfers in	1,357,588	840,356	738,671		5,448,864
Transfers out	(1,264,682)		(53,309)		(12,472,578)
Total other financing sources (uses)	92,906	840,356	685,362		(7,023,714)
Net change in fund balances	(928,268)	2,682	685,362	(5,441)	(1,075,831)
Fund balances, beginning of fiscal year	3,368,021	2,365	556,152	5,441	11,872,980
Fund balances, end of fiscal year	$ 2,439,753	$ 5,047	$ 1,241,514	$ -	$ 10,797,149

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 50,000	$ 50,000	$ -
Total revenues	50,000	50,000	
Expenditures:			
Current:			
Public safety	1,969,897	1,906,129	63,768
Capital outlay	516		516
Total expenditures	1,970,413	1,906,129	64,284
Excess of revenues over (under) expenditures	(1,920,413)	(1,856,129)	64,284
Other Financing Sources (Uses):			
Transfers in	1,661,393	1,445,678	(215,715)
Transfers out	(11,200)		11,200
Total other financing sources (uses)	1,650,193	1,445,678	(204,515)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(270,220)	(410,451)	(140,231)
Fund balance - July 1, 2006	(662,804)	(662,804)	
Fund balance - June 30, 2007	$ (933,024)	$ (1,073,255)	$ (140,231)

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 1,084,450	$ 1,007,589	$ (76,861)
Use of money and property	18,500	10,242	(8,258)
Total revenues	1,102,950	1,017,831	(85,119)
Expenditures:			
Current:			
Public works	1,095,579	1,170,521	(74,942)
Total expenditures	1,095,579	1,170,521	(74,942)
Excess of revenues over (under) expenditures	7,371	(152,690)	(160,061)
Other Financing Sources (Uses):			
Transfers out	(495,350)	(255,011)	240,339
Total other financing sources (uses)	(495,350)	(255,011)	240,339
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(487,979)	(407,701)	80,278
Fund balance - July 1, 2006	(115,096)	(115,096)	
Fund balance - June 30, 2007	$ (603,075)	$ (522,797)	$ 80,278

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 1,000	$ 11,733	$ 10,733
Intergovernmental	1,506,700	1,309,652	(197,048)
Total revenues	1,507,700	1,321,385	(186,315)
Other Financing Sources (Uses):			
Transfers out	(1,482,650)	(1,290,680)	191,970
Total other financing sources (uses)	(1,482,650)	(1,290,680)	191,970
Excess of revenues and other financing sources over (under) expenditures and other financing uses	25,050	30,705	5,655
Fund balance - July 1, 2006	123,784	123,784	
Fund balance - June 30, 2007	$ 148,834	$ 154,489	$ 5,655

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 2,345,550	$ 2,425,572	$ 80,022
Total revenues	2,345,550	2,425,572	80,022
Expenditures:			
Current:			
General government	772,322	772,322	
Total expenditures	772,322	772,322	
Excess of revenues over (under) expenditures	1,573,228	1,653,250	80,022
Other Financing Sources (Uses):			
Transfers out	(1,964,160)	(2,005,072)	(40,912)
Total other financing sources (uses)	(1,964,160)	(2,005,072)	(40,912)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(390,932)	(351,822)	39,110
Fund balance - July 1, 2006	1,260,354	1,260,354	
Fund balance - June 30, 2007	$ 869,422	$ 908,532	$ 39,110

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Fines and forfeits	$ 10,000	$ 5,782	$ (4,218)
Use of money and property	800	3,131	2,331
Total revenues	10,800	8,913	(1,887)
Expenditures:			
Current:			
Public safety	40,240	20,984	19,256
Total expenditures	40,240	20,984	19,256
Excess of revenues over (under) expenditures	(29,440)	(12,071)	17,369
Fund balance - July 1, 2006	113,554	113,554	
Fund balance - June 30, 2007	$ 84,114	$ 101,483	$ 17,369

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 1,100	$ 4,084	$ 2,984
Intergovernmental	85,000	87,886	2,886
Total revenues	86,100	91,970	5,870
Other Financing Sources (Uses):			
Transfers out	(85,000)	(85,000)	
Total other financing sources (uses)	(85,000)	(85,000)	
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,100	6,970	5,870
Fund balance - July 1, 2006	132,354	132,354	
Fund balance - June 30, 2007	$ 133,454	$ 139,324	$ 5,870

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 121	$ 121
Intergovernmental	30,000		(30,000)
Total revenues	30,000	121	(29,879)
Other Financing Sources (Uses):			
Transfers out	(36,584)	(17,916)	18,668
Total other financing sources (uses)	(36,584)	(17,916)	18,668
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(6,584)	(17,795)	(11,211)
Fund balance - July 1, 2006	3,977	3,977	
Fund balance - June 30, 2007	$ (2,607)	$ (13,818)	$ (11,211)

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 1,020,643	$ 16,383	$ (1,004,260)
Total revenues	1,020,643	16,383	(1,004,260)
Other Financing Sources (Uses):			
Transfers out	(424,784)	(726)	424,058
Total other financing sources (uses)	(424,784)	(726)	424,058
Excess of revenues and other financing sources over (under) expenditures and other financing uses	595,859	15,657	(580,202)
Fund balance - July 1, 2006	(111,314)	(111,314)	
Fund balance - June 30, 2007	$ 484,545	$ (95,657)	$ (580,202)

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 150,000	$ 132,953	$ (17,047)
Total revenues	150,000	132,953	(17,047)
Expenditures:			
Current:			
Community development	191,980	197,924	(5,944)
Total expenditures	191,980	197,924	(5,944)
Excess of revenues over (under) expenditures	(41,980)	(64,971)	(22,991)
Other Financing Sources (Uses):			
Transfers out	(562,739)		562,739
Total other financing sources (uses)	(562,739)		562,739
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(604,719)	(64,971)	539,748
Fund balance - July 1, 2006	63,327	63,327	
Fund balance - June 30, 2007	$ (541,392)	$ (1,644)	$ 539,748

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 3,300	$ 7,820	$ 4,520
Total revenues	3,300	7,820	4,520
Excess of revenues over (under) expenditures	3,300	7,820	4,520
Fund balance - July 1, 2006	155,208	155,208	
Fund balance - June 30, 2007	$ 158,508	$ 163,028	$ 4,520

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 1,784,324	$ 1,621,547	$ (162,777)
		239,692	239,692
Total revenues	1,784,324	1,861,239	76,915
Expenditures:			
Current:			
Public safety	379,999	355,539	24,460
Community development	606,001	492,204	113,797
Debt service:			
Principal	169,508	255,000	(85,492)
Interest and fiscal charges	428,816	343,233	85,583
Total expenditures	1,584,324	1,445,976	138,348
Excess of revenues over (under) expenditures	200,000	415,263	215,263
Other Financing Sources (Uses):			
Transfers out	(694,200)	(448,273)	245,927
Total other financing sources (uses)	(694,200)	(448,273)	245,927
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(494,200)	(33,010)	461,190
Fund balance - July 1, 2006	33,010	33,010	
Fund balance - June 30, 2007	$ (461,190)	$ -	$ 461,190

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 1,265,000	$ 1,225,959	$ (39,041)
Use of money and property		36,444	36,444
Total revenues	1,265,000	1,262,403	(2,597)
Excess of revenues over (under) expenditures	1,265,000	1,262,403	(2,597)
Other Financing Sources (Uses):			
Transfers out	(1,291,984)	(893,242)	398,742
Total other financing sources (uses)	(1,291,984)	(893,242)	398,742
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(26,984)	369,161	396,145
Fund balance - July 1, 2006	576,461	576,461	
Fund balance - June 30, 2007	$ 549,477	$ 945,622	$ 396,145

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 1,138,214	$ 1,047,637	$ (90,577)
Total revenues	1,138,214	1,047,637	(90,577)
Expenditures:			
Current:			
Public works	1,080,262	963,228	117,034
Total expenditures	1,080,262	963,228	117,034
Excess of revenues over (under) expenditures	57,952	84,409	26,457
Other Financing Sources (Uses):			
Transfers out	(245,450)	(185,698)	59,752
Total other financing sources (uses)	(245,450)	(185,698)	59,752
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(187,498)	(101,289)	86,209
Fund balance - July 1, 2006	(772,758)	(772,758)	
Fund balance - June 30, 2007	$ (960,256)	$ (874,047)	$ 86,209

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 285,319	$ 1,028,284	$ 742,965
Total revenues	285,319	1,028,284	742,965
Expenditures:			
Current:			
Community development	1,491,650	1,493,731	(2,081)
Capital outlay		335,518	(335,518)
Total expenditures	1,491,650	1,829,249	(337,599)
Excess of revenues over (under) expenditures	(1,206,331)	(800,965)	405,366
Fund balance - July 1, 2006	984,996	984,996	
Fund balance - June 30, 2007	$ (221,335)	$ 184,031	$ 405,366

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 50	$ 99	$ 49
Total revenues	50	99	49
Excess of revenues over (under) expenditures	50	99	49
Fund balance - July 1, 2006	3,247	3,247	
Fund balance - June 30, 2007	$ 3,297	$ 3,346	$ 49

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 1,195,000	$ 1,131,347	$ (63,653)
Use of money and property	10,000	83,429	73,429
Total revenues	1,205,000	1,214,776	9,776
Other Financing Sources (Uses):			
Transfers out	(2,997,731)	(435,516)	2,562,215
Total other financing sources (uses)	(2,997,731)	(435,516)	2,562,215
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,792,731)	779,260	2,571,991
Fund balance - July 1, 2006	2,231,686	2,231,686	
Fund balance - June 30, 2007	$ 438,955	$ 3,010,946	$ 2,571,991

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 121,351	$ 358,234	$ 236,883
Total revenues	121,351	358,234	236,883
Other Financing Sources (Uses):			
Transfers out	(431,262)	(586,709)	(155,447)
Total other financing sources (uses)	(431,262)	(586,709)	(155,447)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(309,911)	(228,475)	81,436
Fund balance - July 1, 2006	(234,622)	(234,622)	
Fund balance - June 30, 2007	$ (544,533)	$ (463,097)	$ 81,436

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 150	$ 1,138	$ 988
Total revenues	150	1,138	988
Other Financing Sources (Uses):			
Transfers out		(38,273)	(38,273)
Total other financing sources (uses)		(38,273)	(38,273)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	150	(37,135)	(37,285)
Fund balance - July 1, 2006	37,135	37,135	
Fund balance - June 30, 2007	$ 37,285	$ -	$ (37,285)

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 4,245	$ 4,245
Intergovernmental	100,000	142,171	42,171
Total revenues	100,000	146,416	46,416
Expenditures:			
Current:			
Public safety	100,000	100,000	
Total expenditures	100,000	100,000	
Excess of revenues over (under) expenditures		46,416	46,416
Fund balance - July 1, 2006	1,098	1,098	
Fund balance - June 30, 2007	$ 1,098	$ 47,514	$ 46,416

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 2,700,000	$ -	$ (2,700,000)
Total revenues	2,700,000		(2,700,000)
Other Financing Sources (Uses):			
Transfers out	(2,599,226)	(214,965)	2,384,261
Total other financing sources (uses)	(2,599,226)	(214,965)	2,384,261
Excess of revenues and other financing sources over (under) expenditures and other financing uses	100,774	(214,965)	(315,739)
Fund balance - July 1, 2006	(100,774)	(100,774)	
Fund balance - June 30, 2007	$ -	$ (315,739)	$ (315,739)

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 3,237	$ 3,237
Intergovernmental	20,000		(20,000)
Total revenues	20,000	3,237	(16,763)
Expenditures:			
Current:			
Community Development	100,000		100,000
Total expenditures	100,000		100,000
Excess of revenues over (under) expenditures	(80,000)	3,237	83,237
Fund balance - July 1, 2006	105,724	105,724	
Fund balance - June 30, 2007	$ 25,724	$ 108,961	$ 83,237

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 7,900	$ 7,900
Intergovernmental	10,000		(10,000)
Total revenues	10,000	7,900	(2,100)
Other Financing Sources (Uses):			
Transfers out	(52,549)	(18,678)	33,871
Total other financing sources (uses)	(52,549)	(18,678)	33,871
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(42,549)	(10,778)	31,771
Fund balance - July 1, 2006	89,367	89,367	
Fund balance - June 30, 2007	$ 46,818	$ 78,589	$ 31,771

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 585	$ 585
Intergovernmental	20,000	17,187	(2,813)
Total revenues	20,000	17,772	(2,228)
Expenditures:			
Current:			
Public Works	20,000	15,488	4,512
Total expenditures	20,000	15,488	4,512
Excess of revenues over (under) expenditures		2,284	2,284
Fund balance - July 1, 2006	16,413	16,413	
Fund balance - June 30, 2007	$ 16,413	$ 18,697	$ 2,284

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
AB 2928 Traffic Congestion Relief Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 360,000	$ 538,809	$ 178,809
Use of money and property		26,269	26,269
Total revenues	360,000	565,078	205,078
Excess of Revenues Over (under) Expenditures	360,000	565,078	205,078
Other Financing Sources (Uses):			
Transfers out		(324,014)	(324,014)
Total other financing sources (uses)		(324,014)	(324,014)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	360,000	241,064	(118,936)
Fund balance - July 1, 2006	329,280	329,280	
Fund balance - June 30, 2007	$ 689,280	$ 570,344	$ (118,936)

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Fines and forfeits	$ 50,116	$ 59,689	$ 9,573
Use of money and property	1,000		(1,000)
Total revenues	51,116	59,689	8,573
Expenditures:			
Current:			
Public safety	59,258	50,616	8,642
Total expenditures	59,258	50,616	8,642
Excess of revenues over (under) expenditures	(8,142)	9,073	17,215
Fund balance - July 1, 2006	7,642	7,642	
Fund balance - June 30, 2007	$ (500)	$ 16,715	$ 17,215

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 764,999	$ -	$ (764,999)
Total revenues	764,999		(764,999)
Other Financing Sources (Uses):			
Transfers out	(1,068,638)	(263,325)	805,313
Total other financing sources (uses)	(1,068,638)	(263,325)	805,313
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(303,639)	(263,325)	40,314
Fund balance - July 1, 2006	(77,361)	(77,361)	
Fund balance - June 30, 2007	$ (381,000)	$ (340,686)	$ 40,314

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 300,000	$ -	$ (300,000)
Total revenues	300,000		(300,000)
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	298,961		(298,961)
Fund balance - July 1, 2006	(298,961)	(298,961)	
Fund balance - June 30, 2007	$ -	$ (298,961)	$ (298,961)

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 2,966	$ 2,966
Total revenues		2,966	2,966
Other Financing Sources (Uses):			
Transfers out	(100,000)	(7,576)	92,424
Total other financing sources (uses)	(100,000)	(7,576)	92,424
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(100,000)	(4,610)	95,390
Fund balance - July 1, 2006	104,237	104,237	
Fund balance - June 30, 2007	$ 4,237	$ 99,627	$ 95,390

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 615,427	$ 52,948	$ (562,479)
Total revenues	615,427	52,948	(562,479)
Expenditures:			
Current:			
Public safety	16,230	4,500	11,730
Capital outlay	36,458	30,147	6,311
Total expenditures	52,688	34,647	18,041
Excess of revenues over (under) expenditures	562,739	18,301	(544,438)
Fund balance - July 1, 2006	(2,244)	(2,244)	
Fund balance - June 30, 2007	$ 560,495	$ 16,057	$ (544,438)

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 1,000	$ 1,308	$ 308
Intergovernmental	140,000	140,000	
Total revenues	141,000	141,308	308
Expenditures:			
Current:			
Community development	265,246	147,227	118,019
Total expenditures	265,246	147,227	118,019
Excess of revenues over (under) expenditures	(124,246)	(5,919)	118,327
Fund balance - July 1, 2006	137,061	137,061	
Fund balance - June 30, 2007	$ 12,815	$ 131,142	$ 118,327

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 14,000	$ 35,554	$ 21,554
Total revenues	14,000	35,554	21,554
Expenditures:			
Current:			
Community development	147,140	137,140	10,000
Debt service:			
Principal	13,487	13,300	187
Interest and fiscal charges	26,430	26,614	(184)
Total expenditures	187,057	177,054	10,003
Excess of revenues over (under) expenditures	(173,057)	(141,500)	31,557
Other Financing Sources (Uses):			
Transfers in	119,720	222,654	102,934
Total other financing sources (uses)	119,720	222,654	102,934
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(53,337)	81,154	134,491
Fund balance - July 1, 2006	1,146,223	1,146,223	
Fund balance - June 30, 2007	$ 1,092,886	$ 1,227,377	$ 134,491

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 3,467,390	$ 4,205,811	$ 738,421
Use of money and property	66,950	92,535	25,585
Total revenues	3,534,340	4,298,346	764,006
Expenditures:			
Current:			
Community development		29,295	(29,295)
Debt service:			
Principal	334,660	209,100	125,560
Interest and fiscal charges	812,960	690,157	122,803
Total expenditures	1,147,620	928,552	219,068
Excess of revenues over (under) expenditures	2,386,720	3,369,794	983,074
Other Financing Sources (Uses):			
Transfers out	(2,922,538)	(3,020,903)	(98,365)
Total other financing sources (uses)	(2,922,538)	(3,020,903)	(98,365)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(535,818)	348,891	884,709
Fund balance - July 1, 2006	732,108	732,108	
Fund balance - June 30, 2007	$ 196,290	$ 1,080,999	$ 884,709

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	$ 598,600	$ 862,127	$ 263,527
Program income	27,200	6,644	(20,556)
Use of money and property	8,000	6,957	(1,043)
Total revenues	633,800	875,728	241,928
Expenditures:			
Current:			
Community development		273	(273)
Debt service:			
Principal	22,004	21,700	304
Interest and fiscal charges	43,125	43,422	(297)
Total expenditures	65,129	65,395	(266)
Excess of revenues over (under) expenditures	568,671	810,333	241,662
Other Financing Sources (Uses):			
Transfers out	(1,070,774)	(1,063,010)	7,764
Total other financing sources (uses)	(1,070,774)	(1,063,010)	7,764
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(502,103)	(252,677)	249,426
Fund balance - July 1, 2006	759,084	759,084	
Fund balance - June 30, 2007	$ 256,981	$ 506,407	$ 249,426

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 24,000	$ 56,616	$ 32,616
Total revenues	24,000	56,616	32,616
Expenditures:			
Debt service:			
Interest and fiscal charges	24,000	118	23,882
Total expenditures	24,000	118	23,882
Excess of revenues over (under) expenditures		56,498	56,498
Fund balance - July 1, 2006	1,158,108	1,158,108	
Fund balance - June 30, 2007	$ 1,158,108	$ 1,214,606	$ 56,498

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Expenditures:			
Current:			
General government	$ 64,605	$ 55,092	$ 9,513
Total expenditures	64,605	55,092	9,513
Other Financing Sources (Uses):			
Transfers in	64,605	55,092	(9,513)
Total other financing sources (uses)	64,605	55,092	(9,513)
Excess of revenues and other financing sources over (under) expenditures and other financing uses			
Fund balance - July 1, 2006			
Fund balance - June 30, 2007	$ -	$ -	$ -

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 194,292	$ 194,292
Total revenues		194,292	194,292
Expenditures:			
Debt service:			
Principal	680,944	629,979	50,965
Interest and fiscal charges	597,346	585,487	11,859
Total expenditures	1,278,290	1,215,466	62,824
Excess of revenues over (under) expenditures	(1,278,290)	(1,021,174)	257,116
Other Financing Sources (Uses):			
Transfers in	1,278,290	1,357,588	79,298
Transfers out	(1,163,133)	(1,264,682)	(101,549)
Total other financing sources (uses)	115,157	92,906	(22,251)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,163,133)	(928,268)	234,865
Fund balance - July 1, 2006	3,368,021	3,368,021	
Fund balance - June 30, 2007	$ 2,204,888	$ 2,439,753	$ 234,865

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ -	$ 2,533	$ 2,533
Total revenues		2,533	2,533
Expenditures:			
Current:			
Community development		830,966	(830,966)
Capital outlay		9,241	(9,241)
Total expenditures		840,207	(840,207)
Excess of revenues over (under) expenditures		(837,674)	(837,674)
Other Financing Sources (Uses):			
Transfers in	951,054	840,356	(110,698)
Total other financing sources (uses)	951,054	840,356	(110,698)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	951,054	2,682	(948,372)
Fund balance - July 1, 2006	2,365	2,365	
Fund balance - June 30, 2007	$ 953,419	$ 5,047	$ (948,372)

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, 2007

	Final Budget	Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfers in	$ -	$ 738,671	$ 738,671
Transfers out	(1,206,418)	(53,309)	1,153,109
Total other financing sources (uses)	(1,206,418)	685,362	1,891,780
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,206,418)	685,362	1,891,780
Fund balance - July 1, 2006	556,152	556,152	
Fund balance - June 30, 2007	$ (650,266)	$ 1,241,514	$ 1,891,780

CITY OF LYNWOOD

INTERNAL SERVICE FUNDS

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

Garage Fund – This fund accounts for reimbursements from City departments for the cost of upkeep on City vehicles.

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

Information Technology Fund – This fund accounts for all information technology costs to the City. Funding sources are 50% from the General Fund and 50% from the Water Fund.

CITY OF LYNWOOD
Combining Statement of Net Assets
Internal Service Funds
June 30, 2007

	Garage	Self-Insurance	Information Technology	Totals
Assets				
Current Assets:				
Accounts receivable	$ -	$ -	$ 297,172	$ 297,172
Total current assets			297,172	297,172
Noncurrent Assets:				
Depreciable equipment, net	805,372		421,543	1,226,915
Total noncurrent assets	805,372		421,543	1,226,915
Total assets	805,372		718,715	1,524,087
Liabilities				
Current Liabilities:				
Accounts payable	174,391	79,980	16,632	271,003
Due to other funds	145,845	3,898,593	198,600	4,243,038
Current portion of long-term obligations	191,685	734,084		925,769
Total current liabilities	511,921	4,712,657	215,232	5,439,810
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations:				
Compensated absences	5,769		28,043	33,812
Claims payable		2,202,250		2,202,250
Total noncurrent liabilities	5,769	2,202,250	28,043	2,236,062
Total liabilities	517,690	6,914,907	243,275	7,675,872
Net Assets				
Invested in capital assets, net of related debt	613,687			613,687
Unrestricted	(326,005)	(6,914,907)	475,440	(6,765,472)
Total net assets	$ 287,682	$ (6,914,907)	$ 475,440	$ (6,151,785)

CITY OF LYNWOOD
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2007

	Garage	Self-Insurance	Information Technology	Totals
Operating Revenues:				
Sales and service charges	$ 995,425	$ 1,345,326	$ 297,172	$ 2,637,923
Total operating revenues	995,425	1,345,326	297,172	2,637,923
Operating Expenses:				
Administration		159,705	319,036	478,741
Insurance		1,159,244		1,159,244
Claims		1,552,550		1,552,550
Garage	33,402			33,402
Depreciation	186,780		7,854	194,634
Total operating expenses	220,182	2,871,499	326,890	3,418,571
Operating income (loss)	775,243	(1,526,173)	(29,718)	(780,648)
Nonoperating Revenues (Expenses):				
Loss on disposal of capital assets	(3,334)			(3,334)
Interest expense	(16,063)			(16,063)
Total nonoperating revenues (expenses)	(19,397)			(19,397)
Income (loss) before transfers	755,846	(1,526,173)	(29,718)	(800,045)
Transfers in	5,772		505,158	510,930
Total Transfers in/out	5,772		505,158	510,930
Change in net assets	761,618	(1,526,173)	475,440	(289,115)
Net Assets				
Beginning of fiscal year	(473,936)	(5,388,734)		(5,862,670)
End of fiscal year	$ 287,682	$ (6,914,907)	$ 475,440	$ (6,151,785)

CITY OF LYNWOOD
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2007

	Garage	Self-Insurance	Information Technology	Totals
Cash flows from operating activities:				
Receipts from customers and users	$ 995,425	$ 1,355,860	$ -	$ 2,351,285
Payments to suppliers	(218,945)	(1,297,848)	60,685	(1,456,108)
Payments to employees	(27,139)	(58,012)	(136,446)	(221,597)
Net cash provided (used) by operating activities	749,341		(75,761)	673,580
Cash flows from noncapital financing activities:				
Transfer to/from other funds	5,772		505,158	510,930
Net cash provided (used) in noncapital financing activities	5,772		505,158	510,930
Cash flows from capital and related financing activities:				
Purchase of capital assets	(555,182)		(429,397)	(984,579)
Principal payments on long-term debt	(183,868)			(183,868)
Interest paid on long-term debt	(16,063)			(16,063)
Net cash provided (used) in capital and related financing activities	(755,113)		(429,397)	(1,184,510)
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, 2007	$ -	$ -	$ -	$ -

CITY OF LYNWOOD
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2007

	Garage	Self-Insurance	Information Technology	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operations:				
Operating income (loss)	$ 775,243	$ (1,526,173)	$ (29,718)	$ (780,648)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	186,780		7,854	194,634
Decrease (increase) in accounts receivable		10,534	(297,172)	(286,638)
Increase (decrease) in accounts payable	174,391	71,598	16,632	262,621
Increase (decrease) in claim payable		798,936		798,936
Increase (decrease) in accrued employee benefits	2,781		28,043	30,824
Decrease (increase) in due to/from other funds	(389,854)	645,105	198,600	453,851
Total adjustments	(25,902)	1,526,173	(46,043)	1,454,228
Net cash provided (used) by operating activities	$ 749,341	$ -	$ (75,761)	$ 673,580

CITY OF LYNWOOD
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2007

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
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

STATISTICAL

SECTION

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

	Fiscal Year	
	2006	**2007**
Governmental activities		
Invested in capital assets, net of related debt	$71,070,677	$79,540,927
Restricted	34,546,018	33,396,865
Unrestricted	24,793	4,340,631
Total governmental activities net assets	105,641,488	117,278,423
Business-type activities		
Invested in capital assts, net of related debt	2,247,256	(2,167,357)
Restricted	9,707,252	4,891,486
Unrestricted	(3,107,059)	1,610,454
Total business-type activities net assets	2,247,256	4,334,583
Primary government		
Invested in capital assets, net of related debt	73,317,933	77,373,570
Restricted	44,253,270	38,288,351
Unrestricted	(3,082,266)	5,951,085
Total primary government net assets	$114,488,937	$121,613,006

Source: Moss Levy Hartzheim

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

	Fiscal Year	
	2006	**2007**
Expenses		
Governmental activities:		
General government	$6,213,553	$8,117,721
Public safety	$13,922,118	$15,505,809
Public works	$5,363,619	$5,294,634
Redevelopment	$4,694,655	$6,390,638
Parks and recreation	$2,840,996	$3,312,944
Interest on long-term debt	$2,377,448	$1,984,742
Unallocated Depreciation	$0	$1,025,821
Total governmental activities expenses	$35,412,389	$41,632,309
Business-type activities:		
Water	$6,168,104	$6,544,735
Transit	$1,227,619	$1,144,485
Total business-type activities expenses	$7,395,723	$7,689,220
Total primary government expenses	$42,808,112	$49,321,529
Program Revenues (see Schedule 3)		
Governmental activities:		
Charges for services:		
General government	$693,390	$1,652,328
Public safety	$1,024,589	$514,552
Public works	$4,607,579	$3,853,232
Community development	$284,119	$3,161
Parks and recreation	$317,006	$364,681
Operating grants and contributions	$7,368,051	$5,178,618
Capital grants and contributions	$1,648,244	$1,703,546
Total governmental activities program revenues	$15,942,978	$13,270,118
Business-type activities:		
Charges for services:		
Water	$5,833,964	$7,861,420
Transit	$11,663	$20,073
Operating grants and contributions	$0	$0
Capital grants and contributions	$422,767	$0
Total business-type activities program revenues	$6,268,394	$7,881,493
Total primary government program revenues	$22,211,372	$21,151,611

Source: Moss Levy Hartzheim

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

	Fiscal Year	
	2006	**2007**
Net (Expenses)/Revenue		
Governmental activities	($19,469,411)	($28,362,191)
Business-type activities	($1,127,329)	$192,273
Total primary government net expense	($20,596,740)	($28,169,918)
General Revenues and Other Changes in Net Assets		
Governmental activities:		
Taxes		
Property taxes	$13,831,194	$18,209,991
Utility users tax	$5,810,278	$6,193,590
Franchise taxes	$1,332,113	$1,257,149
Sales taxes	$3,247,091	$3,688,238
Business license taxes	$262,305	$407,714
Other taxes	$93,142	$1,327,499
Unrestricted grants and contributions	$0	$0
Payments in lieu of taxes	$1,738,552	$540,103
Investment earnings	$1,897,716	$2,176,869
Miscellaneous	$488,886	$1,118,246
Transfers	$780,106	$5,312,643
Gain/Loss of Capital Assets	$0	$833,480
Total governmental activities	$29,481,383	$41,065,522
Business-type activities		
Investment earnings	$551,608	$607,504
Miscellaneous	$0	$0
Transfers	($780,106)	($5,312,643)
Total business-type activities	($228,498)	($4,705,139)
Total primary government	$29,252,885	$36,360,383
Change in Net Assets		
Governmental activities	$10,011,972	$12,703,331
Business-type activities	($1,355,827)	($4,512,866)
Total primary government	$8,656,145	$8,190,465

Source: Moss Levy Hartzheim

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

	Program Revenues	
	2006	**2007**
Function/Program		
Governmental activities:		
General government	$693,390	$2,041,391
Public safety	$1,486,038	$1,491,632
Public works	$10,567,318	$6,536,513
Redevelopment	$2,855,004	$2,652,992
Parks and recreation	$341,228	$547,590
Interest on long-term debt	$0	$0
Subtotal governmental activities	$15,942,978	$13,270,118
Business-type activities:		
Water	$6,256,731	$7,861,420
Transit	$11,663	$20,073
Subtotal business-type activities	$6,268,394	$7,881,493
Total primary government	$22,211,372	$21,151,611

Source: Moss Levy Hartzheim

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
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	$1,412,294
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	$14,891,975
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	$16,304,269
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	$26,798,572
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	$1,641,242
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	($11,113)
Debt service funds	$0	$0	$0	$0	$0	($816,809)	($195,031)	$0	$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	$28,428,701

Source: Moss Levy Hartzheim

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
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	$31,084,181
Licenses, fees, and permits	$158,766	$188,108	$188,586	$202,334	$254,271	$454,611	$502,598	$607,075	$639,142	$646,340
Fines and penalties	$273,211	$470,944	$484,733	$792,935	$776,010	$811,231	$796,674	$893,895	$1,007,352	$1,175,169
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	$4,285,276
Administrative support	$0	$0	$285,000	$0	$288,909	$2,469,978	$2,416,859	$1,476,834	$3,228,043	$3,060,251
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	$6,247,098
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	$2,176,869
Program Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$267,585
Sale of Real Estate	$0	$0	$0	$0	$0	$0	$0	$0	$0	$833,480
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	$1,456,338
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	$51,232,587
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	$7,527,419
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	$15,505,809
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	$6,042,820
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	$7,935,098
Parks and recreation	$0	$0	$0	$0	$0	$2,209,511	$2,588,372	$2,601,140	$2,785,317	$3,312,944
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	$13,311,825
Real estate acquisition	$0	$0	$1,146,887	$0	$2,075,547	$0	$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	$1,174,979
Principal	$953,721	$1,051,813	$506,570	$723,887	$770,006	$584,038	$440,438	$1,122,553	$975,682	$1,826,207
Bond issue costs	$1,073	$0	$803,817	$48,350	$0	$0	$351,369	$0	$0	$0
Payments to escrow agents	$0	$0	$4,239,810	$0	$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	$56,637,101
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)	($5,404,514)
Other Financing Sources (Uses)										
Bonds proceeds	$0	$0	$13,480,997	$0	$0	$0	$8,630,000	$0	$0	$0
Premium on bond issuance	$0	$0	$2,720,280	$0	$0	$0	$74,214	$0	$0	$0
Payments to escrow agent	$0	$0	($2,720,280)	$0	$0	$0	($7,067,541)	$0	$0	$0
Proceeds from loan	$0	$0	$1,300,000	$0	$0	$0	$0	$0	$0	$0
Loan repayment	$0	$0	$1,383,351	$0	$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	$26,879,932
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)	($22,078,219)
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	$4,801,713
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)	($602,801)
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%	5.30%

Source: Moss Levy Hartzheim

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

Fiscal Year	Property	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
2007	$18,209,991	$3,688,238	$6,193,590	$1,257,149	$407,714	$1,327,499	$31,084,181
Change							
1998-2007	105.6%	42.1%	89.2%	49.2%	709.9%	2.3%	83.7%

Source: Moss Levy Hartzheim

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Residential	$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	$1,762,235,639
Commercial	$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	$250,214,463
Industrial	$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	$180,517,681
Government	$212,627	$216,279	$219,730	$30,000	$33,600	$38,822	$39,620	$985,000	$0	$0
Institutional	$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	$14,503,805
Miscellaneous	$3,789,423	$3,865,188	$4,006,760	$4,015,497	$4,095,787	$4,177,680	$280,487	$32,194	$32,835	$1,440,488
Recreational	$292,380	$298,225	$303,747	$309,818	$316,011	$448,517	$202,485	$206,264	$210,388	$284,668
Vacant Land	$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	$23,696,736
SBE Nonunitary	$139,180	$170,649	$116,555	$107,896	$118,100	$113,701	$907,822	$902,410	$906,787	$831,966
Possessory Int.	$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	$4,601,816
Unsecured	$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	$79,689,348
Less: Tax Exempt	($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)	($27,645,498)
Unknown	$0	$0	$0	$0	$0	$0	$74,460	$8,198,017	$1,446,975	$693,974
TOTALS	$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	$2,291,065,086
Total Direct Rate	0.62415%	0.63038%	0.63654%	0.39651%	0.38275%	0.42779%	0.39575%	0.40396%	0.41059%	0.40357%

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%
2007	1.000000%	0.043175%	0.000052%	0.000663%	0.004700%	0.019747%

Source: Los Angeles County Auditor-Controller

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

	2006			2007		
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	$ 166,703,907	1	7.30%	$ 198,242,615	1	7.74%
2700 East Imperial Highway Inc.	$ 18,000,000	4	0.79%	$ 20,398,858	3	0.80%
Lynwood Alameda Corporation	$ 18,333,983	3	0.80%	$ 18,700,659	4	0.73%
Lynwood Unified School District	$ 16,092,058	5	0.70%	$ 18,147,835	5	0.71%
Albi Lynwood Investment LLC	$ 11,526,000	7	0.50%	$ 11,831,519	8	0.46%
Universal Molding Company	$ 10,954,897	9	0.48%	$ 10,867,738	10	0.42%
Economic Resources Corporation	$ 11,089,620	8	0.49%	$ 11,290,586	9	0.44%
Placo Investment	$ 32,536,639	2	1.42%	$ 22,777,853	2	0.89%
Earl M. Jorgensen Company	$ 13,178,283	6	0.58%	$ 14,101,261	6	0.55%
Atlantic Lynwood LLC	$ 10,575,000	10	0.46%	-	-	-
OCB Restaurant Company LLC	-	-	-	$ 12,462,515	7	0.49%
Top Ten Totals	**$ 308,990,387**		**13.52%**	**$ 338,821,439**		**13.23%**

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
1998	$1,225,540.34	$ 1,177,224	96.06%	$ 88,575	$ 1,265,799	103.28%
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%
2007	$2,016,965.39	$ 1,874,289	92.93%	$ 395,019	$ 2,269,308	112.51%

Note:
*Other Collections may included Prior Yea'rs 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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Apparel Stores	$3,654	$4,255	$4,680	$5,920	$8,187	$8,862	$13,988	$14,088	$16,046	$16,154
General Merchandise	$1,652	$1,340	$1,668	$1,720	$1,637	$1,695	$2,665	$3,534	$3,422	$3,470
Food Stores	$30,849	$31,239	$33,638	$33,090	$29,943	$29,695	$29,311	$30,336	$30,016	$31,271
Eating and Drinking Places	$21,500	$24,075	$26,348	$31,679	$31,284	$33,530	$51,153	$48,379	$51,235	$55,778
Building Materials	$19,271	$19,407	$22,642	$19,985	$20,549	$19,645	$22,480	$28,319	$31,626	$32,961
Auto Dealers and Supplies	$11,533	$13,636	$15,533	$18,693	$19,005	$22,378	$25,430	$27,607	$30,457	$28,710
Service Stations	$20,265	$21,177	$27,952	$36,611	$39,604	$38,667	$45,516	$50,408	$55,558	$61,233
Other Retail Stores	$24,956	$27,881	$28,281	$25,182	$24,598	$26,829	$30,729	$33,860	$42,302	$47,165
All Other Outlets	$47,736	$53,380	$59,582	$73,182	$57,285	$62,705	$56,047	$68,371	$76,319	$74,675
Total	$181,416	$196,390	$220,324	$246,062	$232,092	$244,006	$277,319	$304,902	$336,981	$351,417

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
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%
2007	1%	1%

Source: HdL Coren and Cole

Schedule 13
City of Lynwood
Principal Sales Tax Remitters,
Current Year and Nine Years Ago

2007

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
Café Canela	Restaurants Liquor
Del Steel	Contractors
Factory 2 U	Family Apparel
Food 4 Less	Grocery Stores Liquor
G & M Oil	Service Stations
J & S Union 76	Service Stations
Jones Lumber	Lumber/Building Materials
King Taco	Restaurants No Alcohol
La Curacao	Home Furnishings
Lees 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
Valu Plus	Grocery Stores Liquor
Verizon Wireless	Electronics/Appliance Stores
Walgreens	Drug Stores
Warehouse Shoes	Shoe Stores

1998

Tax Remitter	Business Category
Ahmed Union Services	Service Stations
Andy's Shell	Service Stations
Auto Zone	Automotive Supply Stores
Carls Jr	Restaurants No Alcohol
Commercial Diesel	Automotive Supply Stores
Earle M Jorgensen	Heavy Industrial
El Farallon	Restaurants Beer and Wine
Food 4 Less	Grocery Stores Liquor
Helen Grace Candies	Candy/Nut Stores
Imaging Supplies	Business Services
J & L Tank	Trailers/Auto Parts
Jones Lumber	Lumber/Building Materials
K Wantanabe	Automotive Supply Stores
Kwons Union 76	Service Stations
Lees Union 76	Service Stations
McDonalds	Restaurants No Alcohol
Mercados Vallejo	Grocery Stores Beer Wine
Rapid Gas	Service Stations
Rite Aid	Drug Stores
Smart & Final	Grocery Stores Beer Wine
So Cal Airgas	Heavy Industrial
Super Value Market	Grocery Stores Liquor
Superior Super Warehouse	Grocery Stores Liquor
Taco Bell	Restaurants No Alcohol
Valu Plus	Grocery Stores Liquor

Note:
California Law Prohibits Further Detail.

Source: HdL

Schedule 14
City of Lynwood
Ratios of General Bonded Debt Outstanding,
Last Five Fiscal Years

	General Bonded Debt Outstanding			
Fiscal Year	General Obligation Bonds	Redevelopment Bonds	Total	Per Capita
2003	23,095,147	21,365,000	44,460,147	$31,059
2004	31,156,369	21,130,000	52,286,369	$32,741
2005	32,187,306	20,655,000	52,842,306	$34,157
2006	30,905,577	20,150,000	51,055,577	N/A
2007	28,013,865	23,743,610	51,757,475	N/A

Source: Moss, Levy, and Hartzheim

Schedule 15
City of Lynwood
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

	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
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	2.19%	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%
2007	$13,325,000	$6,280,000	$3,503,418	$10,965,000	$946,716	$1,164,768	$15,035,404	$214,457	$51,434,763	N/A	0.14%

Source: Moss, Levy, Hartzheim

Schedule 16
City of Lynwood
Direct and Overlapping Governmental Activities Debt,
As of June 30, 2007
(dollars in thousands)

2006-07 Assessed Valuation:	$2,318,710,584
Redevelopment Incremental Valuation:	441,625,424
Adjusted Assessed Valuation:	$1,877,085,160

Overlapping Tax and Assessment Debt:	**Total Debt 6/30/07**	**% Applicable (1)**	**City's Share of Debt 6/30/07**
Los Angeles County Flood Control District	$113,560,000	0.231%	$269,137
Metropolitan Water District	$359,115,000	0.116%	$416,573
Compton Community College District	$38,325,000	16.988%	$6,510,651
Los Angeles Community College District	$1,005,200,000	0.002%	$20,104
Compton and Los Angles Unified School Districts	$6,582,484,358	0.002% & 0.306%	$367,567
Lynwood Unified School District	$19,399,801	97.574%	$18,929,162
Los Angeles County Regional Park and Open Space Assessment District	$304,235,000	0.231%	$702,783
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$27,215,977
DIRECT AND OVERLAPPING GENERAL FUND DEBT			
Los Angeles County General Fund Obligations	$1,084,851,959	0.231%	$2,506,008
Los Angeles County Pension Obligations	$546,849,147	0.231%	$1,263,222
Los Angeles County Superintendent of Schools Certificates of Participation	$19,817,270	0.231%	$45,778
Compton and Los Angeles Unified School District Certificates of Participation	$449,904,823	0.002% & 0.306%	$173,645
Lynwood Unified School District Certificates of Participation	$19,430,000	97.574%	$18,958,628
City of Lynwood General Fund Obligations	**$10,965,000**	**100%**	**$10,965,000**
Los Angeles County Sanitation District No. 1 Authority	$25,727,142	11.390%	$2,930,321
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			$36,842,602
Less: Los Angeles Unified School District self-supporting obligations			$247
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			$36,842,355
GROSS COMBINED TOTAL DEBT			$64,058,579
NET COMBINED TOTAL DEBT			$64,058,332 (2)

(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 2006-07 Assessed Valuation:
Total Overlapping Tax and Assessment Debt 1.17%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt ($10,965,000)..... .....0.58%
Gross Combined Total Debt.....3.41%
Net Combined Total Debt.....3.41%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/07: $2,389

Source: California Municipal Statistics

Schedule 17
City of Lynwood
Legal Debt Margin Information,
Last Ten Fiscal Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Assessed Valuation	$ 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	$ 2,291,065,086
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	$ 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	$ 572,766,271.50
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	$ 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	$ 85,914,940.73
Total net debt applicable to the limit: General obligation bonds	0	0	0	0	0	0	0	0	0	0
Legal debt margin	$ 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	$ 85,914,940.73

Source: County of Los Angeles Department of Auditor-Contoller

Schedule 18
City of Lynwood
Pledged-Revenue Coverage,
Last Four Fiscal Years

	Water Revenue Bonds					Public Finance Authority Revenue Bonds		Tax Allocation Bonds		Other Debt	
				Debt Service		Debt Service		Debt Service		Debt Service	
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	$ 6,609,105	$ 5,504,084	$ 1,105,021	$155,000	$576,545	$270,000	$615,538	$235,000	$886,870	$414,442	$497,754
2005	$ 6,739,350	$ 5,355,881	$ 1,383,469	$285,000	$871,564	$470,000	$565,678	$250,000	$869,997	$623,487	$473,144
2006	$ 6,119,611	$ 5,248,296	$ 871,315	$300,000	$860,348	$475,000	$556,195	$265,000	$852,012	$661,841	$444,608
2007	$ 7,877,300	$ 7,411,791	$ 465,509	$310,000	$848,297	$480,000	$545,490	$290,000	$832,242	$ 702,821	$ 410,967

Source: Moss, Levy, Hartzheim

Schedule 19
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]
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	$2,486,185,559	$34,157	19,072	10.4%
2006	73,044	N/A	N/A	17,772	8.5%
2007	73,171	N/A	N/A	17,571	4.9%

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-Glendale 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 2006 and 2007.

[3] Lynwood Unified School District

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

Schedule 20
City of Lynwood
Principal Employers

Employer	2006 Employees	2006 Rank	2007 Employees	2007 Rank
Superior Warehouse Grocers Inc.	196	1	196	1
Aaron Industries Inc.	140	2	140	2
Universal Molding Co. Inc.	114	3	114	3
DV Industries Inc.	109	4	109	4
Elite Slides	103	5	103	5
St. Francis Medical Center	100	6	100	6
Midas Express (Los Angeles) Inc.	90	7	90	7
Airgas West	89	8	89	8
Country Villa Lynwood Health Care	85	9	85	9
McDonalds	83	10	83	10

Only 2006 and 2007 Information Available

Source: HdL Coren and Cole

Schedule 21
City of Lynwood
Full-time Equivalent City Government Employees by Function/Program,
Last Eight Fiscal Years

	Full-time Equivalent Employees as of June 30							
Function/Program	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
General Government								
City Council	5	5	5	5	5	12	12	12
City Manager	12	12	12	12	12	9	11	11
City Clerk	3	3	3	4	4	4	4	3
City Treasurer	1	1	2	2	2	2	2	2
Finance & Administration	22	22	24	41	41	25	26	24
Human Resources	6	6	6	6	6	18	19	20
Public Works	102	104	96	102	102	62	72	68
Redevelopment	19	19	15	12	12	7	7	11
Development Services	0	0	16	23	23	19	20	23
Quality of Life	0	0	0	0	0	40	40	40
Parks and Recreation	138	144	95	100	100	87	105	101

Source: City of Lynwood Finance Department

Schedule 22
City of Lynwood
Operating Indicators by Function/Program
Last Two Fiscal Years

	Fiscal Year	
	2006	**2007**
Function / Program		
General government		
Building permits issued	2,100	3,600
Building inspections conducted	6,300	1,560
Sheriff		
Physical arrests	2,251	2,397
Fire		
Emergency responses	4,716	3,062
Fires extinguished	273	200
Inspections	830	1,579
Refuse collection		
Refuse collected (tons per day)	228	153
Recyclables collected (tons per day)	94	56
Other public works		
Potholes repaired	73,000	12,000
Water		
Water main breaks	4	7
Average daily consumption (thousands of gallons)	5,660	5,500

Source: City Finance Department

Schedule 23
City of Lynwood
Capital Asset Statistics by Function/Program,
Last Three Fiscal Years

	Fiscal Year		
	2005	2006	2007
Function/Program			
Sheriff			
Stations	1	1	1
Zone offices	0	0	0
Patrol units	0	0	17
Fire Stations	2	2	2
Other public works			
Streets (miles)	85	85	90
Streetlights	2,300	2,300	2,300
Parks and recreation			
Acreage	35	35	35
Playgrounds	6	6	6
Baseball/softball diamonds	3	3	3
Soccer/football fields	2	2	2
Community Centers	2	2	3
Water			
Water mains (miles)	85	85	90
Fire hydrants	1,100	1,100	1,100
Storage capacity (thousands of gallons)	3,000	3,000	3,000
Wastewater			
Sanitary sewers (miles)	81	81	81
Storm sewers (miles)	N/A	N/A	N/A

Source: City Finance Department