



CITY OF LYNWOOD

A collage of four photographs showing community activities: children on a playground, a person on a skateboard, a person on a roller skater, and a group of children smiling. The images are overlaid with a semi-transparent white circle and white curved lines.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDING JUNE 30, 2008

CITY OF LYNWOOD CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2008

MAYOR

Maria Teresa Santillan

MEMBERS OF THE CITY COUNCIL

Aide Castro • Mayor Pro-Tem
Alfredo Flores • Council Member
Jim Morton • Council Member
Ramon Rodriguez • Council Member

ELECTED OFFICIALS

Maria Quinonez • City Clerk
Salvador Alatorre • City Treasurer

CITY OF LYNWOOD
COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY MANAGEMENT

Roger L. Haley – City Manager
Robert S. Torrez – Assistant City Manager – Administration & Community Services
Lorry Hempe – Assistant City Manager - Development
Dan Ojeda – Public Works
Johnathan Colin – Development Services
Perry Brents – Recreation and Community Services
Alfredo Lopez – Human Resources
Olivia Segura – Redevelopment
Deborah Jackson – Neighborhood Services

PROJECT TEAM

Robert S. Torrez – Assistant City Manager – Administration & Community Services
Christy Valencia –Finance Manager
May Tan – Accounting/Auditing Supervisor
Patricia Tarin – Financial Analyst
Maria Luna – Billing & Collections Supervisor
Miguel Angel Cervantes – Administrative Aide
Jaime Rivas – Payroll Specialist
Lilly Mojarro – Accounting Technician
Monica Castellanos – Accounting Technician
Joe Udeochu – Accounting Technician
Jamel Goodloe – Graphics Technician

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 3008

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FINANCE AND ADMINISTRATION
DEPARTMENT

City of LYNWOOD

Incorporated 1921
11330 Bullis Road, Lynwood, CA 90262
(310) 603-0220

March 26, 2009

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

We are pleased to present to you and the Lynwood residents the City's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2007-08. The CAFR presents the City's financial position and changes therein, for its various funding sources. The basic financial statements and supporting schedules have been prepared in compliance with California Government Code Sections 25250 and 25253, and in accordance with generally accepted accounting principles in the United States of America (US GAAP), as established by the Governmental Accounting Standards Board (GASB).

Our Comprehensive Annual Financial Report is presented in three sections:

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

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

The Statistical Section is prepared in accordance with GASB 44 requirements, and reflects the Economic Condition of Reporting entities. It includes ten years of financial data, debt computations, and a variety of demographic, economic and social information that may be of interest to potential investors in the City's bonds and to other interested readers.

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

that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by an independent auditing firm that is licensed as certified public accountants, Moss, Levy and Hartzheim. The object of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2008, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion on the City's financial statements for the fiscal year ended June 30, 2008. The Independent Auditor's Report is presented as the first component of the Financial Section of this report.

GASB Statement No. 34 (GASB 34) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

The Statistical Section has been updated to reflect GASB Statement 44 (GASB 44), Economic Condition of Reporting. The Statistical Section can be found following the Financial Section.

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

THE REPORTING ENTITY AND ITS SERVICES

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

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

- Government-wide financial reporting;
- Management's Discussion and Analysis (MD&A);
- Fund Financial Statements; and
- Expanded budgetary reporting.

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

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

PROFILE OF THE GOVERNMENT

The City of Lynwood voters approved the City's incorporation on July 1, 1921. The City is situated approximately 13 miles south of downtown Los Angeles at the intersection of the 710 and 105 freeways in Los Angeles County. The City has grown from basically an agricultural area in the early 1900's to its present residential and growing industrial and commercial importance. The City covers 4.8 square miles.

The population of Lynwood grew rather slowly in its early years. In 1921, there were about 786 people, and the City grew to 1,326 in 1930, 10,968 in 1940, 31,614 in 1960, and 55,071 in 1988. Presently, there are over 73,000 residents in the City of Lynwood.

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

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is

considered from the broader perspective of the specific environment within which the City operates.

LOCAL ECONOMY

The Lynwood Redevelopment Agency (“Agency”) continues to focus on projects along the City’s major commercial corridors. In 2005, the City of Lynwood adopted the Long Beach Boulevard Specific Plan which sets forth the development framework to encourage transit oriented development. The development vision for Long Beach Boulevard will contain design features to encourage pedestrian activity. Pedestrian nodes, street furniture, hardscape and landscape, and unique paving patterns will be used to reshape the area and encourage economic development. The Oakwood Plaza, a 15,701 square foot retail development, is slated to be completed in 2009. This plaza will incorporate the pedestrian friendly design component. In 2008, the Agency acquired a property at Norton Avenue at Long Beach Boulevard to lease to a Developer for a commercial project at this one acre site. In 2008, the Agency received a proposal from a Developer to expand Norton Plaza. The Long Beach/Pluma Shopping Center and Plaza Mexico continue to operate as well despite the downturn in the economy.

The Agency and the City are also pursuing projects to enhance Atlantic Avenue. The Atlantic Crossings retail project which was completed in 2003 continues to operate successfully. In 2009, the Agency will complete the 15-unit senior housing project on Atlantic Avenue which will incorporate an Art in Public Places component to enhance the viability of Atlantic corridor for private investment. In 2009, the City will complete a \$35 million dollar ten-acre park project at the corner of Atlantic Avenue and I-105 Freeway. South of the park on Atlantic Avenue, the Agency is negotiating with AMCAL on a 90+ affordable housing units project that will cost \$25 million dollar to build. This project is anticipated to be completed in 2011. These projects combined will serve as a catalyst on improving the Atlantic Avenue commercial corridor south of the I-105-Freeway.

Other commercial and housing projects are also underway. The Agency is building ten new affordable housing units in partnership with Habitat for Humanity along Imperial Highway. The Agency has entered into an Exclusive Negotiating Agreement with Lynwood Gateway Center to develop a 44 acre site west of Wright Road for a mixed use project that includes housing, retail and an extended stay hotel. The City received Enterprise Zone designation which provides economic incentives to existing businesses to remain and attract new businesses to establish in Lynwood.

CASH MANAGEMENT POLICIES AND PRACTICES

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

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency’s investment policy. The investment types authorized for investment by the City include

the Local Agency Investment Fund (State pool), U.S. Treasury Obligations, U.S. Government Agency Issues, Certificates of Deposit, Commercial Paper, as well as Mutual Funds and Money Market Funds comprised of eligible securities.

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

RISK MANAGEMENT

To finance its risks of general liability and worker's compensation, the City maintains its membership in the Independent Cities Risk Management Authority (ICRMA). The ICRMA is a joint powers authority which consists of 23 cities, whose purpose is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurances or reinsurances, and to arrange for group-purchased insurance for property and other coverage.

The City participates in programs for worker's compensation and general liability coverage administered by ICRMA. The Worker's Comp limit is \$10,000,000 with the City's retention of \$325,000 for each accident. General liability coverage is \$20,000,000 with the City's retention set at \$500,000 for each accident. The City Attorney believes that the above designation is adequate to cover any losses. Costs related to litigation of claims are expensed as incurred.

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

During the past three fiscal (claim) years, none of the above programs of protection have had statements or judgments that exceeded pooled or insured coverage nor has there been any significant reductions in pooled or insured liability coverage from the prior year.

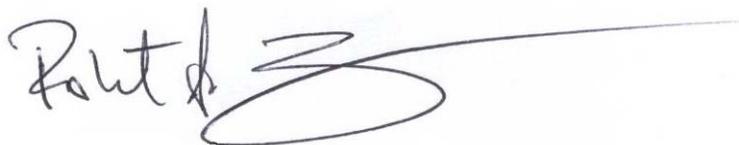
ACKNOWLEDGEMENTS

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

Respectfully submitted,

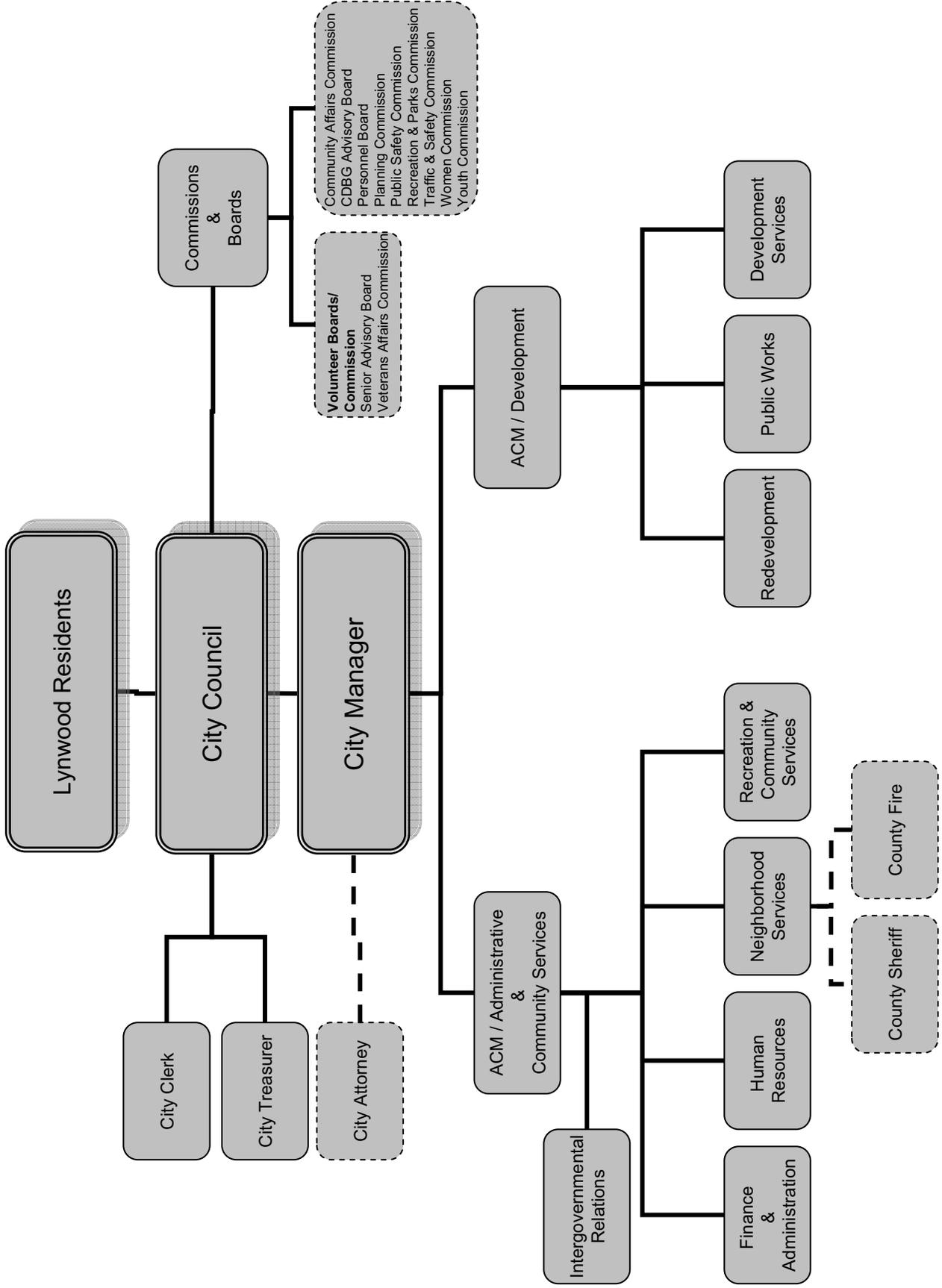


Roger L. Haley,
City Manager



Robert S. Torrez
Assistant City Manager/Administrative
& Community Services

CITY OF LYNWOOD ORGANIZATIONAL CHART





MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS:

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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, 2008, 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, 2008, 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.

OFFICES: BEVERLY HILLS · SANTA MARIA

As discussed in note 1 of the notes to basic financial statements effectively July 1, 2007, the City adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* and GASB Statement No. 50, *Pension Disclosures – An Amendment of GASB Statements No. 25 and No. 27*.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 18, 2009, 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, and the budgetary comparison schedules for the General Fund and Redevelopment Low/Mod Housing Area "A" Special Revenue Fund are not a required HUD Home program parts of the basic financial statements but is supplementary information required by the Governmental Accounting Standard Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and therefore express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lynwood's basic financial statements. The budget to actual comparison schedules for major capital projects funds, nonmajor governmental funds combining statements, budget to actual comparison schedules of nonmajor governmental funds, combining internal service funds financial statements, statement of changes in assets and liabilities – agency fund, and the statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The budget to actual comparison schedules for major capital projects funds, nonmajor governmental funds combining statements, budget to actual comparison schedules of nonmajor governmental funds, 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 & Hartzheim

Moss, Levy and Hartzheim, LLP
Beverly Hills, California
March 18, 2009

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 and analysis of the City's financial activities for the fiscal year ended June 30, 2008. 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, 2008 were \$190.7 million and total liabilities were \$60.5 million. The assets exceeded liabilities by \$130.2 million (net assets).
- During the fiscal year, the City's general fund uses (including expenditures and transfers out) exceeded sources (including revenues and transfers in) by more than \$5.2 million; this was because of transfers to funds that were in deficit. The transfers totaled \$5.5 million to four funds, self-insurance, traffic safety, lighting maintenance and landscape maintenance. The year-end fund balance for the General Fund was \$11.1, of which \$978,146 was reserved for long-term advances and contingency fund.
- Total revenues from all sources were \$61.6 million and total expenditures were \$52.1 million. Of the total revenues, program revenues were \$24.9 million. Program revenues are broken into three categories: Charges for services at \$15.6 million, operating contributions and grants at \$10.7 million; and capital contributions and grants at less than \$0.2 million.

ROAD MAP FOR THE FY 2007-2008 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 2007-08 (CURRENT)			Fiscal Year 2006-07 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current Assets & Other Assets	\$ 53,836,270	\$ 14,714,467	\$ 68,550,737	\$ 51,894,782	\$ 11,767,710	\$ 63,662,492
Capital Assets	114,103,853	8,039,723	122,143,576	109,374,559	8,330,403	117,704,962
Total assets	\$ 167,940,123	\$ 22,754,190	\$ 190,694,313	\$ 161,269,341	\$ 20,098,113	\$ 181,367,454
Liabilities:						
Other Liabilities	8,750,590	720,605	9,471,195	7,806,016	513,669	8,319,685
Long-Term Debt Outstanding	36,054,856	14,954,577	51,009,433	36,184,902	15,249,861	51,434,763
Total liabilities	\$ 44,805,446	\$ 15,675,182	\$ 60,480,628	\$ 43,990,918	\$ 15,763,530	\$ 59,754,448
Net Assets:						
Invested in capital assets, net of related debt	85,074,079	(3,167,553)	81,906,526	79,540,927	(2,167,357)	77,373,570
Restricted	34,777,084	988,286	35,765,370	33,396,865	4,891,486	38,288,351
Unrestricted	3,283,514	9,258,275	12,541,789	4,340,631	1,610,454	5,951,085
Total net assets	\$ 123,134,677	\$ 7,079,008	\$ 130,213,685	\$ 117,278,423	\$ 4,334,583	\$ 121,613,006

The City's overall assets increased to \$190.7 million in FY 2007-08, and the overall liabilities increased to \$60.5 million over the same period. As a result, the net assets increased from \$121.6 million to \$130.2 million. The Governmental Activities net assets increased by \$5.8 million, while the Business-type Activities increased by \$2.7 million.

Table 2
Changes in Net Assets

	Fiscal Year 2007-08 (CURRENT)			Fiscal Year 2006-07 (PRIOR)		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities		Activities	Activities	
REVENUES						
Program Revenues						
Charges for services	\$ 5,817,694	\$ 9,764,539	\$ 15,582,233	\$ 6,387,954	\$7,881,493	\$ 14,269,447
Operating Contributions and grants	9,165,957		10,674,374	5,178,618		5,178,618
Capital contributions and grants	186,401		186,401	1,703,546		1,703,546
Subtotal	<u>15,170,052</u>	<u>9,764,539</u>	<u>26,443,008</u>	<u>13,270,118</u>	<u>7,881,493</u>	<u>21,151,611</u>
General Revenues						
Property taxes	17,801,044		17,801,044	18,209,991		18,209,991
Utility users tax	6,576,250		6,576,250	6,193,590		6,193,590
Sales taxes	5,401,170		5,401,170	3,688,238		3,688,238
Franchise taxes	1,302,678		1,302,678	1,257,149		1,257,149
Business license taxes	471,907		471,907	407,714		407,714
Other taxes	1,433,893		1,433,893	1,327,499		1,327,499
Motor vehicle in lieu tax, unrestricted	361,087		361,087	540,103		540,103
Use of money and property	1,402,738	159,515	1,562,253	2,176,869	607,504	2,784,373
Other	239,172		239,172	1,118,246		1,118,246
Gain on sale of capital assets	0		0	833,480		833,480
Loss on disposal of capital assets	0		0	0		0
Transfers	(346,792)	346,792	0	5,312,643	(5,312,643)	0
Total	<u>\$ 49,813,199</u>	<u>\$ 10,270,846</u>	<u>\$ 61,592,462</u>	<u>\$ 54,335,640</u>	<u>\$3,176,354</u>	<u>\$ 57,511,994</u>
EXPENSES						
General government	9,942,569		9,942,569	8,117,721		8,117,721
Public safety	15,696,589		15,696,589	15,505,809		15,505,809
Public works	7,344,547		7,344,547	5,294,634		5,294,634
Community development	5,406,955		5,406,955	6,390,638		6,390,638
Parks and recreation	3,160,255		3,160,255	3,312,944		3,312,944
Interest on long-term debt	1,941,003		1,941,003	1,984,742		1,984,742
Unallocated depreciation	1,048,750		1,048,750	1,025,821		1,025,821
Water		6,485,599	6,485,599		6,544,735	6,544,735
Transit		1,040,822	1,040,822		1,144,485	1,144,485
Total	<u>\$ 44,540,668</u>	<u>\$ 7,526,421</u>	<u>\$ 52,067,089</u>	<u>\$ 41,632,309</u>	<u>\$7,689,220</u>	<u>\$ 49,321,529</u>
Change in net assets	6,780,948	2,744,425	9,525,373	12,703,331	(4,512,866)	8,190,465
Net assets at beginning of fiscal year	117,278,423	4,334,583	121,613,006	105,641,488	8,847,449	114,488,937
Prior period adjustments	(924,694)		(924,694)	(1,066,396)		(1,066,396)
Net assets at the beginning of fiscal year restated	<u>116,353,729</u>	<u>4,334,583</u>	<u>120,688,312</u>	<u>104,575,092</u>	<u>8,847,449</u>	<u>113,422,541</u>
Net assets at end of fiscal year	<u>\$ 123,134,677</u>	<u>\$ 7,079,008</u>	<u>\$ 130,213,685</u>	<u>\$ 117,278,423</u>	<u>\$4,334,583</u>	<u>\$121,613,006</u>

The City's overall net assets increased since the beginning of the year, from \$121.6 million to \$130.2 million. The reason for the increase is the positive difference between the actual revenues of \$61.6 million and the actual expenditures of \$52.1 million less a prior period adjustment of \$924,694. As reflected in the above table, the positive revenue/expenditure difference is significantly larger for the Governmental Activities (where a surplus of \$5.8 million was recorded) than the Business-Type Activities (resulting in a surplus of \$2.7 million).

Compared to FY 2006-07, the City's overall revenues increased from \$57.5 million to \$61.6 million. The overall expenditures increased from \$49.3 million to \$52.1 million.

GOVERNMENTAL ACTIVITIES

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

Table 3
Governmental Activities
Net Cost of Services

FUNCTIONS/PROGRAMS	Fiscal Year 2007-08 (CURRENT)			Fiscal Year 2006-07 (PRIOR)		
	Expenses	Program Revenues	Net Cost of Services	Expenses	Program Revenues	Net Cost of Services
General government	\$ 9,942,569	\$ 1,709,979	\$ 8,232,590	\$ 8,117,721	\$ 2,041,391	\$ 6,076,330
Public safety	15,696,589	2,158,453	13,538,136	15,505,809	1,491,632	14,014,177
Public works	7,344,547	7,436,575	(92,028)	5,294,634	6,536,513	(1,241,879)
Community development	5,406,955	4,691,733	715,222	6,390,638	2,652,992	3,737,646
Parks and recreation	3,160,255	681,729	2,478,526	3,312,944	547,590	2,765,354
Interest on long-term debt	1,941,003		1,941,003	1,984,742		1,984,742
Unallocated depreciation	1,048,750		1,048,750	1,025,821		1,025,821
Total	\$ 44,540,668	\$ 16,678,469	\$ 27,862,199	\$ 41,632,309	\$ 13,270,118	\$ 28,362,191

The cost of the City's Governmental Activities increased from \$41.6 million in FY 2006-07 to \$44.5 million in FY 2007-08 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 increased from \$13.3 million to \$16.7 million. As a result of the respective changes in the revenues and expenditures, the net cost of the Government Activities was \$27.9 million in FY 2007-08, \$0.5 million less than the net cost of \$28.4 million recorded in FY 2006-07.

Overall, ***the cost of government in FY 2007-08 exceeded the program revenues generated to support it.***

BUSINESS-TYPE ACTIVITIES

Table 4 reflects the cost of the City's Business-Type Activities: water, sewer and transit, along with the programs' net cost. The net revenue for these activities was \$2.2 million in FY 2007-08, with the transit services having a net cost of over \$1 million, as opposed to the net revenue of less than \$3.3 million recorded in the water and sewer program.

Table 4
Business-Type Activities
Net Cost of Services

FUNCTIONS/PROGRAMS	Fiscal Year 2007-08 (CURRENT)			Fiscal Year 2006-07 (PRIOR)		
	Expenses	Program Revenues	Net Cost of Services	Expenses	Program Revenues	Net Cost of Services
Water & Sewer	\$ 6,485,599	\$ 9,759,112	\$ (3,273,513)	\$ 6,544,735	\$ 7,861,420	\$ (1,316,685)
Transit	1,040,822	5,427	1,035,395	1,144,485	20,073	1,124,412
Total	\$ 7,526,421	\$ 9,764,539	\$ (2,238,118)	\$ 7,689,220	\$ 7,881,493	\$ (192,273)

The cost of the City's Business-Type Activities decreased from \$7.7 million in FY 2006-07 to \$7.5 million in FY 2007-08. The program revenue generated by these activities increased, from \$7.9 million to \$9.7 million. As a result, the net revenue of the Business-Type Activities in FY 2007-08 was \$2.2 million. 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 \$41.4 million, which is a \$3.3 million decrease from the prior fiscal year. The General Fund had a net decrease of \$5.2 million in its fund balance, from \$16.3 million to \$11.1 million. The decrease was because of transfers to other funds, discussed earlier, totaling \$5.5 million.

General Fund Budgetary Highlights

The year-end actual revenues for the General Fund (including transfers in) were \$30.4 million; the actual expenditures (including transfers out) totaled \$35.6 million. The actual revenues including transfers \$240,661 below the budgeted estimate, while the actual spending with transfers was \$3.6 million below the final 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 2007-08, the City had \$122.1 million invested in capital assets. Of this amount, \$114.1 million is related to Governmental Activities and another \$8 million to Business-Type Activities. These amounts represent an increase from the previous year (FY 2006-07), when the City's overall capital assets were \$117.7 million, including \$109.4 million in Governmental Activities and \$8.3 million in Business-Type Activities.

Table 5
Capital Assets

	Fiscal Year 2007-08 (CURRENT)			Fiscal Year 2006-07 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	\$ 86,723,536	\$ 37,252	\$ 86,760,788	\$ 81,057,254	\$ 37,252	\$ 81,094,506
Capital assets, net of accumulated depreciation	27,380,317	8,002,471	35,382,788	28,317,305	8,293,151	36,610,456
Total	\$ 114,103,853	\$ 8,039,723	\$ 122,143,576	\$ 109,374,559	\$ 8,330,403	\$ 117,704,962

The City has a number of capital projects planned or in progress. The amount budgeted for these in FY 2008-09 were \$24 million, of which \$3.9 million represents new projects. The City's major projects include several street improvements, with Long Beach Boulevard and Abbott Road as the major ones. In addition to street projects, the City's focus includes the improvement of water mains, water wells, sewer system, as well as traffic signals and parks.

Long-Term Debt

At fiscal year-end, the City's governmental activities accounted for approximately \$36.1 million in tax allocation and revenue bonds, a HUD loan, claims payable and compensated absences. Another \$15 million was outstanding for the business-type activities. The outstanding debt amounts have decreased from \$36.2 million in FY 2006-07 for the Government Activities, and from \$15.2 million for the Business-Type Activities.

Table 6
Outstanding Long-Term Debt

	Balance at July 1, 2007	Additions	Repayments	Prior Period Adjustments	Balance at June 30, 2008	Due Within One Year
Governmental Activities:						
Compensated absences	\$ 1,164,768	\$ 1,259,237	\$ (873,576)	\$ -	\$ 1,550,429	\$ 1,162,822
Capital leases payable	946,716		(451,285)		495,431	324,475
Tax Allocation bonds	13,325,000		(305,000)		13,020,000	330,000
HUD loan payable	6,280,000		(270,000)		6,010,000	285,000
Claims payable	3,503,418	1,589,697	(1,204,120)		3,888,995	972,249
Note Payable - Grae Atlantic			(10,994)	625,995	615,001	12,203
Revenue bonds	10,965,000		(490,000)		10,475,000	500,000
Total	\$ 36,184,902	\$ 2,848,934	\$ (3,604,975)	\$ 625,995	\$ 36,054,856	\$ 3,586,749
Business-type Activities:						
Water Fund:						
Compensated absences	\$ 214,457	\$ 191,538	\$ (160,843)		\$ 245,152	\$ 183,864
Revenue bonds	15,035,404		(325,979)		14,709,425	340,000
Total	\$ 15,249,861	\$ 191,538	\$ (486,822)	\$ -	\$ 14,954,577	\$ 523,864

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City has developed a budget that maintains the core services (law enforcement, fire, and recreation) and meets the community's needs. These services are important to the quality of life and safety of the Lynwood community. The City also took action to protect General Fund reserves by reducing subsidies to several other funds. Those funds that relied on General Fund for support may experience shortfalls, which could impact some services. 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 new revenues and identify cost containment measures to ensure the ongoing fiscal stability of the City. However, there is a need to address the increasing demand for services from residents and businesses. City staff continues to explore opportunities to expand the City's revenue base, while costs continue to increase. The costs of commodities and services have increased, including law enforcement, fire and animal control services. These public safety costs amount to \$13.1 million.

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, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and investments	\$ 31,677,535	\$ 7,930,734	\$ 39,608,269
Restricted Assets:			
Cash and investments	58,082		58,082
Cash and investments with fiscal agents	5,142,085	3,995,092	9,137,177
Receivables:			
Intergovernmental	5,250,146		5,250,146
Accounts	1,542,021	2,330,783	3,872,804
Interest	211,407	43,561	254,968
Notes and loans	2,609,202		2,609,202
Prepaid items	181,443		181,443
Internal balances	149,411	(149,411)	
Land held for resale	5,489,162		5,489,162
Deferred charges, net of accumulated amortization	1,525,776	563,708	2,089,484
Capital assets not being depreciated	86,723,536	37,252	86,760,788
Capital assets, net of accumulated depreciation	27,380,317	8,002,471	35,382,788
	<u>167,940,123</u>	<u>22,754,190</u>	<u>190,694,313</u>
Liabilities:			
Accounts payable	6,394,740	564,354	6,959,094
Accrued interest payable	614,254	68,371	682,625
Unearned revenue	728,308		728,308
Deposits payable	1,013,288	87,880	1,101,168
Noncurrent liabilities:			
Due within one year	3,586,749	523,864	4,110,613
Due in more than one year	32,468,107	14,430,713	46,898,820
	<u>44,805,446</u>	<u>15,675,182</u>	<u>60,480,628</u>
Net Assets:			
Invested in capital assets, net of related debt	85,074,079	(3,167,553)	81,906,526
Restricted for:			
Retirement	471,925		471,925
Public safety	149,711		149,711
Housing	10,099,601		10,099,601
Debt service	5,015,471	988,286	6,003,757
Development projects	12,301,270		12,301,270
Streets, roads, and transportation	395,129		395,129
Air and street cleaning	3,283,514	9,258,275	12,541,789
Unrestricted	.		
	<u>\$ 123,134,677</u>	<u>\$ 7,079,008</u>	<u>\$ 130,213,685</u>
Total net assets	<u>\$ 123,134,677</u>	<u>\$ 7,079,008</u>	<u>\$ 130,213,685</u>

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Activities
For the Fiscal Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ 9,942,569	\$ 352,691	\$ 1,357,288	\$ -
Public safety	15,696,589	1,682,637	475,816	
Public works	7,344,547	3,281,415	4,155,160	
Community development	5,406,955		4,505,332	186,401
Parks and recreation	3,160,255	500,951	180,778	
Interest on long-term debt	1,941,003			
Unallocated depreciation	1,048,750			
Total governmental activities	<u>44,540,668</u>	<u>5,817,694</u>	<u>10,674,374</u>	<u>186,401</u>
Business-type Activities:				
Water and Sewer	6,485,599	9,759,112		
Transit	1,040,822	5,427		
Total business-type activities	<u>7,526,421</u>	<u>9,764,539</u>		
Total primary government	<u>\$ 52,067,089</u>	<u>\$ 15,582,233</u>	<u>\$ 10,674,374</u>	<u>\$ 186,401</u>

General Revenues:

- Taxes:
 - Property taxes
 - Utility users tax
 - Sales taxes
 - Franchise taxes
 - Business license taxes
 - Other taxes
- Motor vehicle in lieu tax, unrestricted
- Use of money and property
- Other
- Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of fiscal year

Prior period adjustments

Net assets at beginning of fiscal year, restated

Net assets at end of fiscal year

See Notes to Basic Financial Statements

Net (Expenses) Revenues
and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (8,232,590)	\$ -	\$ (8,232,590)
(13,538,136)		(13,538,136)
92,028		92,028
(715,222)		(715,222)
(2,478,526)		(2,478,526)
(1,941,003)		(1,941,003)
(1,048,750)		(1,048,750)
<u>(27,862,199)</u>		<u>(27,862,199)</u>
	3,273,513	3,273,513
	(1,035,395)	(1,035,395)
	<u>2,238,118</u>	<u>2,238,118</u>
<u>(27,862,199)</u>	<u>2,238,118</u>	<u>(25,624,081)</u>
17,801,044		17,801,044
6,576,250		6,576,250
5,401,170		5,401,170
1,302,678		1,302,678
471,907		471,907
1,433,893		1,433,893
361,087		361,087
1,402,738	159,515	1,562,253
239,172		239,172
(346,792)	346,792	
<u>34,643,147</u>	<u>506,307</u>	<u>35,149,454</u>
<u>6,780,948</u>	<u>2,744,425</u>	<u>9,525,373</u>
117,278,423	4,334,583	121,613,006
(924,694)		(924,694)
<u>116,353,729</u>	<u>4,334,583</u>	<u>120,688,312</u>
<u>\$ 123,134,677</u>	<u>\$ 7,079,008</u>	<u>\$ 130,213,685</u>

CITY OF LYNWOOD
Balance Sheet
Governmental Funds
June 30, 2008

		Special Revenue Funds		Capital Projects Funds
	General	Redevelopment Low/Mod Housing Area "A"	HUD Home Program	Redevelopment Project Area "A"
Assets:				
Cash and investments	\$ 5,165,116	\$ 2,801,538	\$ 449,071	\$ 797,588
Restricted assets:				
Cash and investments				58,082
Cash and investments with fiscal agents				
Receivables:				
Intergovernmental	1,518,471		490,183	
Accounts	1,506,205		4,091	
Interest	59,723			
Notes and loans	1,620	645,975	1,676,671	2,279,491
Prepaid items	181,443			
Due from other funds	6,705,700	27,759		
Advances to other funds	780,000			957,380
Land held for resale		3,439,099	967,170	1,082,893
Total assets	\$ 15,918,278	\$ 6,914,371	\$ 3,587,186	\$ 5,175,434
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 3,021,905	\$ 46,923	\$ 277,817	\$ 710,817
Due to other funds	329,754			
Deferred revenue	568,211	645,975	1,676,671	2,337,573
Deposits payable	921,267			92,021
Advances from other funds			957,380	
Total liabilities	4,841,137	692,898	2,911,868	3,140,411
Fund balances:				
Reserved:				
Reserved for long term advances	780,000			957,380
Reserved for notes receivable	1,620			
Reserved for projects				
Reserved for housing		2,768,254		
Reserved for retirement				
Reserved for debt service				
Reserved for land held for resale		3,439,099	967,170	1,082,893
Reserved for prepaid items	181,443			
Reserved for encumbrances	289,657	14,120	96,603	31,780
Reserved for contingencies	198,146			
Unreserved reported in:				
General Fund	9,626,275			
Special Revenue Funds			(388,455)	
Capital Projects Funds				(37,030)
Total fund balances	11,077,141	6,221,473	675,318	2,035,023
Total liabilities and fund balances	\$ 15,918,278	\$ 6,914,371	\$ 3,587,186	\$ 5,175,434

See Notes to Basic Financial Statements

Capital Projects Funds			
Capital Improvement Projects	2002 HUD Section 108 Loan	Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,051,685	\$ 6,367,120	\$ 12,621,368	\$ 31,253,486
			58,082
		5,142,085	5,142,085
		3,241,492	5,250,146
		31,725	1,542,021
		151,684	211,407
		2,696,420	7,300,177
			181,443
		364,963	7,098,422
			1,737,380
			5,489,162
<u>\$ 3,051,685</u>	<u>\$ 6,367,120</u>	<u>\$ 24,249,737</u>	<u>\$ 65,263,811</u>
\$ 1,143,650	\$-	\$ 822,940	\$ 6,024,052
		6,068,594	6,398,348
		3,442,286	8,670,716
			1,013,288
		780,000	1,737,380
<u>1,143,650</u>		<u>11,113,820</u>	<u>23,843,784</u>
			1,737,380
			1,620
1,908,035	6,367,120	452,783	9,543,780
		1,346,449	4,114,703
		471,925	471,925
		4,425,156	5,629,725
			5,489,162
			181,443
		20,633	452,793
			198,146
			9,626,275
		6,426,703	6,038,248
		(7,732)	(2,065,173)
<u>1,908,035</u>	<u>6,367,120</u>	<u>13,135,917</u>	<u>41,420,027</u>
<u>\$ 3,051,685</u>	<u>\$ 6,367,120</u>	<u>\$ 24,249,737</u>	<u>\$ 65,263,811</u>

CITY OF LYNWOOD
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2008

Fund balances of governmental funds	\$ 41,420,027
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 \$1,267,578).	114,103,853
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	7,298,557
Allowance for uncollectible notes and loans	(4,690,975)
Deferred revenue, franchise fees	80,000
Deferred revenue, sales tax	141,544
Deferred revenue, intergovernmental	422,307
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 \$3,192,437)	(36,054,856)
Deferred charges, net of accumulated amortization for debt issuance costs on long-term debt have not been reported in the governmental funds.	1,525,776
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.	(614,254)
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 funds must be added to the statement of net assets (Net of capital assets and long-term liabilities reported above).	<u>(497,302)</u>
Net assets of governmental activities	<u>\$ 123,134,677</u>

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CITY OF LYNWOOD
Statement of Revenues,
Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Special Revenue Funds		Capital Projects Funds
		Redevelopment Low/Mod Housing Area "A"	HUD Home Program	Redevelopment Project Area "A"
Revenues:				
Taxes	\$ 20,349,141	\$ -	\$ -	\$ -
Licenses and permits	354,853			
Fines and forfeits	1,149,889			
Use of money and property	564,011	91,908		6,098
Intergovernmental	395,257		1,425,217	
Charges for services	3,274,544			
Administrative support	1,310,366			
Program income				
Other	594,668	35,000		4,260
Total revenues	<u>27,992,729</u>	<u>126,908</u>	<u>1,425,217</u>	<u>10,358</u>
Expenditures:				
Current:				
General government	6,726,136			
Public safety	13,062,365			
Public works	4,676,327			
Community development	77,057	498,682	531,340	2,357,481
Parks and recreation	3,160,255			
Capital outlay			402,590	
Debt service:				
Principal		48,600		10,994
Interest and fiscal charges		133,651		
Total expenditures	<u>27,702,140</u>	<u>680,933</u>	<u>933,930</u>	<u>2,368,475</u>
Excess of revenues over (under) expenditures	<u>290,589</u>	<u>(554,025)</u>	<u>491,287</u>	<u>(2,358,117)</u>
Other Financing Sources (Uses):				
Transfers in	2,369,408	884,983		2,215,369
Transfers out	(7,887,125)			
Total other financing sources (uses)	<u>(5,517,717)</u>	<u>884,983</u>		<u>2,215,369</u>
Net change in fund balances	<u>(5,227,128)</u>	<u>330,958</u>	<u>491,287</u>	<u>(142,748)</u>
Fund balances, beginning of fiscal year	16,304,269	6,316,115	184,031	2,177,771
Prior period adjustments		(425,600)		
Fund balances, beginning of fiscal year, restated	<u>16,304,269</u>	<u>5,890,515</u>	<u>184,031</u>	<u>2,177,771</u>
Fund balances, end of fiscal year	<u>\$ 11,077,141</u>	<u>\$ 6,221,473</u>	<u>\$ 675,318</u>	<u>\$ 2,035,023</u>

See Notes to Basic Financial Statements

Capital Projects Funds			
Capital Improvement Projects	2002 HUD Section 108 Loan	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 12,416,257	\$ 32,765,398
			354,853
		37,864	1,187,753
	216,463	602,820	1,481,300
186,401		7,395,066	9,401,941
		565,789	3,840,333
			1,310,366
		49,273	49,273
		26,766	660,694
<u>186,401</u>	<u>216,463</u>	<u>21,093,835</u>	<u>51,051,911</u>
		1,602,155	8,328,291
		2,634,224	15,696,589
		2,668,220	7,344,547
		2,088,048	5,552,608
5,578,415		2,024	3,160,255
			5,983,029
		1,276,000	1,335,594
		1,634,586	1,768,237
<u>5,578,415</u>		<u>11,905,257</u>	<u>49,169,150</u>
(5,392,014)	216,463	9,188,578	1,882,761
4,159,382		6,166,672	15,795,814
		(12,678,793)	(20,565,918)
<u>4,159,382</u>		<u>(6,512,121)</u>	<u>(4,770,104)</u>
(1,232,632)	216,463	2,676,457	(2,887,343)
3,140,667	6,150,657	10,459,460	44,732,970
			(425,600)
<u>3,140,667</u>	<u>6,150,657</u>	<u>10,459,460</u>	<u>44,307,370</u>
<u>\$ 1,908,035</u>	<u>\$ 6,367,120</u>	<u>\$ 13,135,917</u>	<u>\$ 41,420,027</u>

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, 2008

Net change in fund balances - Total governmental funds \$ (2,887,343)

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:

Capital outlay	5,737,381	
Depreciation	<u>(1,048,750)</u>	
		4,688,631

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. 40,499

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. 1,335,594

The amounts below included in the statement of activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenue or expenditures in governmental funds (net change). These are the current year changes:

Compensated absences	(377,883)
Claims payable	(171,064)

Certain revenues are offset by deferred revenue in the governmental funds because they are not available to pay for current period expenditures. This is the amount of change in the current period. 721,651

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. (14,552)

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. 3,602,723

Change in net assets of governmental activities \$ 6,780,948

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Net Assets
Proprietary Funds
June 30, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities
	Transit	Water and Sewer	Totals	Internal Service Funds
Assets:				
Current Assets:				
Cash and investments	\$ 170,518	\$ 7,760,216	\$ 7,930,734	\$ 424,049
Restricted assets:				
Cash and investments with fiscal agents		3,995,092	3,995,092	
Accounts receivable, net		2,330,783	2,330,783	
Interest receivable		43,561	43,561	
Total current assets	<u>170,518</u>	<u>14,129,652</u>	<u>14,300,170</u>	<u>424,049</u>
Noncurrent Assets:				
Deferred issuance costs, net		563,708	563,708	
Capital assets:				
Land		37,252	37,252	
Depreciable infrastructure, net		7,976,202	7,976,202	
Depreciable buildings and improvements, net		26,269	26,269	
Depreciable equipment, net				1,267,578
Total noncurrent assets		<u>8,603,431</u>	<u>8,603,431</u>	<u>1,267,578</u>
Total assets	<u>170,518</u>	<u>22,733,083</u>	<u>22,903,601</u>	<u>1,691,627</u>
Liabilities:				
Current Liabilities:				
Accounts payable	170,518	393,836	564,354	370,688
Accrued interest payable		68,371	68,371	
Deposits payable		87,880	87,880	
Due to other funds		149,411	149,411	550,663
Current portion of long-term obligations		523,864	523,864	787,712
Total current liabilities	<u>170,518</u>	<u>1,223,362</u>	<u>1,393,880</u>	<u>1,709,063</u>
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations:				
Compensated absences				41,590
Claims payable				2,363,135
Revenue bonds payable		14,430,713	14,430,713	
Total noncurrent liabilities		<u>14,430,713</u>	<u>14,430,713</u>	<u>2,404,725</u>
Total liabilities	<u>170,518</u>	<u>15,654,075</u>	<u>15,824,593</u>	<u>4,113,788</u>
Net Assets:				
Invested in capital assets, net of related debt		(3,167,553)	(3,167,553)	1,267,578
Restricted for debt service		988,286	988,286	
Unrestricted		9,258,275	9,258,275	(3,689,739)
Total net assets	<u>\$ -</u>	<u>\$ 7,079,008</u>	<u>\$ 7,079,008</u>	<u>\$ (2,422,161)</u>

CITY OF LYNWOOD
Statement of Revenues, Expenses,
and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities
	Transit	Water and Sewer	Totals	Internal Service Funds
Operating Revenues:				
Sales and service charges	\$ 5,427	\$ 9,759,112	\$ 9,764,539	\$ 2,891,232
Total operating revenues	<u>5,427</u>	<u>9,759,112</u>	<u>9,764,539</u>	<u>2,891,232</u>
Operating Expenses:				
Administration		800,430	800,430	1,374,031
Insurance				578,437
Claims				1,206,616
Water utility		3,983,238	3,983,238	
Sewer utility		537,352	537,352	
Garage				357,064
Transit	1,040,822		1,040,822	
Depreciation		290,680	290,680	188,282
Total operating expenses	<u>1,040,822</u>	<u>5,611,700</u>	<u>6,652,522</u>	<u>3,704,430</u>
Operating income (loss)	<u>(1,035,395)</u>	<u>4,147,412</u>	<u>3,112,017</u>	<u>(813,198)</u>
Nonoperating Revenues (Expenses):				
Use of money and property		159,515	159,515	
Loss on disposal of capital assets				(6,485)
Interest expense		(837,915)	(837,915)	(906)
Amortization expense		(35,984)	(35,984)	
Total nonoperating revenues (expenses)		<u>(714,384)</u>	<u>(714,384)</u>	<u>(7,391)</u>
Income (loss) before transfers	(1,035,395)	3,433,028	2,397,633	(820,589)
Transfers in	1,039,045	1,148,027	2,187,072	4,423,312
Transfers out		<u>(1,840,280)</u>	<u>(1,840,280)</u>	
Change in net assets	<u>3,650</u>	<u>2,740,775</u>	<u>2,744,425</u>	<u>3,602,723</u>
Net Assets				
Beginning of fiscal year	(3,650)	4,338,233	4,334,583	(6,151,785)
Prior period adjustment				126,901
Beginning of fiscal year, restated	<u>(3,650)</u>	<u>4,338,233</u>	<u>4,334,583</u>	<u>(6,024,884)</u>
End of fiscal year	<u>\$ -</u>	<u>\$ 7,079,008</u>	<u>\$ 7,079,008</u>	<u>\$ (2,422,161)</u>

See Notes to Basic Financial Statements

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CITY OF LYNWOOD
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities
	Transit	Water and Sewer	Totals	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 5,427	\$ 9,384,484	\$ 9,389,911	\$ 3,188,404
Payments to suppliers	(957,772)	(4,395,482)	(5,353,254)	(4,455,199)
Payments for claims				(992,103)
Payments to employees		(631,574)	(631,574)	(1,439,245)
Net cash provided (used) by operating activities	(952,345)	4,357,428	3,405,083	(3,698,143)
Cash flows from noncapital financing activities:				
Transfer in	1,039,045	1,148,027	2,187,072	4,423,312
Transfer out		(1,840,280)	(1,840,280)	
Net cash provided (used) in noncapital financing activities	1,039,045	(692,253)	346,792	4,423,312
Cash flows from capital and related financing activities:				
Purchase of capital assets				(235,430)
Principal payments on long-term debt		(325,979)	(325,979)	(64,784)
Interest paid on long-term debt		(839,137)	(839,137)	(906)
Net cash provided (used) in capital and related financing activities		(1,165,116)	(1,165,116)	(301,120)
Cash flows from investing activities:				
Interest on investments		167,934	167,934	
Net cash provided by investing activities		167,934	167,934	
Net increase (decrease) in cash and cash equivalents	86,700	2,667,993	2,754,693	424,049
Cash and cash equivalents, beginning of fiscal year	83,818	9,087,315	9,171,133	
Cash and cash equivalents, end of fiscal year	\$ 170,518	\$ 11,755,308	\$ 11,925,826	\$ 424,049
Supplemental information - non cash activities:				
Amortization	\$ -	\$ 35,984	\$ 35,984	\$ -
Allowance for doubtful accounts		162,566	162,566	
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	\$ 170,518	\$ 7,760,216	\$ 7,930,734	\$ 424,049
Cash and investments with fiscal agents		3,995,092	3,995,092	
Cash and cash equivalents - June 30, 2008	\$ 170,518	\$ 11,755,308	\$ 11,925,826	\$ 424,049

(Continued)

CITY OF LYNWOOD
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2008
(Continued)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Transit	Water and Sewer	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operations:				
Operating income (loss)	\$ (1,035,395)	\$ 4,147,412	\$ 3,112,017	\$ (813,198)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation		290,680	290,680	188,282
Decrease (increase) in accounts receivable		(374,628)	(374,628)	297,172
Increase (decrease) in accounts payable	83,050	131,543	214,593	99,685
Increase (decrease) in claims payable				214,513
Increase (decrease) in deposits payable		(6,435)	(6,435)	
Increase (decrease) in accrued employee benefits		30,695	30,695	7,778
Decrease (increase) in due to/from other funds		138,161	138,161	(3,692,375)
Total adjustments	83,050	210,016	293,066	(2,884,945)
Net cash provided (used) by operating activities	<u>\$ (952,345)</u>	<u>\$ 4,357,428</u>	<u>\$ 3,405,083</u>	<u>\$ (3,698,143)</u>

See Notes to Basic Financial Statements

CITY OF LYNWOOD
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

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

See Notes to Basic Financial Statements

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 Summary of Significant Accounting Policies

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

a. **Description of The Reporting Entity**

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

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

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

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

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

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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

a. Description of The Reporting Entity (Continued)

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

Lynwood Redevelopment Agency

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

Lynwood Public Financing Authority

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

Lynwood Information, Inc.

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

b. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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 Housing Area "A" 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.

HUD Home Program Special Revenue 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.

Redevelopment Agency Area "A" Capital Projects Funds – These funds account for redevelopment project capital outlays in each of their respective project areas.

The Capital Improvement Projects Capital Projects 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 Capital Projects 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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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 Transit Enterprise 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.

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.

Additionally, the City reports the following fund types:

The Internal Service Funds account for financial transactions related to City’s Garage Department, Information Technology, 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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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

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

Cash and Investments

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

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

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

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

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

Property Taxes

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

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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 XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

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

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

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

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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, 2008.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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:

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

Claims and Judgments

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

Compensated Absences

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

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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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.

f. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 48

For the fiscal year ended June 30, 2008, the City implemented *Governmental Accounting Standards Board (GASB) Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues"*. The Statement is effective for periods beginning after December 15, 2006. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also contains provisions that apply to certain situations in which a government does not receive resources but, nevertheless, pledges or commits future cash flows generated by collecting specific future revenues. In addition, this statement establishes accounting and financial reporting standards that apply to all intra-entity transfers of assets and future revenues. Implementation of GASB Statement No. 48 did not have an impact on the City's basic financial statements for the fiscal year ended June 30, 2008.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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

g. New Accounting Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 50

For the fiscal year ended June 30, 2008, the City implemented *Governmental Accounting Standards Board (GASB) Statement No. 50, "Pension Disclosures – an Amendment of GASB Statements No. 25 and No. 27"*. The Statement is effective for periods beginning after June 15, 2007. This Statement establishes and modifies requirements related to financial reporting by pension plans and by employers that provide defined benefit and defined contribution pensions.

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

General Budget Policies

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

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

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

Budgets are adopted for all general, special revenue, capital projects, and debt service funds except for the Prop 1B special revenue fund, Urban Tree Planting Grant special revenue fund, Highway-Thru-Cities special revenue fund.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 2 **Stewardship, Compliance, and Accountability (Continued)**

General Budget Policies (Continued)

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).

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 2 **Stewardship, Compliance, and Accountability (Continued)**

General Budget Policies (Continued)

Deficit Fund Balances/Net Assets

The following funds contained a deficit fund balance/net assets as of June 30, 2008:

Internal Service Fund:	
Self-insurance	3,959,091
Nonmajor Governmental Funds:	
Special Revenue Funds:	
Traffic safety	698,378
Lighting maintenance	639,822
Landscape maintenance	560,889
Improvement District	41,246
TEA/ISTEA grant	326,531
State homeland security grant	2,890
Capital Projects Fund:	
Park Replacement	2,064,111

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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 2 Stewardship, Compliance, and Accountability (Continued)

General Budget Policies (Continued)

Excess of Expenditures Over Appropriations

Fund	Final Appropriation	Expenditures	Excess
Major Governmental Fund:			
General Fund:			
General government			
Quality of life	\$ 292,397	\$ 294,066	\$ 1,669
Public works			
Planning	396,383	416,766	20,383
Administration	180,815	272,650	91,835
Animal control	112,833	124,786	11,953
City engineering	514,090	651,797	137,707
Special Revenue Funds:			
HUD Home Program			
Capital outlay	210,211	402,590	192,379
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Justice Assistance			
Public safety	50,000	52,869	2,869
State Homeland Security Grant			
Public safety		18,276	18,276
Redevelopment Agency Low/Mod Housing			
Alameda Area			
Interest and fiscal charges		25,218	25,218
Debt Service Funds:			
Tax Increment Alameda Area			
Community development		2,530	2,530
City of Lynwood			
Principal	680,944	749,600	68,656

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 3 **Cash and Investments**

Cash and investments are reported as follows:

	Governmental Activities	Business-type Activities	Totals
Cash and investments	\$ 31,677,535	\$ 7,930,734	\$ 39,608,269
Restricted cash and investments:			
Cash and investments	58,082		58,082
Cash and investments with fiscal agents	5,142,085	3,995,092	9,137,177
	\$ 36,877,702	\$ 11,925,826	\$ 48,803,528

Cash and investments at June 30, 2008 consisted of the following:

Petty cash	\$ 5,343
Deposits	4,928,631
Investments	43,869,554
Total	\$ 48,803,528

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

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

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 3 Cash and Investments (Continued)

c. Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Totals	Remaining maturity (in Months)			
		12 Months or Less	13 to 24 Months	25-60 Months	More Than 60 Months
State Investment Pool	\$ 24,015,432	\$ 24,015,432	\$ -	\$ -	\$ -
Money Market Funds	7,599,418	7,599,418			
Time Deposits	3,117,527	3,117,527			
Held by Bond Trustees:					
Money Market Funds	9,137,177	9,137,177			
Totals	<u>\$ 43,869,554</u>	<u>\$ 43,869,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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	\$ 24,015,432	N/A	\$ -	\$ -	\$ -	\$ -	\$ 24,015,432
Money Market Funds	7,599,418	N/A					7,599,418
Time Deposits	3,117,527	N/A					3,117,527
Held by Bond Trustees:							
Money Market Funds	9,137,177	N/A		9,137,177			
Total	\$ 43,869,554		\$ -	\$ 9,137,177	\$ -	\$ -	\$ 34,732,377

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 \$ 3,059,445

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:

\$3,059,445 of cash and investments reported in the Redevelopment Low/Mod Housing Area "A" Special Revenue Fund, Redevelopment Project Area "A" Capital projects Fund, Redevelopment Low/Mod Housing Alameda Area Special Revenue Fund, Tax Increment Area "A" Special Revenue Fund, Tax Increment Alameda Area Special Revenue Fund, Redevelopment Project Alameda Area Capital Project Fund, and Redevelopment Project Area "A" Taxable Bond Proceeds Capital Project Fund are held in the form of time deposits issued by US Bank. These mature by June 30, 2009.

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

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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

g. Custodial Credit Risk (Continued)

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

As of June 30, 2008, \$15,824,013 of the City's deposits with financial institutions, which include money market accounts, time deposits, are in excess of federal depository insurance limits and were held in collateralized accounts per the California Government Code. As of June 30, 2008, the City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
Time deposits	\$ 3,117,527

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, 2008, the net realizable value for land held for resale totaled \$5,489,162, with this amount offset by a reservation of fund balance.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 5 **Notes and Loans Receivable**

Outstanding
Balance
June 30, 2008

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, 2008, the loans receivable balance was \$2,609,202 (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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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

Outstanding
Balance
June 30, 2008

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.

108,597

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.

125,893

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.

2,273,320

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

\$ 2,609,202

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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

Outstanding
Balance
June 30, 2008

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, 2008. 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, 2008:

	Receivable	Allowance	Net
Governmental Activities			
Intergovernmental	\$ 5,250,146	\$ -	\$ 5,250,146
Accounts (including taxes)	1,542,021		1,542,021
Interest	211,407		211,407
	\$ 7,003,574	\$ -	\$ 7,003,574
Business-type Activities			
Accounts	\$ 2,757,196	\$ 426,413	\$ 2,330,783
Interest	43,561		43,561
	\$ 2,800,757	\$ 426,413	\$ 2,374,344

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, 2008 was \$407,628.

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, 2008 was \$302,094.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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, 2008 (net of accumulated amortization of \$80,496) was \$196,393. 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, 2008, the accumulated amortization was \$223,938.

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, 2008 was \$95,685.

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, 2008 was \$60,274 and \$77,584 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, 2008 was \$55,605.

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, 2008.

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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 8 Interfund Activity (Continued)

a. Current Interfund Balances (Continued)

The following is a summary of current interfund balances as of June 30, 2008.

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Funds:		Major Fund:	
General	\$ 6,705,700	General Fund	329,754
Redevelopment Low/Mod Housing Area "A"	27,759	Major Enterprise Fund:	
		Water	149,411
		Nonmajor Funds:	
Litter Abatement	13,344	Traffic Safety	633,732
Tax Increment Area "A"	329,754	Lighting Maintenance	552,324
Tax Increment Alameda Area	14,876	SB 821	27,093
Redevelopment Low/Mod		State Transportation Partnership	95,656
Housing Alameda Area	6,989	Business Improvement District	603,985
		Landscape Maintenance	582,710
		STP Grant	463,097
		TEA/ISTEA Grant	326,531
		Justice Assistance	119,133
		Per Capita Grant 2000	20,842
		Safe School Route	298,961
		State Homeland Security	2,890
		Capital Project Loan	83,918
		Tax Increment Alameda Area	6,989
		City of Lynwood	143,987
		Park Replacement	2,064,111
		Internal Service Fund:	
		Self Insurance	550,663
Totals	<u>\$ 7,098,422</u>		<u>\$ 7,098,422</u>

b. Advances

As of June 30, 2008, the funds below have made advances that were not expected to be repaid within on year.

<u>Funds</u>	<u>Advances Receivable</u>	<u>Advances Payable</u>
Major Funds:		
General	\$ 780,000	\$ -
Redevelopment Project Area "A"	957,380	
HUD Home Program		957,380
Nonmajor Funds:		
Tax Increment Area "A"		780,000
Totals	<u>\$ 1,737,380</u>	<u>\$ 1,737,380</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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	\$ 2,369,408	\$ 7,887,125
Redevelopment Low/Mod Housing Area "A"	884,983	
Redevelopment Project Area "A"	2,215,369	
Capital Improvement Projects	4,159,382	
Nonmajor Governmental Funds:		
Traffic Safety	2,310,176	
Lighting Maintenance	115,096	295,350
Gas Tax		1,011,765
Retirement		2,302,421
Air Quality Improvement		100,000
SB 821		13,275
Housing Community Development (HUD)		1,041,107
Prop A		805,481
Landscape Maintenance	772,758	238,450
Anti-Litter Grant		3,427
Prop C		362,484
TEA/ISTEA Grant		10,792
Urban Tree Planting Grant		4,775
LA County Park Maintenance Grant		20,912
AB 2928 Traffic Congestion Relief		583,326
Highway thru Cities		6,457
Per Capita Grant 2000		155,539
Litter Abatement	815,911	
Prop 40 Grant		562,739
Redevelopment Low/Mod Housing Alameda Area	168,933	
Tax Increment Area "A"		3,100,352
Tax Increment Alameda Area		797,368
Public Financing Authority	32,594	
City of Lynwood	1,322,769	
2003 Lease Revenue Refunding		123,941
Redevelopment Project Alameda Area	628,435	
Capital Project Loan		27,073
Park Replacement		1,111,759
Major Enterprise Funds:		
Transit	1,039,045	
Water	1,148,027	1,840,280
Internal Service Funds		
Self Insurance Fund	3,785,686	
Garage	11,012	
Information Technology	626,614	
	<u>\$ 22,406,198</u>	<u>\$ 22,406,198</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 9 **Capital Assets**

a. **Governmental Activities**

Capital asset governmental activity for the fiscal year ended June 30, 2008 was as follows:

depreciated:

Land	\$ 34,483,280	\$ 690,825	\$ -	\$ 35,174,105
Rights of way	22,904,319			22,904,319
Trees	287,627			287,627
Construction in progress	23,382,028	4,975,457		28,357,485
Total	81,057,254	5,666,282		86,723,536

Capital Assets, being depreciated:

Buildings and improvements	10,170,224			10,170,224
Machinery and equipment	662,642	71,099		733,741
Infrastructure:				
Roadways, curbs, and gutters	24,138,054			24,138,054
Sidewalks and medians	5,941,024			5,941,024
Other street appurtenances	4,517,408			4,517,408
Total	45,429,352	71,099		45,500,451

Less accumulated depreciation for:

Buildings and improvements	(4,364,388)	(222,826)		(4,587,214)
Machinery and equipment	(522,475)	(53,660)		(576,135)
Infrastructure:				
Roadways, curbs, and gutters	(9,493,034)	(524,294)		(10,017,328)
Sidewalks and medians	(2,105,906)	(140,265)		(2,246,171)
Other street appurtenances	(1,853,159)	(107,705)		(1,960,864)
Total	(18,338,962)	(1,048,750)		(19,387,712)

Capital Assets being depreciated, net	27,090,390	(977,651)		26,112,739
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Capital Assets, net	\$ 108,147,644	\$ 4,688,631	\$ -	\$ 112,836,275
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CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 9 Capital Assets (Continued)

a. Governmental Activities (Continued)

Internal Service Fund (Allocated to Governmental Activities)

	Balance at July 1, 2007	Additions	Deletions	Balance at June 30, 2008
Capital Assets, being depreciated:				
Machinery and equipment	\$ 3,020,556	\$ 235,430	\$ (7,629)	\$ 3,248,357
Total	<u>3,020,556</u>	<u>235,430</u>	<u>(7,629)</u>	<u>3,248,357</u>
Less accumulated depreciation for:				
Machinery and equipment	(1,793,641)	(188,282)	1,144	\$ (1,980,779)
Total	<u>(1,793,641)</u>	<u>(188,282)</u>	<u>1,144</u>	<u>(1,980,779)</u>
Capital Assets being depreciated, net	<u>\$ 1,226,915</u>	<u>\$ 47,148</u>	<u>\$ (6,485)</u>	<u>\$ 1,267,578</u>

Total Governmental Activities

	Balance at July 1, 2007	Additions	Deletions	Balance at June 30, 2008
Capital Assets, not being depreciated:				
Land	\$ 34,483,280	\$ 690,825	\$ -	\$ 35,174,105
Rights of way	22,904,319			22,904,319
Trees	287,627			287,627
Construction in progress	23,382,028	4,975,457		28,357,485
Total	<u>81,057,254</u>	<u>5,666,282</u>		<u>86,723,536</u>
Capital Assets, being depreciated:				
Buildings and improvements	10,170,224			10,170,224
Machinery and equipment	3,683,198	306,529	(7,629)	3,982,098
Infrastructure:				
Roadways, curbs, and gutters	24,138,054			24,138,054
Sidewalks and medians	5,941,024			5,941,024
Other street appurtenances	4,517,408			4,517,408
Total	<u>48,449,908</u>	<u>306,529</u>	<u>(7,629)</u>	<u>48,748,808</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,364,388)	(222,826)		(4,587,214)
Machinery and equipment	(2,316,116)	(241,942)	1,144	(2,556,914)
Infrastructure:				
Roadways, curbs, and gutters	(9,493,034)	(524,294)		(10,017,328)
Sidewalks and medians	(2,105,906)	(140,265)		(2,246,171)
Other street appurtenances	(1,853,159)	(107,705)		(1,960,864)
Total	<u>(20,132,603)</u>	<u>(1,237,032)</u>	<u>1,144</u>	<u>(21,368,491)</u>
Capital Assets being depreciated, net	<u>28,317,305</u>	<u>(930,503)</u>	<u>(6,485)</u>	<u>27,380,317</u>
Capital Assets, net	<u>\$ 109,374,559</u>	<u>\$ 4,735,779</u>	<u>\$ (6,485)</u>	<u>\$ 114,103,853</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 9 Capital Assets (Continued)

a. Governmental Activities (Continued)

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

	<u>Governmental</u>	<u>Internal Service</u>	<u>Total</u>
Unallocated	<u>\$ 1,048,750</u>	<u>\$ 188,282</u>	<u>\$ 1,237,032</u>
Total	<u><u>\$ 1,048,750</u></u>	<u><u>\$ 188,282</u></u>	<u><u>\$ 1,237,032</u></u>

b. Business-type activities

Capital asset business-type activity (Water activity) for the fiscal year ended June 30, 2008 was as follows:

	<u>Balance at July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2008</u>
<u>Water Activity</u>				
Capital Assets, not being depreciated:				
Land	\$ 37,252	\$ -	\$ -	\$ 37,252
Total	<u>37,252</u>			<u>37,252</u>
Capital Assets, being depreciated:				
Building and improvements	35,499			35,499
Infrastructure	13,096,117			13,096,117
Less - Accumulated depreciation	<u>(4,838,465)</u>	<u>(290,680)</u>		<u>(5,129,145)</u>
Total Capital Assets, being depreciated	<u>8,293,151</u>	<u>(290,680)</u>		<u>8,002,471</u>
Total Water Capital Assets, net	<u><u>\$ 8,330,403</u></u>	<u><u>\$ (290,680)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,039,723</u></u>

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

Business-Type Activities:

Water \$ 290,680

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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, 2008:

	Balance at July 1, 2007	Additions	Repayments	Prior Period Adjustments	Balance at June 30, 2008	Due Within One Year
Governmental Activities:						
Compensated absences	\$ 1,164,768	\$ 1,259,237	\$ (873,576)	\$ -	\$ 1,550,429	\$ 1,162,822
Capital leases payable	946,716		(451,285)		495,431	324,475
Tax allocation bonds	13,325,000		(305,000)		13,020,000	330,000
HUD loan payable	6,280,000		(270,000)		6,010,000	285,000
Claims payable	3,503,418	1,589,697	(1,204,120)		3,888,995	972,249
Note Payable - Grae Atlantic			(10,994)	625,995	615,001	12,203
Revenue bonds	10,965,000		(490,000)		10,475,000	500,000
Total	\$ 36,184,902	\$ 2,848,934	\$ (3,604,975)	\$ 625,995	\$ 36,054,856	\$ 3,586,749
Business-type Activities:						
Water Fund:						
Compensated absences	\$ 214,457	\$ 191,538	\$ (160,843)	\$ -	\$ 245,152	\$ 183,864
Revenue bonds	15,035,404		(325,979)		14,709,425	340,000
Total	\$ 15,249,861	\$ 191,538	\$ (486,822)	\$ -	\$ 14,954,577	\$ 523,864

b. Governmental long-term debt at June 30, 2008 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, 2008 were \$495,431.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 10 Long-Term Liabilities (Continued)

- b. Governmental long-term debt at June 30, 2008 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, 2008, the total unpaid principal balance was \$13,020,000.

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, 2008 was \$6,010,000.

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, 2008 is \$3,888,995.

Note Payable – Grae Atlantic

On July 18, 2000, the 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 agreement stipulates that the Agency will contribute \$635,900 through a Tax increment Loan

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 10 Long-Term Liabilities (Continued)

- b. Governmental long-term debt at June 30, 2008 consisted of the following (Continued):

Note Payable – Grae Atlantic (Continued)

Agreement. The Agency began monthly payments to Grae Ventures, LLC during the fiscal year ended June 30, 2007. Payments are \$79,85 per year at an interest rate of 11%. The final payment is due during the fiscal year ending June 30, 2026. The balance as of June 30, 2008 is \$615,001.

Lynwood Public Financing Authority 1999 Lease Revenue Refunding Bonds

On October 28, 1999 the Lynwood Public Financing Authority issued \$3,760,000 of 1999 Lease Revenue Refunding 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, 2008 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, 2008 was \$6,715,000.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 10 Long-Term Liabilities (Continued)

- c. Business-type long-term debt at June 30, 2008 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.

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, 2008, net of unamortized discount of \$31,200, is \$3,143,800.

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, 2008, the net revenues are equal to or greater than 1.25 times the aggregate amount of principal and interest.

The outstanding amount of bonds at June 30, 2008 net of amortized discount of \$53,203 is \$5,356,797.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 10 Long-Term Liabilities (Continued)

- c. Business-type long-term debt at June 30, 2008 consisted of the following (Continued):

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.

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, 2008 including unamortized premium of \$28,828 was \$6,208,828.

- 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, 2008 including interest are as follows:

Fiscal Year(s) Ending June 30,	Capital Leases Payable		
	Principal	Interest	Total
2009	\$ 324,475	\$ 22,103	\$ 346,578
2010	170,956	3,778	174,734
	<u>\$ 495,431</u>	<u>\$ 25,881</u>	<u>\$ 521,312</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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, 2008 including interest are as follows (Continued):

1999 Tax Allocation Bonds A			
Fiscal Year(s) Ending June 30,	Principal	Interest	Total
2009	\$ -	\$ 602,483	\$ 602,483
2010		602,483	602,483
2011		602,483	602,483
2012		602,483	602,483
2013		602,483	602,483
2014-2018	2,235,000	2,701,046	4,936,046
2019-2023	3,005,000	1,937,870	4,942,870
2024-2028	4,035,000	905,797	4,940,797
2029	960,000	28,320	988,320
	\$ 10,235,000	\$ 8,585,448	\$ 18,820,448

1999 Tax Allocation Bonds B			
Fiscal Year(s) Ending June 30,	Principal	Interest	Total
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	395,000	15,109	410,109
	\$ 1,710,000	\$ 345,616	\$ 2,055,616

1999 Tax Allocation Bonds Alameda Project Area A			
Fiscal Year(s) Ending June 30,	Principal	Interest	Total
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	45,000	56,227	101,227
2014-2018	285,000	231,367	516,367
2019-2023	390,000	125,685	515,685
2024-2025	195,000	12,443	207,443
	\$ 1,075,000	\$ 676,886	\$ 1,751,886

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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, 2008 including interest are as follows (Continued):

Fiscal Year(s) Ending June 30,	HUD Section 108 Loan		
	Principal	Interest	Total
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	360,000	263,013	623,013
2014-2018	2,160,000	989,838	3,149,838
2019-2022	2,245,000	278,456	2,523,456
	\$ 6,010,000	\$ 2,740,225	\$ 8,750,225

Fiscal Year(s) Ending June 30,	Public Financing Authority 1999 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2009	\$ -	\$ 236,340	\$ 236,340
2010		236,340	236,340
2011		236,340	236,340
2012		236,340	236,340
2013		236,340	236,340
2014-2018		1,181,700	1,181,700
2019-2023	1,080,000	849,423	1,929,423
2024-2028	1,790,000	632,835	2,422,835
2029-2030	890,000	85,050	975,050
	\$ 3,760,000	\$ 3,930,708	\$ 7,690,708

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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, 2008 including interest are as follows (Continued):

Public Financing Authority 2003 Lease Revenue Refunding Bonds			
Fiscal Year(s) Ending June 30,	Principal	Interest	Total
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	575,000	205,203	780,203
2014-2018	3,280,000	605,641	3,885,641
2019	755,000	18,875	773,875
	\$ 6,715,000	\$ 1,858,569	\$ 8,573,569

Note Payable - Grae Atlantic			
Fiscal Year(s) Ending June 30,	Principal	Interest	Total
2009	\$ 12,203	\$ 67,650	\$ 79,853
2010	13,546	66,308	79,854
2011	15,036	64,817	79,853
2012	16,690	63,164	79,854
2013	18,525	61,328	79,853
2014-2018	128,065	271,203	399,268
2019-2023	215,797	183,471	399,268
2024-2026	195,139	44,421	239,560
	\$ 615,001	\$ 822,362	\$ 1,437,363

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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, 2008 including interest are as follows (Continued):

Fiscal Year(s) Ending June 30,	Total Governmental Activities		
	Principal	Interest	Total
2009	\$ 1,451,678	\$ 1,719,862	\$ 3,171,540
2010	1,354,502	1,646,899	3,001,401
2011	1,245,036	1,581,967	2,827,003
2012	1,326,690	1,513,823	2,840,513
2013	1,393,525	1,439,703	2,833,228
2014-2018	8,088,065	5,976,795	14,064,860
2019-2023	7,690,797	3,393,780	11,084,577
2024-2028	6,215,139	1,595,496	7,810,635
2029-2030	1,850,000	113,370	1,963,370
	<u>\$ 30,615,432</u>	<u>\$ 18,981,695</u>	<u>\$ 49,597,127</u>

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, 2008 including interest are as follows:

Fiscal Year(s) Ending June 30,	1995 Water Revenue Bonds		
	Principal	Interest	Total
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	210,000	159,575	369,575
2014-2018	1,270,000	574,600	1,844,600
2019-2021	975,000	128,150	1,103,150
Less - discount	(31,200)		(31,200)
	<u>\$ 3,143,800</u>	<u>\$ 1,620,875</u>	<u>\$ 4,764,675</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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, 2008 including interest are as follows:

Fiscal Year(s) Ending June 30,	1999 Water Revenue Bonds		
	Principal	Interest	Total
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	55,000	307,130	362,130
2014-2018	335,000	1,482,416	1,817,416
2019-2023	1,210,000	1,350,205	2,560,205
2024-2028	2,925,000	741,040	3,666,040
2029	690,000	40,710	730,710
Less - discount	(53,203)		(53,203)
	<u>\$ 5,356,797</u>	<u>\$ 5,177,657</u>	<u>\$ 10,534,454</u>

Fiscal Year(s) Ending June 30,	2003 Enterprise Revenue Bonds		
	Principal	Interest	Total
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	150,000	279,438	429,438
2014-2018	850,000	1,289,000	2,139,000
2019-2023	1,080,000	1,055,000	2,135,000
2024-2028	1,380,000	756,500	2,136,500
2029-2033	1,765,000	374,750	2,139,750
2034	405,000	20,250	425,250
Plus - premium	28,828		28,828
	<u>\$ 6,208,828</u>	<u>\$ 4,938,152</u>	<u>\$ 11,146,980</u>

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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, 2008 including interest are as follows:

Fiscal Year(s) Ending June 30,	Total Business-type Activities		
	Principal	Interest	Total
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	415,000	746,143	1,161,143
2014-2018	2,455,000	3,346,016	5,801,016
2019-2023	3,265,000	2,533,355	5,798,355
2024-2028	4,305,000	1,497,540	5,802,540
2029-2033	2,455,000	415,460	2,870,460
2034	405,000	20,250	425,250
Less-Discout(net)	(55,575)		(55,575)
	\$ 14,709,425	\$ 11,736,684	\$ 26,446,109

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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 11 Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

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 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 2007/08 was 19.349% for miscellaneous employees.

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.

Three-Year Trend Information – Miscellaneous Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2006	\$ 1,293,717	100%	\$ -
6/30/2007	1,411,788	100%	-
6/30/2008	1,660,098	100%	-

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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 \$6,038,248.

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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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, 2008

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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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, 2008:

	<u>Worker's Compensation</u>	<u>General Liability</u>	<u>Total</u>
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	<u>\$ 2,936,334</u>	<u>\$ 567,084</u>	<u>\$ 3,503,418</u>
Claims and judgments at July 1, 2007	\$ 2,936,334	\$ 567,084	\$ 3,503,418
Claim payments	(1,172,548)	(31,572)	(1,204,120)
Claims incurred and changes in estimates	1,387,061	202,636	1,589,697
Claims and judgments at June 30, 2008	<u>\$ 3,150,847</u>	<u>\$ 738,148</u>	<u>\$ 3,888,995</u>

As of June 30, 2008 the unpaid workers' compensation claims in the amount of \$3,150,847 was reported in the self-insurance fund. The unpaid general liability claims in the amount of \$738,148 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.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

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.

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. The gap has increased as acquisition costs have exceeded the original estimates. On August 15, 2008, a notice of termination was sent to the developer.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 15 Commitments and Contingencies (Continued)

Single –Family Housing Project – Casa Grande Development LLC

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

4267 Fernwood

The City has entered into a Disposition and Development Agreement (DDA) with Habitat for Humanity to build three very low income housing units. The Agency has contributed the land associated with this DDA and has committed to contribute up to \$180,000 (\$211,000 as of October 21, 2008) for the development of the project.

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, 2008.

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

The Governmental Activities Net Assets has been adjusted a total of (\$499,094) for and an overstatement of capital leases payable of \$126,901, and an understatement of note payable of (\$625,995) in the prior fiscal year.

The Governmental Fund's Fund Balance has been adjusted (\$425,600) for an overstatement of land held for resale in the prior fiscal year.

CITY OF LYNWOOD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2008

Note 18 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 \$565,600, which was paid by the City during the 07/08 fiscal year. Currently, these various benefits are provided for 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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Taxes	\$ 19,151,474	\$ 19,007,572	\$ 20,349,141	\$ 1,341,569
Licenses and permits	705,600	955,000	354,853	(600,147)
Fines and forfeits	1,122,750	1,092,750	1,149,889	57,139
Use of money and property	410,560	410,560	564,011	153,451
Intergovernmental	851,900	851,900	395,257	(456,643)
Charges for services	3,629,395	3,567,395	3,274,544	(292,851)
Administrative support	1,715,971	1,715,971	1,310,366	(405,605)
Other	427,601	433,601	594,668	161,067
Total revenues	<u>28,015,251</u>	<u>28,034,749</u>	<u>27,992,729</u>	<u>(42,020)</u>
Expenditures:				
General government:				
City council	707,277	566,762	445,446	121,316
City clerk	219,537	273,537	245,747	27,790
City attorney	540,000	742,769	732,954	9,815
City manager	1,080,039	1,140,286	947,056	193,230
Accounting and auditing	1,070,475	1,070,475	1,021,552	48,923
City treasurer	189,751	185,751	131,161	54,590
Business license	392,610	392,610	372,946	19,664
Human resources	869,833	1,223,289	906,173	317,116
Quality of life	289,897	292,397	294,066	(1,669)
Community promotion	77,750	77,750	34,131	43,619
Building and safety	734,569	709,553	635,662	73,891
Incentive programs	100,000	100,000	53	99,947
Contingency set-aside	500,000	500,000	419,454	80,546
Media services	674,176	727,476	539,735	187,741
Total general government	<u>7,445,914</u>	<u>8,002,655</u>	<u>6,726,136</u>	<u>1,276,519</u>
Public safety:				
Parking enforcement	890,006	901,369	707,841	193,528
Police	7,794,743	7,843,396	7,452,574	390,822
Fire	4,870,000	4,870,000	4,418,413	451,587
Weed Abatement	17,429	17,429	12,301	5,128
Code enforcement	648,510	649,510	471,236	178,274
Total public safety	<u>14,220,688</u>	<u>14,281,704</u>	<u>13,062,365</u>	<u>1,219,339</u>
Parks and recreation:				
Parks, recreation, and community services	<u>3,791,897</u>	<u>3,854,473</u>	<u>3,160,255</u>	<u>694,218</u>
Total parks and recreation	<u>3,791,897</u>	<u>3,854,473</u>	<u>3,160,255</u>	<u>694,218</u>

(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, 2008
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works:				
Storm Water Program	\$ 60,500	\$ 60,500	\$ 34,281	\$ 26,219
Planning	358,883	396,383	416,766	(20,383)
Vine program	20,000	16,500	3,807	12,693
Administration	180,815	180,815	272,650	(91,835)
Building maintenance	1,082,570	1,082,570	972,255	110,315
Sanitation	2,276,490	2,276,490	2,199,985	76,505
Animal control	112,883	112,833	124,786	(11,953)
City engineering	497,440	514,090	651,797	(137,707)
Total public works	<u>4,589,581</u>	<u>4,640,181</u>	<u>4,676,327</u>	<u>(36,146)</u>
Community development:				
Community development	89,795	97,295	77,057	20,238
Total community development	<u>89,795</u>	<u>97,295</u>	<u>77,057</u>	<u>20,238</u>
Total expenditures	<u>30,137,875</u>	<u>30,876,308</u>	<u>27,702,140</u>	<u>3,174,168</u>
Excess (deficiency) of revenues over expenditures	<u>(2,122,624)</u>	<u>(2,841,559)</u>	<u>290,589</u>	<u>3,132,148</u>
Other Financing Sources (Uses):				
Transfers in	2,568,049	2,568,049	2,369,408	(198,641)
Transfers out	<u>(8,285,852)</u>	<u>(8,285,852)</u>	<u>(7,887,125)</u>	<u>398,727</u>
Total other financing sources (uses)	<u>(5,717,803)</u>	<u>(5,717,803)</u>	<u>(5,517,717)</u>	<u>200,086</u>
Net change in fund balance	(7,840,427)	(8,559,362)	(5,227,128)	3,332,234
Fund balance at beginning of fiscal year	<u>16,304,269</u>	<u>16,304,269</u>	<u>16,304,269</u>	
Fund balance at end of fiscal year	<u>\$ 8,463,842</u>	<u>\$ 7,744,907</u>	<u>\$ 11,077,141</u>	<u>\$ 3,332,234</u>

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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 40,000	\$ 40,000	\$ 91,908	\$ 51,908
Other			35,000	35,000
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>126,908</u>	<u>86,908</u>
Expenditures:				
Current:				
Administrative costs	197,033	197,033	113,478	83,555
Public improvement costs	1,682,000	1,716,800	385,204	1,331,596
Debt service:				
Principal repayments	45,900	48,600	48,600	
Interest and fiscal charges	<u>137,195</u>	<u>137,195</u>	<u>133,651</u>	<u>3,544</u>
Total expenditures	<u>2,062,128</u>	<u>2,099,628</u>	<u>680,933</u>	<u>1,418,695</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,022,128)</u>	<u>(2,059,628)</u>	<u>(554,025)</u>	<u>1,505,603</u>
Other Financing Sources (Uses):				
Transfers in	<u>733,729</u>	<u>733,729</u>	<u>884,983</u>	<u>151,254</u>
Total other financing sources (uses)	<u>733,729</u>	<u>733,729</u>	<u>884,983</u>	<u>151,254</u>
Net change in fund balance	<u>(1,288,399)</u>	<u>(1,325,899)</u>	<u>330,958</u>	<u>1,656,857</u>
Fund balance at beginning of fiscal year	6,316,115	6,316,115	6,316,115	
Prior period adjustment			(425,600)	(425,600)
Fund balance at beginning of fiscal year (restated)	<u>6,316,115</u>	<u>6,316,115</u>	<u>5,890,515</u>	<u>(425,600)</u>
Fund balance at end of fiscal year	<u>\$ 5,027,716</u>	<u>\$ 4,990,216</u>	<u>\$ 6,221,473</u>	<u>\$ 1,231,257</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
HUD Home Program Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,585,944	\$ 1,613,140	\$ 1,425,217	\$ (187,923)
Total revenues	<u>1,585,944</u>	<u>1,613,140</u>	<u>1,425,217</u>	<u>(187,923)</u>
Expenditures:				
Current:				
Community development	2,146,740	2,173,936	531,340	1,642,596
Capital outlay	<u>210,211</u>	<u>210,211</u>	<u>402,590</u>	<u>(192,379)</u>
Total expenditures	<u>2,356,951</u>	<u>2,384,147</u>	<u>933,930</u>	<u>1,450,217</u>
Net change in fund balance	(771,007)	(771,007)	491,287	1,262,294
Fund balance at beginning of fiscal year	<u>184,031</u>	<u>184,031</u>	<u>184,031</u>	
Fund balance at end of fiscal year	<u><u>\$ (586,976)</u></u>	<u><u>\$ (586,976)</u></u>	<u><u>\$ 675,318</u></u>	<u><u>\$ 1,262,294</u></u>

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
Redevelopment Project Area "A" Capital Projects Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 9,600	\$ 6,098	\$ (3,502)
Other revenues	14,200	4,260	(9,940)
Total revenues	<u>23,800</u>	<u>10,358</u>	<u>(13,442)</u>
Expenditures:			
Current:			
Community development	2,762,437	2,357,481	404,956
Total expenditures	<u>2,762,437</u>	<u>2,357,481</u>	<u>404,956</u>
Excess of revenues over (under) expenditures	<u>(2,738,637)</u>	<u>(2,347,123)</u>	<u>391,514</u>
Other Financing Sources (Uses):			
Transfers in	2,568,468	2,215,369	(353,099)
Total other financing sources (uses)	<u>2,568,468</u>	<u>2,215,369</u>	<u>(353,099)</u>
Net change in fund balance	(170,169)	(131,754)	38,415
Fund balance - July 1, 2007	<u>2,177,771</u>	<u>2,177,771</u>	
Fund balance - June 30, 2008	<u>\$ 2,007,602</u>	<u>\$ 2,046,017</u>	<u>\$ 38,415</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Capital Improvement Projects Capital Projects Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 413,288	\$ 186,401	\$ (226,887)
Total revenues	413,288	186,401	(226,887)
Expenditures:			
Capital outlay	25,596,239	5,578,415	20,017,824
Total expenditures	25,596,239	5,578,415	20,017,824
Excess of revenues over (under) expenditures	(25,182,951)	(5,392,014)	19,790,937
Other Financing Sources (Uses):			
Transfers in	20,881,235	4,159,382	(16,721,853)
Total other financing sources (uses)	20,881,235	4,159,382	(16,721,853)
Net change in fund balance	(4,301,716)	(1,232,632)	3,069,084
Fund balance - July 1, 2007	3,140,667	3,140,667	
Fund balance - June 30, 2008	\$ (1,161,049)	\$ 1,908,035	\$ 3,069,084

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
2002 HUD Section 108 Loan Capital Projects Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 200,000	\$ 216,463	\$ 16,463
Total revenues	<u>200,000</u>	<u>216,463</u>	<u>16,463</u>
Net change in fund balance	200,000	216,463	16,463
Fund balance - July 1, 2007	<u>6,150,657</u>	<u>6,150,657</u>	<u></u>
Fund balance - June 30, 2008	<u>\$ 6,350,657</u>	<u>\$ 6,367,120</u>	<u>\$ 16,463</u>

CITY OF LYN WOOD
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.

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.

Prop 1B Fund – This fund accounts for grants received from the State government to make safety improvements and repair to state highways, upgrade freeways to reduce congestion, repair local streets and roads, upgrade highways along major transportation corridors, improve seismic safety of local bridges, expand public transit, help complete the state’s network of car pool lanes and reduce air pollution.

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 Grant 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.

2003 Lease Refunding Bonds Fund –Accounts for proceeds which are used to fund certain projects within the City (corporate yard land purchase and improvements to the City owned property).

Redeveloped Project Alameda Area Fund—Accounts 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.).

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

Redevelopment Project Area “A” Taxable Bond Proceeds Capital Projects Funds – This fund account for redevelopment project capital outlays in each of their respective project areas.

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CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	Special Revenue Funds			
	Traffic Safety	Lighting Maintenance	Gas Tax	Retirement
Assets:				
Cash and investments	\$ -	\$ -	\$ -	\$ 288,120
Restricted assets:				
Cash and investments with fiscal agents				
Land held for resale				
Receivables:				
Intergovernmental		31,989	422,202	183,982
Accounts				
Interest			1,923	
Notes and loans				
Due from other funds				
Total assets	\$ -	\$ 31,989	\$ 424,125	\$ 472,102
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 64,646	\$ 119,487	\$ -	\$ 177
Due to other funds	633,732	552,324		
Deferred revenues				
Advances payable				
Total liabilities	698,378	671,811		177
Fund Balances (Deficits):				
Reserved:				
Reserved for land held for resale				
Reserved for projects				
Reserved for housing				
Reserved for retirement				471,925
Reserved for debt service				
Reserved for encumbrances	4,348	7,285		
Unreserved:				
Undesignated	(702,726)	(647,107)	424,125	
Total fund balances (deficits)	(698,378)	(639,822)	424,125	471,925
Total liabilities and fund balances	\$ -	\$ 31,989	\$ 424,125	\$ 472,102

Special Revenue Funds

Sheriff Drug Seizure	Air Quality Improvement	SB 821	State Transportation Partnership	Business Improvement District	HUD 108 Loan	Housing Community Development (HUD)
\$ 86,217	\$ 107,729	\$ -	\$ -	\$ -	\$ 168,765	\$ 30,717
	22,837					729,835
401	880	27,093	95,656			596,648
<u>\$ 86,618</u>	<u>\$ 131,446</u>	<u>\$ 27,093</u>	<u>\$ 95,656</u>	<u>\$ -</u>	<u>\$ 168,765</u>	<u>\$ 1,357,200</u>
\$ 150	\$ -	\$ - 27,093	\$ - 95,656	\$ - 41,246	\$ -	\$ 14,686 1,342,514
<u>150</u>		<u>27,093</u>	<u>95,656</u>	<u>41,246</u>		<u>1,357,200</u>
<u>86,468</u>	<u>131,446</u>			<u>(41,246)</u>	<u>168,765</u>	
<u>86,468</u>	<u>131,446</u>			<u>(41,246)</u>	<u>168,765</u>	
<u>\$ 86,618</u>	<u>\$ 131,446</u>	<u>\$ 27,093</u>	<u>\$ 95,656</u>	<u>\$ -</u>	<u>\$ 168,765</u>	<u>\$ 1,357,200</u>

(Continued)

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008
(Continued)

	Special Revenue Funds			
	Prop A	Landscape Maintenance	Anti-Litter Grant	Prop C
Assets:				
Cash and investments	\$ 1,400,281	\$ -	\$ -	\$ 3,785,226
Restricted assets:				
Cash and investments with fiscal agents				
Land held for resale				
Receivables:				
Intergovernmental		33,420		155,000
Accounts				
Interest	9,237			18,379
Notes and loans				
Due from other funds				
	Total assets	\$ 33,420	\$ -	\$ 3,958,605
	\$ 1,409,518	\$ 33,420	\$ -	\$ 3,958,605
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 11,599	\$ -	\$ -
Due to other funds		582,710		
Deferred revenues				
Advances payable				
		Total liabilities		
		594,309		
		594,309		
Fund Balances (Deficits):				
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	1,409,518	(560,889)		3,958,605
	Total fund balances (deficits)	(560,889)		3,958,605
	1,409,518	(560,889)		3,958,605
Total liabilities and fund balances	\$ 1,409,518	\$ 33,420	\$ -	\$ 3,958,605

Special Revenue Funds

STP Grant	Graffiti Prevention Grant	Prop 1B	State COPS Program	TEA/ ISTEA Grant	Beverage Container Recycling Grant	Urban Tree Planting Grant
\$ -	\$ -	\$ 1,186,137	\$ 120,643	\$ -	\$ 131,471	\$ -
463,097		5,414	768		599	
<u>\$ 463,097</u>	<u>\$ -</u>	<u>\$ 1,191,551</u>	<u>\$ 121,411</u>	<u>\$ -</u>	<u>\$ 132,070</u>	<u>\$ -</u>
\$ - 463,097	\$ -	\$ -	\$ 58,168	\$ - 326,531	\$ -	\$ -
<u>463,097</u>			<u>58,168</u>	<u>326,531</u>		
		<u>1,191,551</u>	<u>63,243</u>	<u>(326,531)</u>	<u>132,070</u>	
		<u>1,191,551</u>	<u>63,243</u>	<u>(326,531)</u>	<u>132,070</u>	
<u>\$ 463,097</u>	<u>\$ -</u>	<u>\$ 1,191,551</u>	<u>\$ 121,411</u>	<u>\$ -</u>	<u>\$ 132,070</u>	<u>\$ -</u>

(Continued)

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008
(Continued)

	Special Revenue Funds			
	LA County Park Maintenance Grant	AB 2928 Traffic Congestion Relief	Highway -Thru- Cities	Used Oil Recycling Grant
Assets:				
Cash and investments	\$ 232,233	\$ -	\$ -	\$ 29,876
Restricted assets:				
Cash and investments with fiscal agents				
Land held for resale				
Receivables:				
Intergovernmental				
Accounts				
Interest	1,125	2,149		157
Notes and loans				
Due from other funds				
Total assets	\$ 233,358	\$ 2,149	\$ -	\$ 30,033
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 925
Due to other funds				
Deferred revenues				
Advances payable				
Total liabilities				925
Fund Balances (Deficits):				
Reserved:				
Reserved for land held for resale				
Reserved for projects				
Reserved for housing				
Reserved for retirement				
Reserved for debt service				
Reserved for encumbrances				1,530
Unreserved:				
Undesignated	233,358	2,149		27,578
Total fund balances (deficits)	233,358	2,149		29,108
Total liabilities and fund balances	\$ 233,358	\$ 2,149	\$ -	\$ 30,033

Special Revenue Funds

Impact Fees	Public Art	Justice Assistance	Per Capita Grant 2000	Safe School Route	Litter Abatement	DuPont Lead Safety Grant
\$ 413,958	\$ 248,959	\$ -	\$ -	\$ -	\$ 31,701	\$ 102,041
		136,387	20,842	298,961		
1,826	1,090					464
					13,344	
<u>\$ 415,784</u>	<u>\$ 250,049</u>	<u>\$ 136,387</u>	<u>\$ 20,842</u>	<u>\$ 298,961</u>	<u>\$ 45,045</u>	<u>\$ 102,505</u>
\$ -	\$ -	\$ 17,254 119,133	\$ - 20,842	\$ - 298,961	\$ 38,885	\$ -
		<u>136,387</u>	<u>20,842</u>	<u>298,961</u>	<u>38,885</u>	
415,784	250,049				6,160	102,505
415,784	250,049				6,160	102,505
<u>\$ 415,784</u>	<u>\$ 250,049</u>	<u>\$ 136,387</u>	<u>\$ 20,842</u>	<u>\$ 298,961</u>	<u>\$ 45,045</u>	<u>\$ 102,505</u>

(Continued)

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008
(Continued)

	Special Revenue Funds			
	State Homeland Security Grant	Prop 40 Grant	Lynwood Information, Inc.	Redevelopment Low/Mod Housing Alameda Area
Assets:				
Cash and investments	\$ -	\$ -	\$ 105,196	\$ 1,347,681
Restricted assets:				
Cash and investments with fiscal agents				
Land held for resale				
Receivables:				
Intergovernmental		562,739		
Accounts				
Interest				1,913
Notes and loans				
Due from other funds				6,989
Total assets	\$ -	\$ 562,739	\$ 105,196	\$ 1,356,583
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 478	\$ 10,134
Due to other funds	2,890	562,739		
Deferred revenues				
Advances payable				
Total liabilities	2,890	562,739	478	10,134
Fund Balances (Deficits):				
Reserved:				
Reserved for land held for resale				
Reserved for projects				
Reserved for housing				1,346,449
Reserved for retirement				
Reserved for debt service				
Reserved for encumbrances				
Unreserved:				
Undesignated	(2,890)		104,718	
Total fund balances (deficits)	(2,890)		104,718	1,346,449
Total liabilities and fund balances	\$ -	\$ 562,739	\$ 105,196	\$ 1,356,583

Tax Increment Area "A"	Debt Service Funds				Capital Projects Funds	
	Tax Increment Alameda Area	Special Funds Area "A" Alameda	Public Financing Authority	City of Lynwood	2003 Lease Revenue Refunding	Redevelopment Project Alameda Area
\$ 1,843,158	\$ 431,470	\$ -	\$ -	\$ -	\$ -	\$ 486,089
		1,254,238		1,186,748	1,348,556	
138,526	41,675					
	4,632					
6,883	2,820					
	99,772					
329,754	14,876					
<u>\$ 2,318,321</u>	<u>\$ 595,245</u>	<u>\$ 1,254,238</u>	<u>\$ -</u>	<u>\$ 1,186,748</u>	<u>\$ 1,348,556</u>	<u>\$ 486,089</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486,351
42,635	6,989				143,987	
	99,772					
780,000						
<u>822,635</u>	<u>106,761</u>				<u>143,987</u>	<u>486,351</u>
					1,204,569	
1,495,686	488,484	1,254,238		1,186,748		7,470
						(7,732)
<u>1,495,686</u>	<u>488,484</u>	<u>1,254,238</u>		<u>1,186,748</u>	<u>1,204,569</u>	<u>(262)</u>
<u>\$ 2,318,321</u>	<u>\$ 595,245</u>	<u>\$ 1,254,238</u>	<u>\$ -</u>	<u>\$ 1,186,748</u>	<u>\$ 1,348,556</u>	<u>\$ 486,089</u>

(Continued)

CITY OF LYNWOOD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008
(Continued)

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Capital Project Loan	Park Replacement	Redevelopment Project Area "A" Taxable Bond Proceeds	
Assets:				
Cash and investments	\$ -	\$ -	\$ 43,700	\$ 12,621,368
Restricted assets:				
Cash and investments with fiscal agents	1,352,543			5,142,085
Land held for resale				
Receivables:				
Intergovernmental				3,241,492
Accounts				31,725
Interest				151,684
Notes and loans			2,000,000	2,696,420
Due from other funds				364,963
	<u>\$ 1,352,543</u>	<u>\$ -</u>	<u>\$ 2,043,700</u>	<u>\$ 24,249,737</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 822,940
Due to other funds	83,918	2,064,111		6,068,594
Deferred revenues			2,000,000	3,442,286
Advances payable				780,000
	<u>83,918</u>	<u>2,064,111</u>	<u>2,000,000</u>	<u>11,113,820</u>
Fund Balances (Deficits):				
Reserved:				
Reserved for land held for resale				
Reserved for projects	1,268,625		43,700	2,516,894
Reserved for housing				1,346,449
Reserved for retirement				471,925
Reserved for debt service				4,425,156
Reserved for encumbrances				20,633
Unreserved:				
Undesignated		(2,064,111)		4,354,860
	<u>1,268,625</u>	<u>(2,064,111)</u>	<u>43,700</u>	<u>13,135,917</u>
Total liabilities and fund balances	<u>\$ 1,352,543</u>	<u>\$ -</u>	<u>\$ 2,043,700</u>	<u>\$ 24,249,737</u>

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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, 2008

	Special Revenue Funds			
	Traffic Safety	Lighting Maintenance	Gas Tax	Retirement
Revenues:				
Taxes	\$ -	\$ 1,005,124	\$ -	\$ 2,612,778
Fines and forfeits				
Use of money and property		4,070	8,119	
Intergovernmental	50,000		1,273,282	
Program income				
Charges for services				
Other				
Total revenues	<u>50,000</u>	<u>1,009,194</u>	<u>1,281,401</u>	<u>2,612,778</u>
Expenditures:				
Current:				
General government				746,964
Public safety	1,985,299			
Public works		945,965		
Community development				
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures	<u>1,985,299</u>	<u>945,965</u>		<u>746,964</u>
Excess of revenues over (under) expenditures	<u>(1,935,299)</u>	<u>63,229</u>	<u>1,281,401</u>	<u>1,865,814</u>
Other Financing Sources (Uses):				
Transfers in	2,310,176	115,096		
Transfers out		(295,350)	(1,011,765)	(2,302,421)
Total other financing sources (uses)	<u>2,310,176</u>	<u>(180,254)</u>	<u>(1,011,765)</u>	<u>(2,302,421)</u>
Net change in fund balances	374,877	(117,025)	269,636	(436,607)
Fund balances (deficits), beginning of fiscal year	<u>(1,073,255)</u>	<u>(522,797)</u>	<u>154,489</u>	<u>908,532</u>
Fund balances (deficits), end of fiscal year	<u>\$ (698,378)</u>	<u>\$ (639,822)</u>	<u>\$ 424,125</u>	<u>\$ 471,925</u>

Special Revenue Funds

Sheriff Drug Seizure	Air Quality Improvement	SB 821	State Transportation Partnership	Business Improvement District	HUD 108 Loan	Housing Community Development (HUD)
\$ -	\$ -	\$ -	\$ -	\$ 107,898	\$ -	\$ -
1,710	4,729				5,737	
2,617	87,393	27,093	95,657			2,508,879
<u>4,327</u>	<u>92,122</u>	<u>27,093</u>	<u>95,657</u>	<u>107,898</u>	<u>5,737</u>	<u>2,508,879</u>
						428,378
19,342				147,500		435,689
						270,000
						333,705
<u>19,342</u>				<u>147,500</u>		<u>1,467,772</u>
<u>(15,015)</u>	<u>92,122</u>	<u>27,093</u>	<u>95,657</u>	<u>(39,602)</u>	<u>5,737</u>	<u>1,041,107</u>
	<u>(100,000)</u>	<u>(13,275)</u>				<u>(1,041,107)</u>
	<u>(100,000)</u>	<u>(13,275)</u>				<u>(1,041,107)</u>
(15,015)	(7,878)	13,818	95,657	(39,602)	5,737	
<u>101,483</u>	<u>139,324</u>	<u>(13,818)</u>	<u>(95,657)</u>	<u>(1,644)</u>	<u>163,028</u>	
<u>\$ 86,468</u>	<u>\$ 131,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,246)</u>	<u>\$ 168,765</u>	<u>\$ -</u>

(Continued)

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2008
(Continued)

	Special Revenue Funds			
	Prop A	Landscape Maintenance	Anti-Litter Grant	Prop C
Revenues:				
Taxes	\$ 1,220,827	\$ 1,039,022	\$ -	\$ 1,127,937
Fines and forfeits				
Use of money and property	48,550		81	182,206
Intergovernmental				
Program income				
Charges for services				
Other				
	<u>1,269,377</u>	<u>1,039,022</u>	<u>81</u>	<u>1,310,143</u>
Expenditures:				
Current:				
General government				
Public safety				
Public works		1,260,172		
Community development				
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
	<u>1,269,377</u>	<u>1,260,172</u>	<u>81</u>	<u>1,310,143</u>
Excess of revenues over (under) expenditures	<u>1,269,377</u>	<u>(221,150)</u>	<u>81</u>	<u>1,310,143</u>
Other Financing Sources (Uses):				
Transfers in		772,758		
Transfers out	(805,481)	(238,450)	(3,427)	(362,484)
	<u>(805,481)</u>	<u>534,308</u>	<u>(3,427)</u>	<u>(362,484)</u>
Net change in fund balances	463,896	313,158	(3,346)	947,659
Fund balances (deficits), beginning of fiscal year	<u>945,622</u>	<u>(874,047)</u>	<u>3,346</u>	<u>3,010,946</u>
Fund balances (deficits), end of fiscal year	<u>\$ 1,409,518</u>	<u>\$ (560,889)</u>	<u>\$ -</u>	<u>\$ 3,958,605</u>

Special Revenue Funds

STP Grant	Graffiti Prevention Grant	Prop 1B	State COPS Program	TEA/ ISTEA Grant	Beverage Container Recycling Grant	Urban Tree Planting Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		14,645	5,088		3,697	113
463,097		1,176,906	140,701		19,412	
<u>463,097</u>		<u>1,191,551</u>	<u>145,789</u>		<u>23,109</u>	<u>113</u>
			130,060			
			<u>130,060</u>			
<u>463,097</u>		<u>1,191,551</u>	<u>15,729</u>		<u>23,109</u>	<u>113</u>
				(10,792)		(4,775)
				<u>(10,792)</u>		<u>(4,775)</u>
463,097		1,191,551	15,729	(10,792)	23,109	(4,662)
<u>(463,097)</u>			<u>47,514</u>	<u>(315,739)</u>	<u>108,961</u>	<u>4,662</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,191,551</u>	<u>\$ 63,243</u>	<u>\$ (326,531)</u>	<u>\$ 132,070</u>	<u>\$ -</u>

(Continued)

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2008
(Continued)

	Special Revenue Funds			
	LA County Park Maintenance Grant	AB 2928 Traffic Congestion Relief	Highway -Thru- Cities	Used Oil Recycling Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeits				
Use of money and property	7,066	15,131	153	729
Intergovernmental	168,615			26,106
Program income				
Charges for services				
Other				
Total revenues	<u>175,681</u>	<u>15,131</u>	<u>153</u>	<u>26,835</u>
Expenditures:				
Current:				
General government				
Public safety				
Public works				16,424
Community development				
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures				<u>16,424</u>
Excess of revenues over (under) expenditures	<u>175,681</u>	<u>15,131</u>	<u>153</u>	<u>10,411</u>
Other Financing Sources (Uses):				
Transfers in				
Transfers out	<u>(20,912)</u>	<u>(583,326)</u>	<u>(6,457)</u>	
Total other financing sources (uses)	<u>(20,912)</u>	<u>(583,326)</u>	<u>(6,457)</u>	
Net change in fund balances	154,769	(568,195)	(6,304)	10,411
Fund balances (deficits), beginning of fiscal year	<u>78,589</u>	<u>570,344</u>	<u>6,304</u>	<u>18,697</u>
Fund balances (deficits), end of fiscal year	<u>\$ 233,358</u>	<u>\$ 2,149</u>	<u>\$ -</u>	<u>\$ 29,108</u>

Special Revenue Funds

Impact Fees	Public Art	Justice Assistance	Per Capita Grant 2000	Safe School Route	Litter Abatement	DuPont Lead Safety Grant
\$ 170,683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,088	6,044	36,154	496,225	298,961	-	2,878
-	106,383	-	-	-	459,406	-
<u>180,771</u>	<u>112,427</u>	<u>36,154</u>	<u>496,225</u>	<u>298,961</u>	<u>459,406</u>	<u>2,878</u>
-	-	52,869	-	-	822,597	-
-	-	-	-	-	445,659	-
-	-	52,869	-	-	1,268,256	-
<u>180,771</u>	<u>112,427</u>	<u>(16,715)</u>	<u>496,225</u>	<u>298,961</u>	<u>(808,850)</u>	<u>2,878</u>
-	-	-	(155,539)	-	815,911	-
-	-	-	(155,539)	-	815,911	-
180,771	112,427	(16,715)	340,686	298,961	7,061	2,878
<u>235,013</u>	<u>137,622</u>	<u>16,715</u>	<u>(340,686)</u>	<u>(298,961)</u>	<u>(901)</u>	<u>99,627</u>
<u>\$ 415,784</u>	<u>\$ 250,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,160</u>	<u>\$ 102,505</u>

(Continued)

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2008
(Continued)

	Special Revenue Funds			
	State Homeland Security Grant	Prop 40 Grant	Lynwood Information, Inc.	Redevelopment Low/Mod Housing Alameda Area
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeits				
Use of money and property			960	45,628
Intergovernmental		562,739		
Program income				
Charges for services				
Other				
Total revenues	<u> </u>	<u>562,739</u>	<u>960</u>	<u>45,628</u>
Expenditures:				
Current:				
General government				
Public safety	18,276			
Public works				
Community development			27,384	56,971
Capital outlay	671			
Debt service:				
Principal				13,300
Interest and fiscal charges				25,218
Total expenditures	<u>18,947</u>	<u> </u>	<u>27,384</u>	<u>95,489</u>
Excess of revenues over (under) expenditures	<u>(18,947)</u>	<u>562,739</u>	<u>(26,424)</u>	<u>(49,861)</u>
Other Financing Sources (Uses):				
Transfers in				168,933
Transfers out		(562,739)		
Total other financing sources (uses)		<u>(562,739)</u>		<u>168,933</u>
Net change in fund balances	(18,947)		(26,424)	119,072
Fund balances (deficits), beginning of fiscal year	<u>16,057</u>		<u>131,142</u>	<u>1,227,377</u>
Fund balances (deficits), end of fiscal year	<u>\$ (2,890)</u>	<u>\$ -</u>	<u>\$ 104,718</u>	<u>\$ 1,346,449</u>

Tax Increment Area "A"	Tax Increment Alameda Area	Debt Service Funds			Capital Projects Funds	
		Special Funds Area "A" Alameda	Public Financing Authority	City of Lynwood	2003 Lease Revenue Refunding	Redevelopment Project Alameda Area
\$ 4,297,967	\$ 834,021	\$ -	\$ -	\$ -	\$ -	\$ -
21,989	12,592	39,632		25,991	49,514	
49,273						
26,766						
<u>4,395,995</u>	<u>846,613</u>	<u>39,632</u>		<u>25,991</u>	<u>49,514</u>	
			32,594			
	2,530					632,391 1,353
221,400	21,700			749,600		
<u>659,556</u>	<u>42,938</u>			<u>573,169</u>		
<u>880,956</u>	<u>67,168</u>		<u>32,594</u>	<u>1,322,769</u>		<u>633,744</u>
<u>3,515,039</u>	<u>779,445</u>	<u>39,632</u>	<u>(32,594)</u>	<u>(1,296,778)</u>	<u>49,514</u>	<u>(633,744)</u>
			32,594	1,322,769		628,435
<u>(3,100,352)</u>	<u>(797,368)</u>				<u>(123,941)</u>	
<u>(3,100,352)</u>	<u>(797,368)</u>		<u>32,594</u>	<u>1,322,769</u>	<u>(123,941)</u>	<u>628,435</u>
414,687	(17,923)	39,632		25,991	(74,427)	(5,309)
<u>1,080,999</u>	<u>506,407</u>	<u>1,214,606</u>		<u>1,160,757</u>	<u>1,278,996</u>	<u>5,047</u>
<u>\$ 1,495,686</u>	<u>\$ 488,484</u>	<u>\$ 1,254,238</u>	<u>\$ -</u>	<u>\$ 1,186,748</u>	<u>\$ 1,204,569</u>	<u>\$ (262)</u>

(Continued)

CITY OF LYNWOOD
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2008
(Continued)

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Capital Project Loan	Park Replacement	Redevelopment Project Area "A" Taxable Bond Proceeds	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 12,416,257
Fines and forfeits				37,864
Use of money and property	54,184	17,998	12,591	602,820
Intergovernmental				7,395,066
Program income				49,273
Charges for services				565,789
Other				26,766
Total revenues	54,184	17,998	12,591	21,093,835
Expenditures:				
Current:				
General government				1,602,155
Public safety				2,634,224
Public works				2,668,220
Community development			785,583	2,088,048
Capital outlay				2,024
Debt service:				
Principal				1,276,000
Interest and fiscal charges				1,634,586
Total expenditures			785,583	11,905,257
Excess of revenues over (under) expenditures	54,184	17,998	(772,992)	9,188,578
Other Financing Sources (Uses):				
Transfers in				6,166,672
Transfers out	(27,073)	(1,111,759)		(12,678,793)
Total other financing sources (uses)	(27,073)	(1,111,759)		(6,512,121)
Net change in fund balances	27,111	(1,093,761)	(772,992)	2,676,457
Fund balances (deficits), beginning of fiscal year	1,241,514	(970,350)	816,692	10,459,460
Fund balances (deficits), end of fiscal year	<u>\$ 1,268,625</u>	<u>\$ (2,064,111)</u>	<u>\$ 43,700</u>	<u>\$ 13,135,917</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Traffic Safety Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 50,000	\$ 50,000	\$ -
Total revenues	<u>50,000</u>	<u>50,000</u>	
Expenditures:			
Current:			
Public safety	2,100,465	1,985,299	115,166
Total expenditures	<u>2,100,465</u>	<u>1,985,299</u>	<u>115,166</u>
Excess of revenues over (under) expenditures	<u>(2,050,465)</u>	<u>(1,935,299)</u>	<u>115,166</u>
Other Financing Sources (Uses):			
Transfers in	<u>2,527,224</u>	<u>2,310,176</u>	<u>(217,048)</u>
Total other financing sources (uses)	<u>2,527,224</u>	<u>2,310,176</u>	<u>(217,048)</u>
Net change in fund balance	476,759	374,877	(101,882)
Fund balance (deficit) - July 1, 2007	<u>(1,073,255)</u>	<u>(1,073,255)</u>	
Fund balance (deficit) - June 30, 2008	<u>\$ (596,496)</u>	<u>\$ (698,378)</u>	<u>\$ (101,882)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Lighting Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,084,450	\$ 1,005,124	\$ (79,326)
Use of money and property	18,500	4,070	(14,430)
Total revenues	<u>1,102,950</u>	<u>1,009,194</u>	<u>(93,756)</u>
Expenditures:			
Current:			
Public works	<u>1,119,150</u>	<u>945,965</u>	<u>173,185</u>
Total expenditures	<u>1,119,150</u>	<u>945,965</u>	<u>173,185</u>
Excess of revenues over (under) expenditures	<u>(16,200)</u>	<u>63,229</u>	<u>79,429</u>
Other Financing Sources (Uses):			
Transfers in	115,096	115,096	
Transfers out	<u>(469,138)</u>	<u>(295,350)</u>	<u>173,788</u>
Total other financing sources (uses)	<u>(354,042)</u>	<u>(180,254)</u>	<u>173,788</u>
Net change in fund balance	(370,242)	(117,025)	253,217
Fund balance (deficit) - July 1, 2007	<u>(522,797)</u>	<u>(522,797)</u>	
Fund balance (deficit) - June 30, 2008	<u>\$ (893,039)</u>	<u>\$ (639,822)</u>	<u>\$ 253,217</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 1,000	\$ 8,119	\$ 7,119
Intergovernmental	<u>1,551,650</u>	<u>1,273,282</u>	<u>(278,368)</u>
Total revenues	<u>1,552,650</u>	<u>1,281,401</u>	<u>(271,249)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(1,670,000)</u>	<u>(1,011,765)</u>	<u>658,235</u>
Total other financing sources (uses)	<u>(1,670,000)</u>	<u>(1,011,765)</u>	<u>658,235</u>
Net change in fund balance	(117,350)	269,636	386,986
Fund balance - July 1, 2007	<u>154,489</u>	<u>154,489</u>	
Fund balance - June 30, 2008	<u><u>\$ 37,139</u></u>	<u><u>\$ 424,125</u></u>	<u><u>\$ 386,986</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Retirement Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 2,456,739	\$ 2,612,778	\$ 156,039
Total revenues	<u>2,456,739</u>	<u>2,612,778</u>	<u>156,039</u>
Expenditures:			
Current:			
General government	<u>772,322</u>	<u>746,964</u>	<u>25,358</u>
Total expenditures	<u>772,322</u>	<u>746,964</u>	<u>25,358</u>
Excess of revenues over (under) expenditures	<u>1,684,417</u>	<u>1,865,814</u>	<u>181,397</u>
Other Financing Sources (Uses):			
Transfers out	<u>(2,551,761)</u>	<u>(2,302,421)</u>	<u>249,340</u>
Total other financing sources (uses)	<u>(2,551,761)</u>	<u>(2,302,421)</u>	<u>249,340</u>
Net change in fund balance	(867,344)	(436,607)	430,737
Fund balance - July 1, 2007	<u>908,532</u>	<u>908,532</u>	
Fund balance - June 30, 2008	<u>\$ 41,188</u>	<u>\$ 471,925</u>	<u>\$ 430,737</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Sheriff Drug Seizure Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Fines and forfeits	\$ 10,000	\$ 1,710	\$ (8,290)
Use of money and property	800	2,617	1,817
Total revenues	<u>10,800</u>	<u>4,327</u>	<u>(6,473)</u>
Expenditures:			
Current:			
Public safety	<u>35,780</u>	<u>19,342</u>	<u>16,438</u>
Total expenditures	<u>35,780</u>	<u>19,342</u>	<u>16,438</u>
Net change in fund balance	(24,980)	(15,015)	9,965
Fund balance - July 1, 2007	<u>101,483</u>	<u>101,483</u>	
Fund balance - June 30, 2008	<u><u>\$ 76,503</u></u>	<u><u>\$ 86,468</u></u>	<u><u>\$ 9,965</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Air Quality Improvement Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 1,100	\$ 4,729	\$ 3,629
Intergovernmental	80,000	87,393	7,393
Total revenues	<u>81,100</u>	<u>92,122</u>	<u>11,022</u>
Other Financing Sources (Uses):			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	
Net change in fund balance	(18,900)	(7,878)	11,022
Fund balance - July 1, 2007	<u>139,324</u>	<u>139,324</u>	
Fund balance - June 30, 2008	<u><u>\$ 120,424</u></u>	<u><u>\$ 131,446</u></u>	<u><u>\$ 11,022</u></u>

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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 30,000	\$ 27,093	\$ (2,907)
Total revenues	<u>30,000</u>	<u>27,093</u>	<u>(2,907)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(48,667)</u>	<u>(13,275)</u>	<u>35,392</u>
Total other financing sources (uses)	<u>(48,667)</u>	<u>(13,275)</u>	<u>35,392</u>
Net change in fund balance	(18,667)	13,818	32,485
Fund balance - July 1, 2007	<u>(13,818)</u>	<u>(13,818)</u>	
Fund balance - June 30, 2008	<u><u>\$ (32,485)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 32,485</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
State Transportation Partnership Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 422,913	\$ 95,657	\$ (327,256)
Total revenues	<u>422,913</u>	<u>95,657</u>	<u>(327,256)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(424,058)</u>		<u>424,058</u>
Total other financing sources (uses)	<u>(424,058)</u>		<u>424,058</u>
Net change in fund balance	(1,145)	95,657	96,802
Fund balance - July 1, 2007	<u>(95,657)</u>	<u>(95,657)</u>	
Fund balance - June 30, 2008	<u><u>\$ (96,802)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 96,802</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Business Improvement District Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 225,000	\$ 107,898	\$ (117,102)
Total revenues	225,000	107,898	(117,102)
Expenditures:			
Current:			
Community development	225,000	147,500	77,500
Total expenditures	225,000	147,500	77,500
Excess of revenues over (under) expenditures		(39,602)	(39,602)
Net change in fund balance		(39,602)	523,137
Fund balance (deficit) - July 1, 2007	(1,644)	(1,644)	
Fund balance (deficit) - June 30, 2008	\$ (1,644)	\$ (41,246)	\$ (39,602)

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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 3,300	\$ 5,737	\$ 2,437
Total revenues	<u>3,300</u>	<u>5,737</u>	<u>2,437</u>
Net change in fund balance	3,300	5,737	2,437
Fund balance - July 1, 2007	<u>163,028</u>	<u>163,028</u>	
Fund balance - June 30, 2008	<u>\$ 166,328</u>	<u>\$ 168,765</u>	<u>\$ 2,437</u>

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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 2,297,657	\$ 2,508,879	\$ 211,222
Total revenues	<u>2,297,657</u>	<u>2,508,879</u>	<u>211,222</u>
Expenditures:			
Current:			
Public safety	440,000	428,378	11,622
Community development	569,400	435,689	133,711
Debt service:			
Principal	270,000	270,000	
Interest and fiscal charges	<u>333,705</u>	<u>333,705</u>	
Total expenditures	<u>1,613,105</u>	<u>1,467,772</u>	<u>145,333</u>
Excess of revenues over (under) expenditures	<u>684,552</u>	<u>1,041,107</u>	<u>356,555</u>
Other Financing Sources (Uses):			
Transfers out	<u>(711,053)</u>	<u>(1,041,107)</u>	<u>(330,054)</u>
Total other financing sources (uses)	<u>(711,053)</u>	<u>(1,041,107)</u>	<u>(330,054)</u>
Net change in fund balance	(26,501)		26,501
Fund balance - July 1, 2007	<u> </u>	<u> </u>	<u> </u>
Fund balance - June 30, 2008	<u>\$ (26,501)</u>	<u>\$ -</u>	<u>\$ 26,501</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Prop A Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,300,000	\$ 1,220,827	\$ (79,173)
Use of money and property	2,400	48,550	46,150
Total revenues	<u>1,302,400</u>	<u>1,269,377</u>	<u>(33,023)</u>
Excess of revenues over (under) expenditures	<u>1,302,400</u>	<u>1,269,377</u>	<u>(33,023)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(1,257,973)</u>	<u>(805,481)</u>	<u>452,492</u>
Total other financing sources (uses)	<u>(1,257,973)</u>	<u>(805,481)</u>	<u>452,492</u>
Net change in fund balance	44,427	463,896	419,469
Fund balance - July 1, 2007	<u>945,622</u>	<u>945,622</u>	
Fund balance - June 30, 2008	<u>\$ 990,049</u>	<u>\$ 1,409,518</u>	<u>\$ 419,469</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Landscape Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,138,214	\$ 1,039,022	\$ (99,192)
Total revenues	<u>1,138,214</u>	<u>1,039,022</u>	<u>(99,192)</u>
Expenditures:			
Current:			
Public works	<u>1,411,410</u>	<u>1,260,172</u>	<u>151,238</u>
Total expenditures	<u>1,411,410</u>	<u>1,260,172</u>	<u>151,238</u>
Excess of revenues over (under) expenditures	<u>(273,196)</u>	<u>(221,150)</u>	<u>52,046</u>
Other Financing Sources (Uses):			
Transfers in	772,758	772,758	
Transfers out	<u>(238,450)</u>	<u>(238,450)</u>	
Total other financing sources (uses)	<u>534,308</u>	<u>534,308</u>	
Net change in fund balance	261,112	313,158	52,046
Fund balance (deficit) - July 1, 2007	<u>(874,047)</u>	<u>(874,047)</u>	
Fund balance (deficit) - June 30, 2008	<u><u>\$ (612,935)</u></u>	<u><u>\$ (560,889)</u></u>	<u><u>\$ 52,046</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Anti-Litter Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 50	\$ 81	\$ 31
Total revenues	<u>50</u>	<u>81</u>	<u>31</u>
Excess of revenues over (under) expenditures	<u>50</u>	<u>81</u>	<u>31</u>
Other Financing Sources (Uses):			
Transfers out	<u> </u>	<u>(3,427)</u>	<u>(3,427)</u>
Total other financing sources (uses)	<u> </u>	<u>(3,427)</u>	<u>(3,427)</u>
Net change in fund balance	50	(3,346)	(3,396)
Fund balance - July 1, 2007	<u>3,346</u>	<u>3,346</u>	<u> </u>
Fund balance - June 30, 2008	<u>\$ 3,396</u>	<u>\$ -</u>	<u>\$ (3,396)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Prop C Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,260,600	\$ 1,127,937	\$ (132,663)
Use of money and property	10,000	182,206	172,206
Total revenues	<u>1,270,600</u>	<u>1,310,143</u>	<u>39,543</u>
Other Financing Sources (Uses):			
Transfers out	<u>(3,617,215)</u>	<u>(362,484)</u>	<u>3,254,731</u>
Total other financing sources (uses)	<u>(3,617,215)</u>	<u>(362,484)</u>	<u>3,254,731</u>
Net change in fund balance	(2,346,615)	947,659	3,294,274
Fund balance - July 1, 2007	<u>3,010,946</u>	<u>3,010,946</u>	
Fund balance - June 30, 2008	<u><u>\$ 664,331</u></u>	<u><u>\$ 3,958,605</u></u>	<u><u>\$ 3,294,274</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
STP Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,000,000	\$ 463,097	\$ (536,903)
Total revenues	<u>1,000,000</u>	<u>463,097</u>	<u>(536,903)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(1,000,000)</u>	<u> </u>	<u>1,000,000</u>
Total other financing sources (uses)	<u>(1,000,000)</u>	<u> </u>	<u>1,000,000</u>
Net change in fund balance		463,097	463,097
Fund balance - July 1, 2007	<u>(463,097)</u>	<u>(463,097)</u>	<u> </u>
Fund balance - June 30, 2008	<u>\$ (463,097)</u>	<u>\$ -</u>	<u>\$ 463,097</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Graffiti Prevention Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 150	\$ -	\$ (150)
Total revenues	<u>150</u>	<u></u>	<u>(150)</u>
Net change in fund balance	150		(150)
Fund balance - July 1, 2007	<u></u>	<u></u>	<u></u>
Fund balance - June 30, 2008	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ (150)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
State COPS Program Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 5,088	\$ 5,088
Intergovernmental	140,701	140,701	
Total revenues	<u>140,701</u>	<u>145,789</u>	<u>5,088</u>
Expenditures:			
Current:			
Public safety	199,009	130,060	68,949
Total expenditures	<u>199,009</u>	<u>130,060</u>	<u>68,949</u>
Net change in fund balance	(58,308)	15,729	74,037
Fund balance - July 1, 2007	<u>47,514</u>	<u>47,514</u>	
Fund balance - June 30, 2008	<u>\$ (10,794)</u>	<u>\$ 63,243</u>	<u>\$ 74,037</u>

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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 2,400,000	\$ -	\$ (2,400,000)
Total revenues	<u>2,400,000</u>	<u> </u>	<u>(2,400,000)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(2,384,261)</u>	<u>(10,792)</u>	<u>2,373,469</u>
Total other financing sources (uses)	<u>(2,384,261)</u>	<u>(10,792)</u>	<u>2,373,469</u>
Net change in fund balance	15,739	(10,792)	(26,531)
Fund balance (deficit) - July 1, 2007	<u>(315,739)</u>	<u>(315,739)</u>	<u> </u>
Fund balance (deficit) - June 30, 2008	<u>\$ (300,000)</u>	<u>\$ (326,531)</u>	<u>\$ (26,531)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Beverage Container Recycling Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 3,697	\$ 3,697
Intergovernmental	15,000	19,412	4,412
Total revenues	<u>15,000</u>	<u>23,109</u>	<u>8,109</u>
Expenditures:			
Current:			
Community Development	<u>40,724</u>		<u>40,724</u>
Total expenditures	<u>40,724</u>		<u>40,724</u>
Net change in fund balance	(25,724)	23,109	48,833
Fund balance - July 1, 2007	<u>108,961</u>	<u>108,961</u>	
Fund balance - June 30, 2008	<u>\$ 83,237</u>	<u>\$ 132,070</u>	<u>\$ 48,833</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
LA County Park Maintenance Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 7,066	\$ 7,066
Intergovernmental		168,615	168,615
Total revenues		175,681	175,681
Other Financing Sources (Uses):			
Transfers out	(177,129)	(20,912)	156,217
Total other financing sources (uses)	(177,129)	(20,912)	156,217
Net change in fund balance	(177,129)	154,769	331,898
Fund balance - July 1, 2007	78,589	78,589	
Fund balance - June 30, 2008	<u>\$ (98,540)</u>	<u>\$ 233,358</u>	<u>\$ 331,898</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
AB 2928 Traffic Congestion Relief Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 300,000	\$ -	\$ (300,000)
Use of money and property		15,131	15,131
Total revenues	<u>300,000</u>	<u>15,131</u>	<u>(284,869)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(608,000)</u>	<u>(583,326)</u>	<u>24,674</u>
Total other financing sources (uses)	<u>(608,000)</u>	<u>(583,326)</u>	<u>24,674</u>
Net change in fund balance	(308,000)	(568,195)	(260,195)
Fund balance - July 1, 2007	<u>570,344</u>	<u>570,344</u>	
Fund balance - June 30, 2008	<u>\$ 262,344</u>	<u>\$ 2,149</u>	<u>\$ (260,195)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Used Oil Recycling Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 729	\$ 729
Intergovernmental	20,000	26,106	6,106
Total revenues	<u>20,000</u>	<u>26,835</u>	<u>6,835</u>
Expenditures:			
Current:			
Public Works	20,000	16,424	3,576
Total expenditures	<u>20,000</u>	<u>16,424</u>	<u>3,576</u>
Net change in fund balance		10,411	10,411
Fund balance - July 1, 2007	<u>18,697</u>	<u>18,697</u>	
Fund balance - June 30, 2008	<u>\$ 18,697</u>	<u>\$ 29,108</u>	<u>\$ 10,411</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Impact Fees Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 173,500	\$ 170,683	\$ (2,817)
Use of money and property		10,088	10,088
Total revenues	<u>173,500</u>	<u>180,771</u>	<u>7,271</u>
Net change in fund balance	173,500	180,771	7,271
Fund balance - July 1, 2007	<u>235,013</u>	<u>235,013</u>	
Fund balance - June 30, 2008	<u>\$ 408,513</u>	<u>\$ 415,784</u>	<u>\$ 7,271</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Public Art Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 40,000	\$ 106,383	\$ 66,383
Use of money and property		6,044	6,044
Total revenues	<u>40,000</u>	<u>112,427</u>	<u>72,427</u>
Net change in fund balance	40,000	112,427	72,427
Fund balance - July 1, 2007	<u>137,622</u>	<u>137,622</u>	
Fund balance - June 30, 2008	<u><u>\$ 177,622</u></u>	<u><u>\$ 250,049</u></u>	<u><u>\$ 72,427</u></u>

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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Fines and forfeits	\$ 80,135	\$ 36,154	\$ (43,981)
Total revenues	<u>80,135</u>	<u>36,154</u>	<u>(43,981)</u>
Expenditures:			
Current:			
Public safety	<u>50,000</u>	<u>52,869</u>	<u>(2,869)</u>
Total expenditures	<u>50,000</u>	<u>52,869</u>	<u>(2,869)</u>
Net change in fund balance	30,135	(16,715)	(46,850)
Fund balance - July 1, 2007	<u>16,715</u>	<u>16,715</u>	
Fund balance - June 30, 2008	<u>\$ 46,850</u>	<u>\$ -</u>	<u>\$ (46,850)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Per Capita Grant 2000 Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 338,410	\$ 496,225	\$ 157,815
Total revenues	<u>338,410</u>	<u>496,225</u>	<u>157,815</u>
Other Financing Sources (Uses):			
Transfers out	<u>(805,314)</u>	<u>(155,539)</u>	<u>649,775</u>
Total other financing sources (uses)	<u>(805,314)</u>	<u>(155,539)</u>	<u>649,775</u>
Net change in fund balance	(466,904)	340,686	807,590
Fund balance - July 1, 2007	<u>(340,686)</u>	<u>(340,686)</u>	
Fund balance - June 30, 2008	<u>\$ (807,590)</u>	<u>\$ -</u>	<u>\$ 807,590</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Safe School Route Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ -	\$ 298,961	\$ 298,961
Total revenues		298,961	298,961
Other Financing Sources (Uses):			
Transfers out	(1,039)		1,039
Total other financing sources (uses)	(1,039)		1,039
Net change in fund balance	(1,039)	298,961	300,000
Fund balance - July 1, 2007	(298,961)	(298,961)	
Fund balance - June 30, 2008	<u>\$ (300,000)</u>	<u>\$ -</u>	<u>\$ 300,000</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Litter Abatement Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for services	\$ 270,000	\$ 459,406	\$ 189,406
Total revenues	<u>270,000</u>	<u>459,406</u>	<u>189,406</u>
Expenditures:			
Current:			
General government	827,629	822,597	5,032
Public works	495,170	445,659	49,511
Total expenditures	<u>1,322,799</u>	<u>1,268,256</u>	<u>54,543</u>
Excess of revenues over (under) expenditures	<u>(1,052,799)</u>	<u>(808,850)</u>	<u>243,949</u>
Other Financing Sources (Uses):			
Transfers in	<u>1,052,799</u>	<u>815,911</u>	<u>(236,888)</u>
Total other financing sources (uses)	<u>1,052,799</u>	<u>815,911</u>	<u>(236,888)</u>
Net change in fund balance		7,061	7,061
Fund balance - July 1, 2007	<u>(901)</u>	<u>(901)</u>	
Fund balance - June 30, 2008	<u>\$ (901)</u>	<u>\$ 6,160</u>	<u>\$ 7,061</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
DuPont Lead Safety Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 2,878	\$ 2,878
Total revenues	<u> </u>	<u>2,878</u>	<u>2,878</u>
Other Financing Sources (Uses):			
Transfers out	(92,424)	<u> </u>	<u>92,424</u>
Total other financing sources (uses)	<u>(92,424)</u>	<u> </u>	<u>92,424</u>
Net change in fund balance	(92,424)	2,878	95,302
Fund balance - July 1, 2007	<u>99,627</u>	<u>99,627</u>	<u> </u>
Fund balance - June 30, 2008	<u>\$ 7,203</u>	<u>\$ 102,505</u>	<u>\$ 95,302</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
State Homeland Security Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Current:			
Public safety	\$ -	\$ 18,276	\$ (18,276)
Capital outlay	30,135	671	29,464
Total expenditures	<u>30,135</u>	<u>18,947</u>	<u>11,188</u>
Net change in fund balance	(30,135)	(18,947)	11,188
Fund balance - July 1, 2007	<u>16,057</u>	<u>16,057</u>	
Fund balance (deficit) - June 30, 2008	<u><u>\$ (14,078)</u></u>	<u><u>\$ (2,890)</u></u>	<u><u>\$ 11,188</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Prop 40 Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 562,739	\$ 562,739	\$ -
Total revenues	<u>562,739</u>	<u>562,739</u>	
Other Financing Sources (Uses):			
Transfers out	<u>(562,739)</u>	<u>(562,739)</u>	
Total other financing sources (uses)	<u>(562,739)</u>	<u>(562,739)</u>	
Net change in fund balance			
Fund balance - July 1, 2007	<u> </u>	<u> </u>	<u> </u>
Fund balance - June 30, 2008	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Lynwood Information, Inc. Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 1,000	\$ 960	\$ (40)
Intergovernmental	140,000		(140,000)
Total revenues	<u>141,000</u>	<u>960</u>	<u>(140,040)</u>
Expenditures:			
Current:			
Community development	<u>98,582</u>	<u>27,384</u>	<u>71,198</u>
Total expenditures	<u>98,582</u>	<u>27,384</u>	<u>71,198</u>
Net change in fund balance	42,418	(26,424)	(68,842)
Fund balance - July 1, 2007	<u>131,142</u>	<u>131,142</u>	
Fund balance - June 30, 2008	<u>\$ 173,560</u>	<u>\$ 104,718</u>	<u>\$ (68,842)</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Redevelopment Low/Mod Housing Alameda Area Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 14,000	\$ 45,628	\$ 31,628
Total revenues	<u>14,000</u>	<u>45,628</u>	<u>31,628</u>
Expenditures:			
Current:			
Community development	172,930	56,971	115,959
Debt service:			
Principal	13,487	13,300	187
Interest and fiscal charges	<u>25,218</u>	<u>25,218</u>	<u>(25,218)</u>
Total expenditures	<u>186,417</u>	<u>95,489</u>	<u>90,928</u>
Excess of revenues over (under) expenditures	<u>(172,417)</u>	<u>(49,861)</u>	<u>122,556</u>
Other Financing Sources (Uses):			
Transfers in	<u>138,270</u>	<u>168,933</u>	<u>30,663</u>
Total other financing sources (uses)	<u>138,270</u>	<u>168,933</u>	<u>30,663</u>
Net change in fund balance	(34,147)	119,072	153,219
Fund balance - July 1, 2007	<u>1,227,377</u>	<u>1,227,377</u>	
Fund balance - June 30, 2008	<u>\$ 1,193,230</u>	<u>\$ 1,346,449</u>	<u>\$ 153,219</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Tax Increment Area "A" Debt Service Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 3,668,644	\$ 4,297,967	\$ 629,323
Program Income	45,950	49,273	
Use of money and property	30,000	21,989	(8,011)
Other revenue		26,766	26,766
	<u>3,744,594</u>	<u>4,395,995</u>	<u>648,078</u>
Total revenues			
Expenditures:			
Debt service:			
Principal	334,660	221,400	113,260
Interest and fiscal charges	812,960	659,556	153,404
	<u>1,147,620</u>	<u>880,956</u>	<u>266,664</u>
Total expenditures			
Excess of revenues over (under) expenditures	<u>2,596,974</u>	<u>3,515,039</u>	<u>918,065</u>
Other Financing Sources (Uses):			
Transfers out	<u>(3,302,197)</u>	<u>(3,100,352)</u>	<u>201,845</u>
Total other financing sources (uses)	<u>(3,302,197)</u>	<u>(3,100,352)</u>	<u>201,845</u>
Net change in fund balance	(705,223)	414,687	1,119,910
Fund balance - July 1, 2007	<u>1,080,999</u>	<u>1,080,999</u>	
Fund balance - June 30, 2008	<u>\$ 375,776</u>	<u>\$ 1,495,686</u>	<u>\$ 1,119,910</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Tax Increment Alameda Area Debt Service Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 691,352	\$ 834,021	\$ 142,669
Program income	27,200		(27,200)
Use of money and property	8,000	12,592	4,592
	<u>726,552</u>	<u>846,613</u>	<u>120,061</u>
Total revenues			
Expenditures:			
Current:			
Community development		2,530	(2,530)
Debt service:			
Principal	22,004	21,700	304
Interest and fiscal charges	43,125	42,938	187
	<u>65,129</u>	<u>67,168</u>	<u>(2,039)</u>
Total expenditures			
Excess of revenues over (under) expenditures	<u>661,423</u>	<u>779,445</u>	<u>118,022</u>
Other Financing Sources (Uses):			
Transfers out	<u>(930,464)</u>	<u>(797,368)</u>	<u>133,096</u>
Total other financing sources (uses)	<u>(930,464)</u>	<u>(797,368)</u>	<u>133,096</u>
Net change in fund balance	(269,041)	(17,923)	251,118
Fund balance - July 1, 2007	<u>506,407</u>	<u>506,407</u>	
Fund balance - June 30, 2008	<u>\$ 237,366</u>	<u>\$ 488,484</u>	<u>\$ 251,118</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Special Fund Area "A" Alameda Debt Service Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 24,000	\$ 39,632	\$ 15,632
Total revenues	<u>24,000</u>	<u>39,632</u>	<u>15,632</u>
Expenditures:			
Debt service:			
Interest and fiscal charges	<u>24,000</u>		<u>24,000</u>
Total expenditures	<u>24,000</u>		<u>24,000</u>
Net change in fund balance		39,632	39,632
Fund balance - July 1, 2007	<u>1,214,606</u>	<u>1,214,606</u>	
Fund balance - June 30, 2008	<u><u>\$ 1,214,606</u></u>	<u><u>\$ 1,254,238</u></u>	<u><u>\$ 39,632</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Public Financing Authority Debt Service Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Current:			
General government	\$ 67,293	\$ 32,594	\$ 34,699
Total expenditures	<u>67,293</u>	<u>32,594</u>	<u>34,699</u>
Other Financing Sources (Uses):			
Transfers in	<u>67,293</u>	<u>32,594</u>	<u>(34,699)</u>
Total other financing sources (uses)	<u>67,293</u>	<u>32,594</u>	<u>(34,699)</u>
Net change in fund balance			
Fund balance - July 1, 2007	<u> </u>	<u> </u>	<u> </u>
Fund balance - June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
City of Lynwood Debt Service Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 25,991	\$ 25,991
Total revenues	<u> </u>	<u>25,991</u>	<u>25,991</u>
Expenditures:			
Debt service:			
Principal	680,944	749,600	(68,656)
Interest and fiscal charges	<u>597,346</u>	<u>573,169</u>	<u>24,177</u>
Total expenditures	<u>1,278,290</u>	<u>1,322,769</u>	<u>(44,479)</u>
Excess of revenues over (under) expenditures	<u>(1,278,290)</u>	<u>(1,296,778)</u>	<u>(18,488)</u>
Other Financing Sources (Uses):			
Transfers in	<u>1,278,290</u>	<u>1,322,769</u>	<u>44,479</u>
Total other financing sources (uses)	<u>1,278,290</u>	<u>1,322,769</u>	<u>44,479</u>
Net change in fund balance		25,991	25,991
Fund balance - July 1, 2007	<u>1,160,757</u>	<u>1,160,757</u>	<u> </u>
Fund balance - June 30, 2008	<u>\$ 1,160,757</u>	<u>\$ 1,186,748</u>	<u>\$ 25,991</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
2003 Lease Revenue Refunding Capital Projects Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 49,514	\$ 49,514
Total revenues	<u> </u>	<u>49,514</u>	<u>49,514</u>
Other Financing Sources (Uses):			
Transfers out	<u>816,118</u>	<u>(123,941)</u>	<u>(940,059)</u>
Total other financing sources (uses)	<u>816,118</u>	<u>(123,941)</u>	<u>(940,059)</u>
Net change in fund balance	(816,118)	(74,427)	741,691
Fund balance - July 1, 2007	<u>1,278,996</u>	<u>1,278,996</u>	<u> </u>
Fund balance - June 30, 2008	<u>\$ 462,878</u>	<u>\$ 1,204,569</u>	<u>\$ 741,691</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Redevelopment Project Alameda Area Capital Projects Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Current:			
Community development	\$ 898,694	\$ 632,391	\$ 266,303
Capital outlay	5,500	1,353	4,147
Total expenditures	<u>904,194</u>	<u>633,744</u>	<u>270,450</u>
Excess of revenues over (under) expenditures	<u>(904,194)</u>	<u>(633,744)</u>	<u>270,450</u>
Other Financing Sources (Uses):			
Transfers in	<u>792,194</u>	<u>628,435</u>	<u>(163,759)</u>
Total other financing sources (uses)	<u>792,194</u>	<u>628,435</u>	<u>(163,759)</u>
Net change in fund balance	(112,000)	(5,309)	106,691
Fund balance - July 1, 2007	<u>5,047</u>	<u>5,047</u>	
Fund balance (deficit) - June 30, 2008	<u>\$ (106,953)</u>	<u>\$ (262)</u>	<u>\$ 106,691</u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Capital Project Loan Capital Projects Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 54,184	\$ 54,184
Total revenues	<u> </u>	<u>54,184</u>	<u>54,184</u>
Other Financing Sources (Uses):			
Transfers out	<u>(153,110)</u>	<u>(27,073)</u>	<u>126,037</u>
Total other financing sources (uses)	<u>(153,110)</u>	<u>(27,073)</u>	<u>126,037</u>
Net change in fund balance	(153,110)	27,111	180,221
Fund balance - July 1, 2007	<u>1,241,514</u>	<u>1,241,514</u>	<u> </u>
Fund balance - June 30, 2008	<u><u>\$ 1,088,404</u></u>	<u><u>\$ 1,268,625</u></u>	<u><u>\$ 180,221</u></u>

CITY OF LYNWOOD
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Park Replacement Capital Projects Fund
For the Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 17,998	\$ 17,998
Total revenues	<u> </u>	<u>17,998</u>	<u>17,998</u>
Other Financing Sources (Uses):			
Transfers out	<u>(4,040,000)</u>	<u>(1,111,759)</u>	<u>2,928,241</u>
Total other financing sources (uses)	<u>(4,040,000)</u>	<u>(1,111,759)</u>	<u>2,928,241</u>
Net change in fund balance	(4,040,000)	(1,093,761)	2,946,239
Fund balance (deficit) - July 1, 2007	<u>(970,350)</u>	<u>(970,350)</u>	<u> </u>
Fund balance (deficit) - June 30, 2008	<u>\$ (5,010,350)</u>	<u>\$ (2,064,111)</u>	<u>\$ 2,946,239</u>

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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 12,000	\$ 12,591	\$ 591
Total revenues	<u>12,000</u>	<u>12,591</u>	<u>591</u>
Expenditures:			
Community development	<u>785,583</u>	<u>785,583</u>	
Total expenditures	<u>785,583</u>	<u>785,583</u>	
Net change in fund balance	(773,583)	(772,992)	591
Fund balance - July 1, 2007	<u>816,692</u>	<u>816,692</u>	
Fund balance - June 30, 2008	<u>\$ 43,109</u>	<u>\$ 43,700</u>	<u>\$ 591</u>

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, 2008

	<u>Garage</u>	<u>Self-Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
Assets				
Current Assets:				
Cash and investments	\$ 275,154	\$ -	\$ 148,895	\$ 424,049
Total current assets	<u>275,154</u>	<u> </u>	<u>148,895</u>	<u>424,049</u>
Noncurrent Assets:				
Depreciable equipment, net	<u>725,050</u>	<u> </u>	<u>542,528</u>	<u>1,267,578</u>
Total noncurrent assets	<u>725,050</u>	<u> </u>	<u>542,528</u>	<u>1,267,578</u>
Total assets	<u>1,000,204</u>	<u> </u>	<u>691,423</u>	<u>1,691,627</u>
Liabilities				
Current Liabilities:				
Accounts payable	44,314	257,581	68,793	370,688
Due to other funds		550,663		550,663
Current portion of long-term obligations		<u>787,712</u>		<u>787,712</u>
Total current liabilities	<u>44,314</u>	<u>1,595,956</u>	<u>68,793</u>	<u>1,709,063</u>
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations:				
Compensated absences	7,408		34,182	41,590
Claims payable		<u>2,363,135</u>		<u>2,363,135</u>
Total noncurrent liabilities	<u>7,408</u>	<u>2,363,135</u>	<u>34,182</u>	<u>2,404,725</u>
Total liabilities	<u>51,722</u>	<u>3,959,091</u>	<u>102,975</u>	<u>4,113,788</u>
Net Assets				
Invested in capital assets, net of related debt	725,050		542,528	1,267,578
Unrestricted	<u>223,432</u>	<u>(3,959,091)</u>	<u>45,920</u>	<u>(3,689,739)</u>
Total net assets (deficit)	<u>\$ 948,482</u>	<u>\$ (3,959,091)</u>	<u>\$ 588,448</u>	<u>\$ (2,422,161)</u>

CITY OF LYNWOOD
Combining Statement of Revenues, Expenses,
and Changes in Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2008

	<u>Garage</u>	<u>Self-Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
Operating Revenues:				
Sales and service charges	\$ 980,157	\$ 1,911,075	\$ -	\$ 2,891,232
Total operating revenues	<u>980,157</u>	<u>1,911,075</u>		<u>2,891,232</u>
Operating Expenses:				
Administration		955,892	418,139	1,374,031
Insurance		578,437		578,437
Claims		1,206,616		1,206,616
Garage	357,064			357,064
Depreciation	99,300		88,982	188,282
Total operating expenses	<u>456,364</u>	<u>2,740,945</u>	<u>507,121</u>	<u>3,704,430</u>
Operating income (loss)	<u>523,793</u>	<u>(829,870)</u>	<u>(507,121)</u>	<u>(813,198)</u>
Nonoperating Revenues (Expenses):				
Loss on disposal of capital assets			(6,485)	(6,485)
Interest expense	(906)			(906)
Total nonoperating revenues (expenses)	<u>(906)</u>		<u>(6,485)</u>	<u>(7,391)</u>
Income (loss) before transfers	<u>522,887</u>	<u>(829,870)</u>	<u>(513,606)</u>	<u>(820,589)</u>
Transfers in	<u>11,012</u>	<u>3,785,686</u>	<u>626,614</u>	<u>4,423,312</u>
Total Transfers	<u>11,012</u>	<u>3,785,686</u>	<u>626,614</u>	<u>4,423,312</u>
Change in net assets	<u>533,899</u>	<u>2,955,816</u>	<u>113,008</u>	<u>3,602,723</u>
Net Assets (Deficits)				
Beginning of fiscal year	287,682	(6,914,907)	475,440	(6,151,785)
Prior year adjustment	126,901			126,901
Beginning of fiscal year, restated	<u>414,583</u>	<u>(6,914,907)</u>	<u>475,440</u>	<u>(6,024,884)</u>
End of fiscal year	<u>\$ 948,482</u>	<u>\$ (3,959,091)</u>	<u>\$ 588,448</u>	<u>\$ (2,422,161)</u>

CITY OF LYNWOOD
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2008

	<u>Garage</u>	<u>Self-Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
Cash flows from operating activities:				
Receipts from customers and users	\$ 980,157	\$ 1,911,075	\$ 297,172	\$ 3,188,404
Payments to suppliers	(559,994)	(3,748,766)	(146,439)	(4,455,199)
Payments for claims		(992,103)		(992,103)
Payments to employees	(71,353)	(955,892)	(412,000)	(1,439,245)
Net cash provided (used) by operating activities	<u>348,810</u>	<u>(3,785,686)</u>	<u>(261,267)</u>	<u>(3,698,143)</u>
Cash flows from noncapital financing activities:				
Transfer to/from other funds	<u>11,012</u>	<u>3,785,686</u>	<u>626,614</u>	<u>4,423,312</u>
Net cash provided (used) in noncapital financing activities	<u>11,012</u>	<u>3,785,686</u>	<u>626,614</u>	<u>4,423,312</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(18,978)		(216,452)	(235,430)
Principal payments on long-term debt	(64,784)			(64,784)
Interest paid on long-term debt	(906)			(906)
Net cash provided (used) in capital and related financing activities	<u>(84,668)</u>		<u>(216,452)</u>	<u>(301,120)</u>
Net increase (decrease) in cash and cash equivalents	275,154		148,895	424,049
Cash and cash equivalents, beginning of fiscal year				
Cash and cash equivalents, end of fiscal year	<u>\$ 275,154</u>	<u>\$ -</u>	<u>\$ 148,895</u>	<u>\$ 424,049</u>
Reconciliation of cash and cash equivalents to amounts reported on the statement of net assets:				
Reported on the statement of net assets:				
Cash and investments	<u>\$ 275,154</u>	<u>\$ -</u>	<u>\$ 148,895</u>	<u>\$ 424,049</u>
Cash and cash equivalents - June 30, 2008	<u>\$ 275,154</u>	<u>\$ -</u>	<u>\$ 148,895</u>	<u>\$ 424,049</u>

(Continued)

CITY OF LYNWOOD
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2008

	<u>Garage</u>	<u>Self-Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided (used) by operations:				
Operating income (loss)	<u>\$ 523,793</u>	<u>\$ (829,870)</u>	<u>\$ (507,121)</u>	<u>\$ (813,198)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	99,300		88,982	188,282
Decrease (increase) in accounts receivable			297,172	297,172
Increase (decrease) in accounts payable	(130,077)	177,601	52,161	99,685
Increase (decrease) in claims payable		214,513		214,513
Increase (decrease) in accrued employee benefits	1,639		6,139	7,778
Decrease (increase) in due to/from other funds	<u>(145,845)</u>	<u>(3,347,930)</u>	<u>(198,600)</u>	<u>(3,692,375)</u>
Total adjustments	<u>(174,983)</u>	<u>(2,955,816)</u>	<u>245,854</u>	<u>(2,884,945)</u>
Net cash provided (used) by operating activities	<u>\$ 348,810</u>	<u>\$ (3,785,686)</u>	<u>\$ (261,267)</u>	<u>\$ (3,698,143)</u>

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CITY OF LYNWOOD
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>State Deferred Payment Loan Program</u>				
Assets:				
Receivables:				
Notes and loans	\$ 54,506	\$ -	\$ -	\$ 54,506
Total assets	<u>\$ 54,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,506</u>
Liabilities:				
Deferred revenue	\$ 54,506	\$ -	\$ -	\$ 54,506
Total liabilities	<u>\$ 54,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,506</u>

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

	Fiscal Year	
	2007	2008
Governmental activities		
Invested in capital assets, net of related debt	\$79,540,927	\$85,074,079
Restricted	33,396,865	34,777,084
Unrestricted	4,340,631	3,283,514
Total governmental activities net assets	<u>117,278,423</u>	<u>123,134,677</u>
Business-type activities		
Invested in capital assets, net of related debt	(2,167,357)	(3,167,553)
Restricted	4,891,486	988,286
Unrestricted	1,610,454	9,258,275
Total business-type activities net assets	<u>4,334,583</u>	<u>7,079,008</u>
Primary government		
Invested in capital assets, net of related debt	77,373,570	81,906,526
Restricted	38,288,351	35,765,370
Unrestricted	5,951,085	12,541,789
Total primary government net assets	<u>\$121,613,006</u>	<u>\$130,213,685</u>

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

	Fiscal Year	
	2007	2008
Expenses		
Governmental activities:		
General government	\$8,117,721	\$9,942,569
Public safety	\$15,505,809	\$15,696,589
Public works	\$5,294,634	\$7,344,547
Redevelopment	\$6,390,638	\$5,406,955
Parks and recreation	\$3,312,944	\$3,160,255
Interest on long-term debt	\$1,984,742	\$1,941,003
Unallocated Depreciation	\$1,025,821	\$1,048,750
	<hr/>	<hr/>
Total governmental activities expenses	\$41,632,309	\$44,540,668
Business-type activities:		
Water	\$6,544,735	\$6,485,599
Transit	\$1,144,485	\$1,040,822
	<hr/>	<hr/>
Total business-type activities expenses	\$7,689,220	\$7,526,421
Total primary government expenses	<hr/> \$49,321,529	<hr/> \$52,067,089
 Program Revenues (see Schedule 3)		
Governmental activities:		
Charges for services:		
General government	\$1,652,328	\$352,691
Public safety	\$514,552	\$1,682,637
Public works	\$3,853,232	\$3,281,415
Community development	\$3,161	\$0
Parks and recreation	\$364,681	\$500,951
Operating grants and contributions	\$5,178,618	\$10,674,374
Capital grants and contributions	\$1,703,546	\$186,401
	<hr/>	<hr/>
Total governmental activities program revenues	\$13,270,118	\$16,678,469
Business-type activities:		
Charges for services:		
Water	\$7,861,420	\$9,759,112
Transit	\$20,073	\$5,427
Operating grants and contributions	\$0	\$0
Capital grants and contributions	\$0	\$0
	<hr/>	<hr/>
Total business-type activities program revenues	\$7,881,493	\$9,764,539
Total primary government program revenues	<hr/> \$21,151,611	<hr/> \$26,443,008

Source: Moss Levy Hartzheim

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

	Fiscal Year	
	2007	2008
Net (Expenses)/Revenue		
Governmental activities	(\$28,362,191)	(\$27,862,199)
Business-type activities	\$192,273	\$2,238,118
Total primary government net expense	<u>(\$28,169,918)</u>	<u>(\$25,624,081)</u>
General Revenues and Other Changes in Net Assets		
Governmental activities:		
Taxes		
Property taxes	\$18,209,991	\$17,801,044
Utility users tax	\$6,193,590	\$6,576,250
Franchise taxes	\$1,257,149	\$1,302,678
Sales taxes	\$3,688,238	\$5,401,170
Business license taxes	\$407,714	\$471,907
Other taxes	\$1,327,499	\$1,433,893
Unrestricted grants and contributions	\$0	\$0
Payments in lieu of taxes	\$540,103	\$361,087
Investment earnings	\$2,176,869	\$1,402,738
Miscellaneous	\$1,118,246	\$239,172
Transfers	\$5,312,643	(\$346,792)
Gain/Loss of Capital Assets	\$833,480	\$0
Total governmental activities	<u>\$41,065,522</u>	<u>\$34,643,147</u>
Business-type activities		
Investment earnings	\$607,504	\$159,515
Miscellaneous	\$0	\$0
Transfers	(\$5,312,643)	\$346,792
Total business-type activities	<u>(\$4,705,139)</u>	<u>\$506,307</u>
Total primary government	<u>\$36,360,383</u>	<u>\$35,149,454</u>
Change in Net Assets		
Governmental activities	\$12,703,331	\$6,780,948
Business-type activities	(\$4,512,866)	\$2,744,425
Total primary government	<u>\$8,190,465</u>	<u>\$9,525,373</u>

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

	Program Revenues	
	2007	2008
Function/Program		
Governmental activities:		
General government	\$2,041,391	\$1,709,979
Public safety	\$1,491,632	\$2,158,453
Public works	\$6,536,513	\$7,436,575
Redevelopment	\$2,652,992	\$4,691,733
Parks and recreation	\$547,590	\$681,729
Interest on long-term debt	\$0	\$0
Subtotal governmental activities	<u>\$13,270,118</u>	<u>\$16,678,469</u>
Business-type activities:		
Water	\$7,861,420	\$9,759,112
Transit	\$20,073	\$5,427
Subtotal business-type activities	<u>\$7,881,493</u>	<u>\$9,764,539</u>
Total primary government	<u>\$21,151,611</u>	<u>\$26,443,008</u>

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$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	\$1,450,866
Unreserved	\$6,798,056	\$6,323,972	\$8,860,106	\$8,699,004	\$11,711,978	\$10,399,462	\$11,691,290	\$15,512,533	\$14,891,975	\$9,626,275
Total general fund	\$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	\$11,077,141
All Other Governmental Funds										
Reserved	\$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	\$17,632,454
Unreserved, reported in:										
Special revenue funds	\$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	(\$388,455)
Capital projects funds	\$4,715,603	\$7,901,684	\$7,755,740	\$5,461,571	\$0	(\$584,387)	\$225,465	\$1,005,908	(\$11,113)	(\$37,030)
Debt service funds	\$0	\$0	\$0	\$0	(\$816,809)	(\$195,031)	\$0	\$0	\$0	\$0
Total all other governmental funds	\$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	\$17,206,969

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes (see Schedule 6)	\$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	\$32,765,398
Licenses, fees, and permits	\$188,108	\$188,586	\$202,334	\$254,271	\$454,611	\$502,598	\$607,075	\$639,142	\$646,340	\$354,853
Fines and penalties	\$470,944	\$484,733	\$792,935	\$776,010	\$811,231	\$796,674	\$893,895	\$1,007,352	\$1,175,169	\$1,187,753
Use of money and property	\$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	\$1,481,300
Intergovernmental	\$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	\$9,401,941
Charges for services	\$4,723,459	\$4,867,813	\$5,014,112	\$5,397,825	\$4,853,504	\$3,732,973	\$3,106,996	\$3,338,488	\$4,285,276	\$3,840,333
Administrative support	\$0	\$285,000	\$0	\$288,909	\$2,469,978	\$2,416,859	\$1,476,834	\$3,228,043	\$3,060,251	\$1,310,366
Program income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$135,177	\$267,585	\$49,273
Other revenues	\$1,604,825	\$1,830,081	\$2,628,961	\$2,486,714	\$849,567	\$278,324	\$451,571	\$135,177	\$1,456,338	\$660,694
Sale of Real Estate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$833,480	\$0
Loan repayment	\$0	\$0	\$0	\$210,000	\$0	\$0	\$0	\$0	\$0	\$0
Total revenues	\$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	\$51,051,911
Expenditures										
General government	\$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	\$8,328,291
Public safety	\$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	\$15,696,589
Public works	\$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	\$7,344,547
Community development	\$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	\$5,552,608
Parks and recreation	\$0	\$0	\$0	\$0	\$2,209,511	\$2,588,372	\$2,601,140	\$2,785,317	\$3,312,944	\$3,160,255
Capital outlay	\$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	\$5,983,029
Real estate acquisition	\$0	\$1,146,887	\$0	\$2,075,547	\$0	\$0	\$0	\$0	\$0	\$0
Debt service										
Interest	\$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	\$1,335,594
Principal	\$1,051,813	\$506,570	\$723,887	\$770,006	\$584,038	\$440,438	\$1,122,553	\$975,682	\$1,826,207	\$1,768,237
Bond issue costs	\$0	\$803,817	\$48,350	\$0	\$0	\$351,369	\$0	\$0	\$0	\$0
Payments to escrow agents	\$0	\$4,239,810	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total expenditures	\$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	\$49,169,150
Excess of revenues over (under) expenditures	\$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)	\$1,882,761
Other Financing Sources (Uses)										
Bonds proceeds	\$0	\$13,480,997	\$0	\$0	\$0	\$8,630,000	\$0	\$0	\$0	\$0
Premium on bond issuance	\$0	\$2,720,280	\$0	\$0	\$0	\$74,214	\$0	\$0	\$0	\$0
Payments to escrow agent	\$0	(\$2,720,280)	\$0	\$0	\$0	(\$7,067,541)	\$0	\$0	\$0	\$0
Proceeds from loan	\$0	\$1,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan repayment	\$0	\$1,383,351	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers in	\$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	\$15,795,814
Transfers out	(\$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)	(\$20,565,918)
Total other financing sources (uses)	(\$198,240)	\$16,504,421	\$717,118	(\$487,002)	(\$1,176,902)	(\$264,305)	\$1,182,831	\$529,347	\$4,801,713	(\$4,770,104)
Net change in fund balances	\$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)	(\$2,887,343)
Debt service as a percentage of noncapital expenditures	7.48%	16.36%	6.14%	5.97%	6.04%	6.74%	7.42%	4.41%	5.30%	6.31%

Source: Moss Levy Hartzheim

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

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales Taxes</u>	<u>Utility Users Tax</u>	<u>Franchise</u>	<u>Property Transfer</u>	<u>Other</u>	<u>Total</u>
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
2008	\$17,801,044	\$5,401,170	\$6,576,250	\$1,302,678	\$471,907	\$1,433,893	\$32,986,942
Change							
1999-2008	122.4%	113.6%	97.5%	52.6%	658.2%	-1.9%	103.1%

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Residential	\$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	\$1,963,305,319
Commercial	\$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	\$273,733,571
Industrial	\$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	\$192,759,499
Government	\$216,279	\$219,730	\$30,000	\$33,600	\$38,822	\$39,620	\$985,000	\$0	\$0	\$0
Institutional	\$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	\$21,072,234
Miscellaneous	\$3,865,188	\$4,006,760	\$4,015,497	\$4,095,787	\$4,177,680	\$280,487	\$32,194	\$32,835	\$1,440,488	\$1,469,295
Recreational	\$298,225	\$303,747	\$309,818	\$316,011	\$448,517	\$202,485	\$206,264	\$210,388	\$284,668	\$290,360
Vacant Land	\$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	\$25,022,230
SBE Nonunitary	\$170,649	\$116,555	\$107,896	\$118,100	\$113,701	\$907,822	\$902,410	\$906,787	\$831,966	\$729
Possessory Int.	\$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	\$4,262,361
Unsecured	\$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	\$82,205,276
Less: Tax Exempt	(\$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)	(\$30,246,612)
Unknown	\$0	\$0	\$0	\$0	\$0	\$74,460	\$8,198,017	\$1,446,975	\$693,974	\$0
TOTALS	\$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	\$2,533,874,262
Total Direct Rate	0.63038%	0.63654%	0.39651%	0.38275%	0.42779%	0.39575%	0.40396%	0.41059%	0.40357%	0.40563%

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

Fiscal Year	City Direct Rate	Overlapping Rates					
	Basic Rate	Lynwood School District	Flood Control District	Los Angeles County	Metropolitan Water District	Compton Community College District	
1999	1.0000000%	0.000097%	0.001953%	0.001451%	0.008900%	0.000000%	
2000	1.0000000%	0.000000%	0.001765%	0.001422%	0.008900%	0.000000%	
2001	1.0000000%	0.000089%	0.001552%	0.001314%	0.008800%	0.000000%	
2002	1.0000000%	0.000104%	0.001073%	0.001128%	0.007700%	0.000000%	
2003	1.0000000%	0.000000%	0.000881%	0.001033%	0.006700%	0.000000%	
2004	1.0000000%	0.061331%	0.000462%	0.000992%	0.006100%	0.027143%	
2005	1.0000000%	0.048275%	0.000049%	0.000795%	0.005200%	0.020514%	
2006	1.0000000%	0.043175%	0.000052%	0.125000%	0.004700%	0.019747%	
2007	1.0000000%	0.043175%	0.000052%	0.000663%	0.004700%	0.019747%	
2008	1.0000000%	0.043700%	0.000000%	0.000670%	0.004500%	0.010410%	

Schedule 9
City of Lynwood
Principal Property Tax Payers,
Current Year and Nine Years Ago

Taxpayer	1999			2008		
	Property Tax Revenue	Rank	Percentage of Total City Revenue	Property Tax Revenue	Rank	Percentage of Total City Revenue
Placo Investment				\$ 408,406	1	3.93%
2700 East Imperial Highway Inc.				\$ 156,737	2	1.51%
Lynwood Alameda Corporation		6	0.87%	\$ 144,076	3	1.39%
Earl M. Jorgensen Company	\$ 78,287	2	1.32%	\$ 119,178	4	1.15%
St. Francis Medical Center Foundation	\$ 118,668	1	1.33%	\$ 117,954	5	1.13%
Albi Lynwood Investment LLC	\$ 119,090			\$ 114,865	6	1.10%
OCB Restaurant Company LLC				\$ 104,719	7	1.01%
Universal Molding Company				\$ 103,629	8	1.00%
805 Proport LLC				\$ 96,090	9	0.92%
Urban LLC				\$ 93,099	10	0.90%
EMIF California Limited Partnership	\$ 111,412	3	1.24%			
McWhorter Inc.	\$ 108,938	4	1.21%			
New York Life Insurance Company	\$ 90,320	5	1.01%			
Springfield Inc.	\$ 70,639	7	0.79%			
Philadelphia Gear Corporation	\$ 67,578	8	0.75%			
Economic Resources Corporation	\$ 64,478	9	0.72%			
Zimmerman Holdings Inc.	\$ 63,291	10	0.70%			
Top Ten Totals	\$ 892,699		9.94%	\$ 1,678,336		16.15%

**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
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%
2008	\$2,234,886.15	\$ 2,113,315	94.56%	\$ 325,810	\$ 2,439,125	109.14%

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

Sources: HdL Coren Cone
City Finance Department

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

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Apparel Stores	\$4,253	\$4,676	\$5,894	\$8,187	\$8,821	\$13,942	\$14,059	\$16,044	\$16,402	\$16,343
General Merchandise	\$1,382	\$1,827	\$1,804	\$1,718	\$1,790	\$2,721	\$3,534	\$3,471	\$3,489	\$3,397
Food Stores	\$31,197	\$33,439	\$32,998	\$29,854	\$29,592	\$29,227	\$30,419	\$30,162	\$31,297	\$30,856
Eating and Drinking Places	\$24,077	\$26,357	\$31,693	\$31,298	\$33,548	\$41,165	\$48,432	\$51,306	\$55,832	\$57,134
Building Materials	\$19,407	\$22,642	\$19,985	\$20,549	\$19,645	\$22,480	\$28,314	\$31,626	\$32,968	\$32,302
Auto Dealers and Supplies	\$13,636	\$15,527	\$18,667	\$18,964	\$22,336	\$25,374	\$27,692	\$30,601	\$29,033	\$22,715
Service Stations	\$21,201	\$27,974	\$36,636	\$39,619	\$38,684	\$45,527	\$50,408	\$55,558	\$61,236	\$62,839
Other Retail Stores	\$27,864	\$28,275	\$25,254	\$24,741	\$26,901	\$30,818	\$33,949	\$42,571	\$47,713	\$48,920
All Other Outlets	\$53,716	\$59,574	\$73,150	\$57,270	\$62,716	\$56,034	\$68,428	\$76,438	\$74,942	\$78,900
Total	\$196,733	\$220,291	\$246,081	\$232,200	\$244,033	\$267,288	\$305,235	\$337,777	\$352,912	\$353,406

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

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Los Angeles County</u>
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%
2008	1%	1%

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

2008

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

1999

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 Six Fiscal Years

General Bonded Debt Outstanding				
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Redevelopment Bonds</u>	<u>Total</u>	<u>Per Capita</u>
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	\$37,362
2007	\$ 28,013,865	\$ 23,743,610	\$ 51,757,475	N/A
2008	\$ 26,973,177	\$ 22,627,950	\$ 49,601,127	N/A

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

Fiscal Year	Governmental Activities							Business-type Activities					Debt Per Capita
	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			
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	1.92%	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%		
2008	\$13,020	\$6,010,000	\$3,888,995	\$10,475,000	\$495,431	\$1,550,429	\$14,709,425	\$245,152	\$37,387,452	N/A	0.20%		

Source: Moss, Levy, Hartzheim

Schedule 16
City of Lynwood
Direct and Overlapping Governmental Activities Debt,
As of June 30, 2008
(dollars in thousands)

2007-08 Assessed Valuation: \$2,564,120,874
 Redevelopment Incremental Valuation: 493,900,717
 Adjusted Assessed Valuation: \$2,070,220,157

<u>Overlapping Tax and Assessment Debt:</u>	<u>Total Debt</u>	<u>% Applicable (1)</u>	<u>City's Share of</u>
	<u>6/30/08</u>		<u>Debt 6/30/08</u>
Los Angeles County Flood Control District	\$99,210,000	0.241%	\$239,096
Metropolitan Water District	\$327,215,000	0.117%	\$382,842
Compton Community College District	\$37,420,000	16.919%	\$6,331,090
Los Angeles Community College District	\$1,370,820,000	0.001%	\$13,708
Compton and Los Angeles Unified School Districts	\$7,398,979,639	0.001% & 0.449%	\$405,217
Lynwood Unified School District	\$19,114,801	97.472%	\$18,631,579
Los Angeles County Regional Park and Open Space Assessment District	\$269,995,000	0.235%	\$634,488
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$26,638,020
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Los Angeles County General Fund Obligations	\$1,019,552,788	0.235%	\$2,395,949
Los Angeles County Pension Obligations	\$352,255,398	0.235%	\$827,800
Los Angeles County Superintendent of Schools Certificates of Participation	\$17,861,064	0.235%	\$41,974
Compton and Los Angeles Unified School District Certificates of Participation	\$550,566,710	0.001% & 0.449%	\$240,459
Lynwood Unified School District Certificates of Participation	\$23,690,000	97.472%	\$23,091,117
City of Lynwood General Fund Obligations	\$10,475,000	100%	\$10,475,000
Los Angeles County Sanitation District No. 1 Authority	\$24,714,151	11.362%	\$2,808,022
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$39,880,321
Less: Los Angeles Unified School District self-supporting obligations			\$322
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$39,879,999
GROSS COMBINED TOTAL DEBT			\$66,518,341 (2)
NET COMBINED TOTAL DEBT			\$66,518,019

- (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 2007-08 Assessed Valuation:
 Total Overlapping Tax and Assessment Debt1.04%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt (\$10,475,000).....0.51%
 Gross Combined Total Debt.....3.21%
 Net Combined Total Debt.....3.21%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/08: \$1,213

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed Valuation	\$ 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	\$ 2,811,856,366
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	\$ 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	\$ 702,964,091.50
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	\$ 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	\$ 105,444,613.73
Total net debt applicable to the limit:	0	0	0	0	0	0	0	0	0	0
General obligation bonds	\$ 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	\$ 105,444,613.73
Legal debt margin										

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

Fiscal Year	Water Revenue Bonds			Public Finance Authority Revenue Bonds		Tax Allocation Bonds		Other Debt	
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 6,609,105	\$ 5,504,084	\$ 1,105,021	\$ 155,000	\$ 576,545	\$ 235,000	\$ 886,870	\$ 414,442	\$ 497,754
2005	\$ 6,739,350	\$ 5,355,881	\$ 1,383,469	\$ 285,000	\$ 871,564	\$ 250,000	\$ 869,997	\$ 623,487	\$ 473,144
2006	\$ 6,119,611	\$ 5,248,296	\$ 871,315	\$ 300,000	\$ 860,348	\$ 265,000	\$ 852,012	\$ 661,841	\$ 444,608
2007	\$ 7,508,363	\$ 5,431,047	\$ 2,077,316	\$ 310,000	\$ 848,297	\$ 290,000	\$ 832,242	\$ 702,821	\$ 410,967
2008	\$ 8,754,610	\$ 8,032,506	\$ 722,104	\$ 330,000	\$ 835,117	\$ 305,000	\$ 810,664	\$ 721,285	\$ 378,481

Schedule 19
City of Lynwood
Demographic and Economic Statistics,
Last Ten Calendar Years

Calendar Year	Population¹	Personal Income (thousands of dollars)	Per Capita Personal Income²	School Enrollment³	Unemployment Rate⁴
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	\$2,729,069,928	\$37,362	17,772	8.5%
2007	73,171	N/A	N/A	17,571	4.9%
2008	73,147	N/A	N/A	17,341	7.6%

- Sources:
- ¹ California Department of Finance
<http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/ReportsPapers.asp>
 Official estimate as of January 1st of each calendar 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§ion=2>
 Per Capita Personal Income was unavailable for calendar year 2007 and 2008.
 - 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**

<u>Employer</u>	2007		2008	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Superior Warehouse Grocers Inc.	196	1		
Aaron Industries Inc.	140	2		
Universal Molding Co. Inc.	114	3	92	4
DV Industries Inc.	109	4		
Elite Slides	103	5		
St. Francis Medical Center	100	6		
Midas Express (Los Angeles) Inc.	90	7		
Airgas West	89	8	96	3
Country Villa Lynwood Health Care	85	9		
McDonalds	83	10	102	2
Jones Lumber			123	1
Valu-Plus			87	5
Marlinda West Nursing Homes			80	6
Food 4 Less			76	7
Perfect Fit Industries			65	8
La Curacao			65	9
West Tex Corporation			61	10

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

Function/Program	Full-time Equivalent Employees as of June 30								
	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government									
City Council	5	5	5	5	5	12	12	12	7
City Manager	12	12	12	12	12	9	11	11	11
City Clerk	3	3	3	4	4	4	4	3	3
City Treasurer	1	1	2	2	2	2	2	2	1.5
Finance & Administration	22	22	24	41	41	25	26	24	23.5
Human Resources	6	6	6	6	6	18	19	20	13.5
Public Works	102	104	96	102	102	62	72	68	68
Redevelopment	19	19	15	12	12	7	7	11	11
Development Services	0	0	16	23	23	19	20	23	21
Neighborhood Services	0	0	0	0	0	40	40	40	39.5
Parks and Recreation	138	144	95	100	100	87	105	101	58

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

	Fiscal Year		
	2006	2007	2008
<u>Function / Program</u>			
General government			
Building permits issued	2,100	3,600	2,182
Building inspections conducted	6,300	1,560	5,325
Sheriff			
Physical arrests	2,251	2,397	3,782
Fire			
Emergency responses	4,716	3,062	3,654
Fires extinguished	273	200	168
Inspections	830	1,579	1,135
Refuse collection			
Refuse collected (tons per day)	228	153	75
Recyclables collected (tons per day)	94	56	65
Other public works			
Potholes repaired	73,000	12,000	15,800
Water			
Water main breaks	4	7	6
Average daily consumption (thousands of gallons)	5,660	5,500	5,640

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

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Sheriff				
Stations	1	1	1	1
Zone offices	0	0	0	0
Patrol units	0	0	17	23
Fire Stations	2	2	2	2
Other public works				
Streets (miles)	85	85	90	90
Streetlights	2,300	2,300	2,300	2,300
Parks and recreation				
Acreage	35	35	35	39*
Playgrounds	6	6	6	5
Baseball/softball diamonds	3	3	3	4
Soccer/football fields	2	2	2	3
Community Centers	2	2	3	3
Water				
Water mains (miles)	85	85	90	90
Fire hydrants	1,100	1,100	1,100	1,100
Storage capacity (thousands of gallons)	3,000	3,000	3,000	3,000
Wastewater				
Sanitary sewers (miles)	81	81	81	81
Storm sewers (miles)	N/A	N/A	N/A	N/A

* Note total park acreage does include the addition of Ham Park, Rose Park, and Lynwood Meadows Park.