



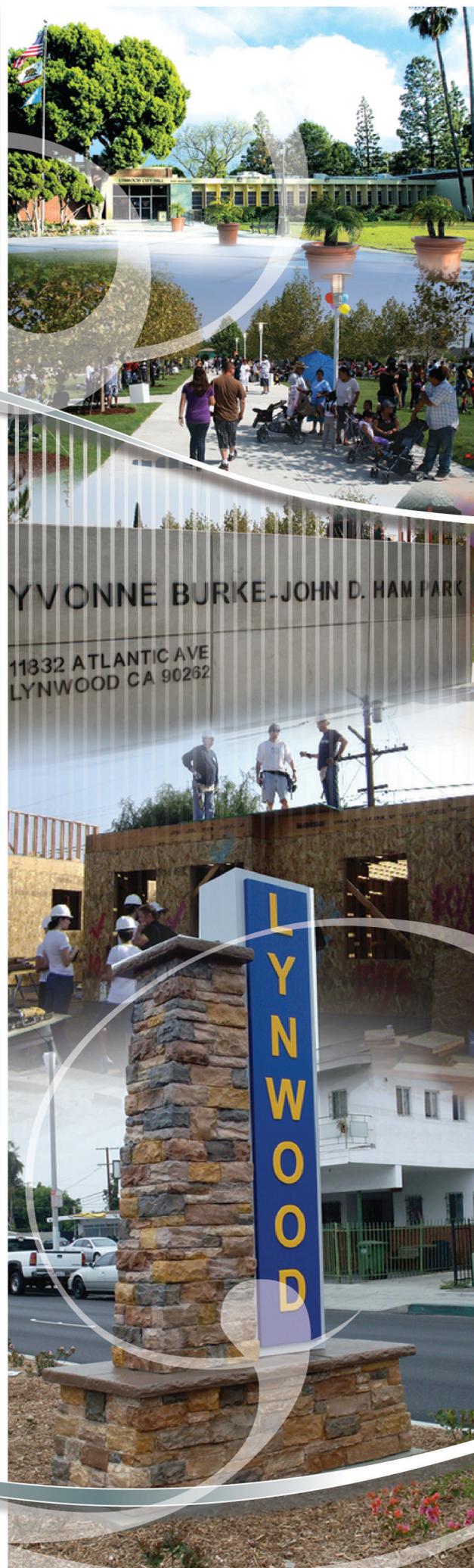
CITY OF LYNWOOD

A City Meeting Challenges

CAFR

Comprehensive Annual Financial Report

YEAR ENDING JUNE 30, 2011



CITY OF LYNWOOD CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2011

ELECTED OFFICIALS

Jim Morton • Mayor
Sal Alatorre • Mayor Pro-Tem
Aide Castro • Council Member
Maria Teresa Santillan-Beas • Council Member
Ramon Rodriguez • Council Member

Maria Quinonez • City Clerk
Edwin Hernandez • City Treasurer

CITY OF LYNWOOD
COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY MANAGEMENT

Roger L. Haley – City Manager
Robert S. Torrez – Assistant City Manager
Dan Ojeda – Public Works
Jonathan Colin – Development Services
Perry Brents – Recreation and Community Services
Alfredo Lopez – Human Resources
Sarah Withers – Community Development
Deborah Jackson – Public Relations

PROJECT TEAM

Robert S. Torrez – Assistant City Manager
Christy Valencia – Finance Manager
Lorry Hempe – Budget and Intergovernmental Manager
May Tan – Accounting/Auditing Supervisor
Maria Luna – Billing & Collections Supervisor
Miguel Angel Cervantes – Information Systems Technician
Jaime Rivas – Payroll Specialist
Lilly Mojarro – Accounting Technician
Monica Castellanos – Accounting Technician
Joe Udeochu – Accounting Technician
Jamel Goodloe – Graphics Technician

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City of
LYNWOOD

Incorporated 1921
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(310) 603-0220 x 200
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ROGER L. HALEY
City Manager

March 28, 2012

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 2010-11. 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, Vasquez & Company LLP. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2011, 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, 2011. 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 requires 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), 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

For the past five years, the City of Lynwood, like many cities in California has been challenged due to the severe economic recession. The City continues to face economic challenges caused by the housing market meltdown and the global recession. General Fund revenues started to decline in FY 06, while at the same time the costs to maintain core services (such as law enforcement, fire suppression and recreation) have continued to increase. The City utilized a combination of expenditure spending limits, budget cuts, some increases in fees and the prudent use of reserves to balance the budget. Fortunately, some of the major revenues such as property taxes and sales taxes, have stopped declining and have flattened out or started to increase again.

Development of the FY 13 Budget is underway. General Fund revenues overall are projected to remain flat. Departments were instructed to provide a budget at 20% less than what was adopted in FY 12. The proposed FY 13 Budget aims to maintain a responsible reserve in the General Fund while continuing to provide core services although at a reduced level. It is anticipated that the City Manager will present the FY 13 Proposed Budget in late May or early June.

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 workers' compensation and general liability coverage administered by ICRMA. The Workers' 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 have 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 Vasquez & Company LLP, 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,

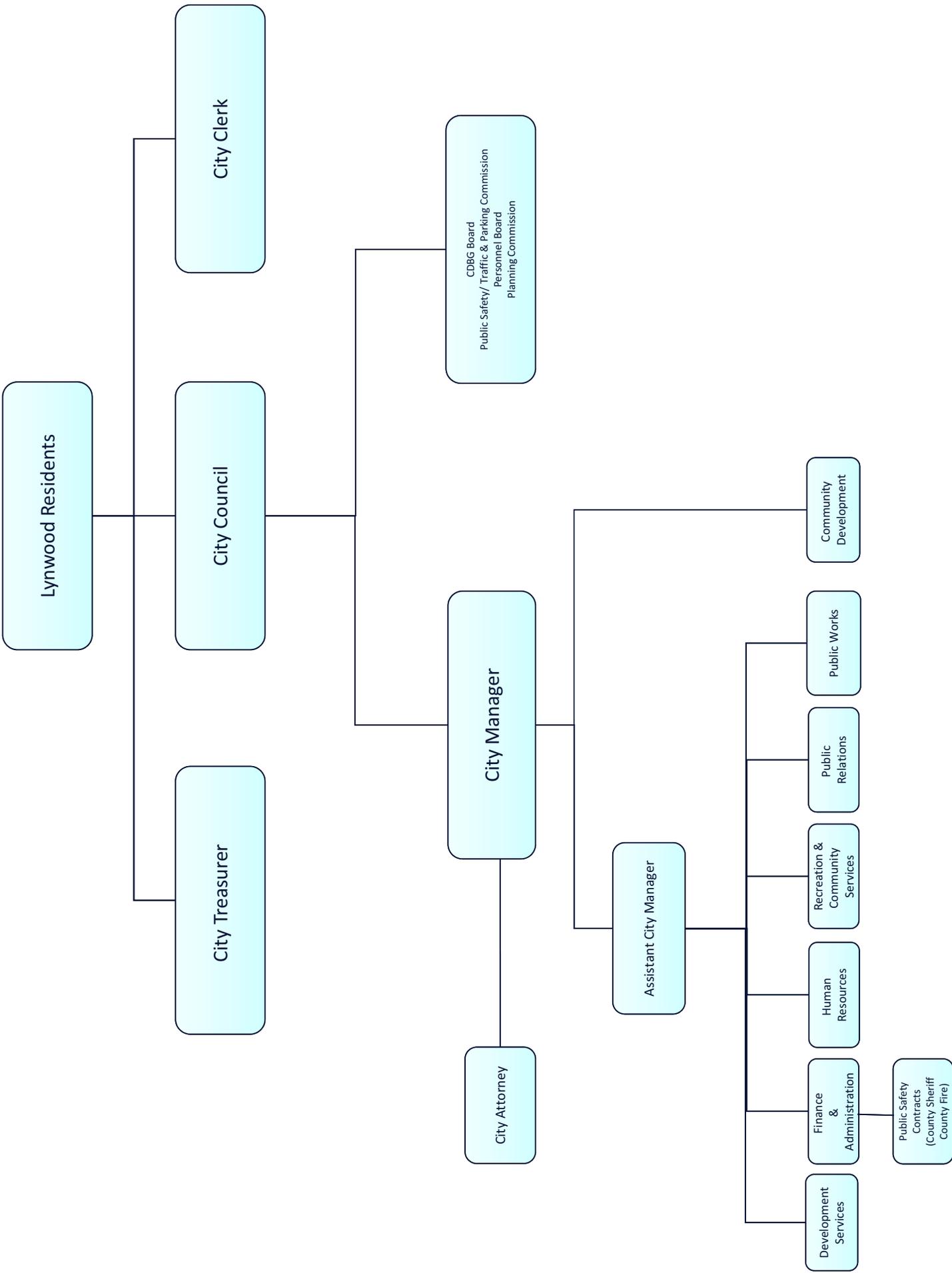


Roger L. Haley
City Manager



Robert S. Torrez
Assistant City Manager

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FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITORS

The Honorable Mayor and Members of the City Council City of 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, as of and for the year ended June 30, 2011, 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 of Lynwood'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

As discussed in Note 16, the California Supreme Court has upheld legislative bill ABX1 26 which dissolves California redevelopment agencies and establishes mechanisms for paying existing agency debts and liquidating agency assets. The effect of this legislation on the City of Lynwood's financial position and operations is not yet reasonably determinable.

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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the City of Lynwood has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, effective for the fiscal year ended June 30, 2011. As a result of this required implementation, fund balance classifications in the governmental fund financial statements have been changed to reflect the new fund balance classifications under GASB 54.

As discussed in Note 17 to the financial statements, certain accounts in FY 2009/2010 were restated.

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In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2012 on our consideration of the City of Lynwood'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 considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison information, and the public employees retirement system schedules of funding progress as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lynwood's basic financial statements. The introductory section, the supplemental combining financial statements, supplemental schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental combining financial statements and supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Vargay + Company LLP

Los Angeles, California
March 26, 2012

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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, 2011. 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, 2011 were \$238.7 million and total liabilities were \$96.5 million. The assets exceeded liabilities by \$142.2 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 \$1.76 million. The transfers totaled \$235,000. The year-end fund balance for the General Fund was over \$6.5 million of which \$891,712 was nonspendable and \$526,096 was committed.
- Total revenues from all sources were \$63.3 million and total expenditures were \$60.8 million. Of the total revenues, program revenues were slightly over \$31.4 million. Program revenues are broken into three categories: Charges for services at \$20.5 million; operating grants and contributions at \$4.8 million; and capital grants and contributions over \$6.1 million.

ROAD MAP FOR THE FY 2010-2011 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, and the Lynwood Utility Authority). 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 financial statements as they do not have a 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 a way to measure the City's overall financial health, or financial position. Over time, increases or decreases in the City's net assets may be a good indicator of whether its financial health is improving or deteriorating. However, the need exists to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

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

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

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

The fund financial statements provide detailed information about the most significant funds, and not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many 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 2010-11 (CURRENT)			Fiscal Year 2009-10 (PRIOR), RESTATED		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current Assets &						
Other Assets	\$ 73,949,865	\$ 24,447,204	\$ 98,397,069	\$ 50,029,226	\$ 24,361,070	\$ 74,390,296
Capital Assets	130,246,373	10,088,256	140,334,629	125,329,357	9,287,857	134,617,214
Total assets	\$ 204,196,238	\$ 34,535,460	\$ 238,731,698	\$ 175,358,583	\$ 33,648,927	\$ 209,007,510
Liabilities:						
Other Liabilities	9,844,227	634,226	10,478,453	9,490,074	944,552	10,434,626
Long-Term Debt						
Outstanding	65,262,154	20,739,227	86,001,381	37,854,461	21,026,843	58,881,304
Total liabilities	\$ 75,106,381	\$ 21,373,453	\$ 96,479,834	\$ 47,344,535	\$ 21,971,395	\$ 69,315,930
Net Assets:						
Invested in capital assets, net of related debt	125,081,373	4,313,256	129,394,629	110,179,257	3,372,857	113,552,114
Restricted	49,231,582	6,608,583	55,840,165	14,825,579	6,454,343	21,279,922
Unrestricted	(45,223,098)	2,240,168	(42,982,930)	3,009,212	1,850,332	4,859,544
Total net assets	\$ 129,089,857	\$ 13,162,007	\$ 142,251,864	\$ 128,014,048	\$ 11,677,532	\$ 139,691,580

The City's overall assets increased to \$238.7 million in FY 2010-11, and the overall liabilities increased to \$96.5 million over the same period. The increase in net assets is due to the increase in capital assets; \$2.5 million of the increase is due to the completion of water well and sewer projects. The net assets increased from \$139.7 million to \$142.2 million. The

Governmental Activities net assets increased by \$1.1 million, while the Business-type Activities increased by over \$1.5 million.

Table 2
Changes in Net Assets

	Fiscal Year 2010-11 (CURRENT)			Fiscal Year 2009-10 (PRIOR), RESTATED		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
REVENUES						
Program Revenues						
Charges for services	10,682,090	9,793,253	20,475,343	9,885,665	9,770,786	19,656,451
Operating grants and contributions	4,813,086		4,813,086	4,369,982		4,369,982
Capital grants and contributions	6,163,896		6,163,896	3,774,852		3,774,852
Subtotal	<u>21,659,072</u>	<u>9,793,253</u>	<u>31,452,325</u>	<u>18,030,499</u>	<u>9,770,786</u>	<u>27,801,285</u>
General Revenues						
Property taxes	18,352,556		18,352,556	18,711,265		18,711,265
Utility users tax	5,591,230		5,591,230	5,878,709		5,878,709
Sales and use taxes	5,873,372		5,873,372	5,304,325		5,304,325
Franchise taxes	1,185,455		1,185,455	1,232,463		1,232,463
Business license taxes	536,812		536,812	420,200		420,200
Other taxes	64,266		64,266	152,742		152,742
Use of money and property	175,705	107,207	282,912	402,786	100,992	503,778
Miscellaneous	57,051		57,051	870,321		870,321
Transfers	-9,037	9,037	0	475,854	-475,854	0
Total	\$ 53,486,482	\$ 9,909,497	\$ 63,395,979	\$ 51,479,164	\$ 9,395,924	\$ 60,875,088
EXPENSES						
General government	13,419,540		13,419,540	14,177,616		14,177,616
Public safety	14,853,808		14,853,808	15,524,955		15,524,955
Public works	10,021,833		10,021,833	10,181,281		10,181,281
Community development	7,859,391		7,859,391	4,269,655		4,269,655
Parks and recreation	3,147,286		3,147,286	3,462,998		3,462,998
Interest and fiscal charges	3,108,815		3,108,815	1,527,767		1,527,767
Water and sewer		7,429,755	7,429,755		7,356,688	7,356,688
Transit		995,267	995,267		1,023,916	1,023,916
Total	\$ 52,410,673	\$ 8,425,022	\$ 60,835,695	\$ 49,144,272	\$ 8,380,604	\$ 57,524,876
Change in net assets	1,075,809	1,484,475	2,560,284	2,334,892	1,015,320	3,350,212
Net assets at beginning of fiscal year	128,014,048	11,677,532	139,691,580	124,522,016	9,005,726	133,527,742
Prior period adjustments	0	0	0	1,157,140	1,656,486	2,813,626
Net assets at the beginning of fiscal year	128,014,048	11,677,532	139,691,580	125,679,156	10,662,212	136,341,368
Net assets at end of fiscal year	\$ 129,089,857	\$ 13,162,007	\$ 142,251,864	\$ 128,014,048	\$ 11,677,532	\$ 139,691,580

The City's overall net assets increased since the beginning of the year, from \$139.7 million to \$142.3 million. There is a positive difference between the actual revenues of \$63.4 million and the actual expenditures slightly over \$60.8 million. As reflected in the above table, the positive revenue/expenditure difference is a net slightly above \$2.6 million. Governmental Activities has a surplus of over \$1 million; and Business-Type Activities has surplus of \$1.5 million.

Compared to FY 2009-10, the City's overall revenues increased from \$60.9 million to \$63.4 million. The overall expenditures increased from \$57.5 million to \$60.8 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

	Fiscal Year 2010-11 (CURRENT)			Fiscal Year 2009-10 (PRIOR)		
	Expenses	Program Revenues	Net (Expense) Revenue	Expenses*	Program Revenues	Net (Expense) Revenue
FUNCTIONS/ PROGRAMS						
General government	\$ 13,419,540	\$ 5,301,748	\$ (8,117,792)	\$ 14,177,616	\$ 4,131,395	\$ (10,046,221)
Public safety	14,853,808	1,936,805	(12,917,003)	15,524,955	2,950,042	(12,574,913)
Public works	10,021,833	6,923,677	(3,098,156)	10,181,281	4,073,752	(6,107,529)
Community development	7,859,391	6,706,351	(1,153,040)	4,269,655	4,327,518	57,863
Parks and recreation	3,147,286	790,491	(2,356,795)	3,462,998	2,547,792	(915,206)
Interest and fiscal charges	3,108,815		(3,108,815)	1,527,767		(1,527,767)
Total	\$ 52,410,673	\$ 21,659,072	\$ (30,751,601)	\$ 49,144,272	\$ 18,030,499	\$ (31,113,773)

*Certain amounts in 2010 have been reclassified to conform with the 2011 presentation.

The cost of the City's Governmental Activities increased from \$49.1 million in FY 2009-10 to \$52.4 million in FY 2010-11 primarily due to increased costs of public safety contracts, costs of city-wide services as well as salaries and benefits. The program revenue generated by these activities has increased from \$18.0 million to \$21.6 million. As a result of the respective changes in the revenues and expenditures, the net cost of the Government Activities was \$30.7 million in FY 2010-11, \$362,172 less than the net cost of \$31.1 million recorded in FY 2009-10.

Overall, ***the cost of government in FY 2010-11 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 slightly more than \$1.3 million in FY 2010-11, with the transit services having a net cost of below \$1 million, as opposed to the net revenue of more than \$2.3 million recorded in the water and sewer program.

Table 4
Business-Type Activities
Net Cost of Services

	Fiscal Year 2010-11 (CURRENT)			Fiscal Year 2009-10 (PRIOR)		
	Program		Net (Expense)	Program		Net (Expense)
	Expenses	Revenues	Revenue	Expenses	Revenues	Revenue
FUNCTIONS/PROGRAMS						
Water & Sewer	\$ 7,429,755	\$ 9,783,605	\$ 2,353,850	\$ 7,356,688	\$ 9,764,490	\$ 2,407,802
Transit	995,267	9,648	(985,619)	1,023,916	6,296	(1,017,620)
Total	\$ 8,425,022	\$ 9,793,253	\$ 1,368,231	\$ 8,380,604	\$ 9,770,786	\$ 1,390,182

The cost of the City's Business-Type Activities was less than \$8.4 million in FY 2009-10 and slightly above \$8.4 million in FY 2010-11. The program revenue generated by these activities was above \$9.7 million for both years. As a result, the net revenue of the Business-Type Activities in FY 2010-11 was slightly over \$1.4 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 \$60.6 million, which is a \$26.4 million increase from the prior fiscal year. The increase is due to the proceeds from the issuance of bonds, \$17.9 million from the 2011 TABS, Series A, \$5.3 million from the 2011 TABS, Series B and \$4.2 million from the 2010 Lease Revenue Bonds. The General Fund had a net decrease of \$1.5 million in its fund balance, from \$8.0 million to \$6.5 million. Of the \$6.5 million, \$891,712 was designated as nonspendable and \$526,096 as committed.

General Fund Budgetary Highlights

The year-end actual revenues for the General Fund (including transfers in) were \$28.7 million; the actual expenditures (including transfers out) totaled slightly above \$30.4 million. The actual revenues including transfers, was \$372,331 above the final budget estimate, while the actual spending with transfers was \$1.8 million below the final budget.

Capital Assets

At the end of Fiscal Year 2010-11, the City had \$140.3 million invested in capital assets. Of this amount, \$130.2 million is related to Governmental Activities and another \$10.1 million to Business-type Activities. These amounts represent an increase from the previous year (FY 2009-10), when the City's overall capital assets were \$134.6 million, including \$127 million in Governmental Activities and \$7.6 million in Business-type Activities.

Table 5
Capital Assets

	Fiscal Year 2010-11 (CURRENT)			Fiscal Year 2009-10 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	\$ 93,474,059	\$ 36,341	\$ 93,510,400	\$ 97,565,342	\$ 37,252	\$ 97,602,594
Capital assets, net of accumulated depreciation	36,772,314	10,051,915	46,824,229	29,416,704	7,594,119	37,010,823
Total	\$ 130,246,373	\$ 10,088,256	\$ 140,334,629	\$ 126,982,046	\$ 7,631,371	\$ 134,613,417

In August 2010, the Lynwood Public Finance Authority issued \$8,985,000 of 2010 Lease Revenue Bonds. The proceeds will be used to refund the outstanding 1999 Lease Revenue Bonds and to finance the construction of a new, state-of-the-art City Hall complex. The City is also undertaking several traffic and street improvement projects.

Long-Term Debt

At fiscal year-end, the City's governmental activities accounted for approximately \$65.6 million in tax allocation and revenue bonds, a HUD loan, claims payable, compensated absences, and accrual for postemployment benefits. Another \$20.7 million was outstanding for the business-type activities.

Table 6
Outstanding Long-Term Debt

	Balance at July 1, 2010	Additions	Repayments	Balance at June 30, 2011	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 1,397,991	\$ 982,931	\$ (798,493)	\$ 1,582,429	\$ 1,186,822
Other Postemployment benefits	4,075,581	2,614,456	(968,176)	5,721,861	\$ -
Capital leases payable	-	-	-	-	-
Tax Allocation bonds	12,335,000	23,627,966	(368,756)	35,594,210	415,000
HUD loan payable	5,425,000	-	(320,000)	5,105,000	340,000
Claims payable	3,800,261	224,356	(308,644)	3,715,973	-
Note Payable - Grae Atlantic	589,252	-	(589,252)	-	-
CEC Loan	265,100	-	(34,185)	230,915	34,805
Revenue bonds	9,460,000	8,717,406	(4,286,846)	13,890,560	555,000
refunding	(493,724)	91,563	(176,633)	(578,794)	-
Total	<u>\$ 36,854,461</u>	<u>\$ 36,258,678</u>	<u>\$ (7,850,985)</u>	<u>\$ 65,262,154</u>	<u>\$ 2,531,627</u>
Business-type Activities:					
Water Fund:					
Compensated absences	\$ 315,897	\$ 238,041	\$ (236,922)	\$ 317,016	\$ 237,762
Revenue bonds	20,984,291	4,806	(310,000)	20,679,097	350,000
Deferred amount on refunding	(273,345)	16,459	-	(256,886)	-
Total	<u>\$ 21,026,843</u>	<u>\$ 259,306</u>	<u>\$ (546,922)</u>	<u>\$ 20,739,227</u>	<u>\$ 587,762</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Like many cities in California, the City of Lynwood continues to face challenges caused by the housing market meltdown and the global recession. The costs to provide services and commodities have continued to increase while the revenues in the General Fund remain flat. To balance the budget, the City had reduced expenditure budgets over the years. Each year, the City develops a budget that provides the core services that are important to the quality of life and safety of the Lynwood community although at a reduced level. Law Enforcement and Fire Suppression services remain a top priority. 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.

Public safety costs amount to over \$14.8 million in general funds, which include Law Enforcement, Fire Suppression, Animal Control, Parking Enforcement and Code Enforcement. There is an increasing demand for services from residents and businesses. Costs of commodities and services have increased. Finding new revenues and identifying cost containment measures continue to be the major challenges facing the City of Lynwood. The City have been able to balance each year's budget through a combination of expenditure spending limits, budget cuts, some increases in fees and the prudent use of reserves.

ABX1 26

On June 28, 2011, the Governor signed two budget trailer bills into law, ABx1 26 and ABx1 27, which became effective June 29, 2011. ABx1 26 eliminates redevelopment agencies in

California and provides direction and guidelines for the dissolution of all redevelopment activities and functions. On December 29, 2011, the California Supreme Court issued its opinion in the case *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of ABx1 26 and invalidated ABx1 27. On February 1, 2012, every redevelopment agency in California was dissolved and its assets and functions transferred to a successor agency and a successor to the redevelopment agency's housing functions. The City Council elected to serve as the Successor Agency to the former Lynwood Redevelopment Agency and elected to appoint the Lynwood Housing Authority as Successor Agency to the former Lynwood Redevelopment Agency's housing functions. There are several pending clean-up bills to amend ABx1 26 before the State Legislature. In the meantime, the Lynwood Successor Agency has undertaken actions as mandated by ABx1 26.

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, 2011**

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 26,845,972	\$ 14,813,682	\$ 41,659,654
Receivables:			
Intergovernmental	2,134,164	-	2,134,164
Accounts	2,464,116	2,279,954	4,744,070
Interest	12,887	8,934	21,821
Notes and loans	3,681,180	-	3,681,180
Internal balances	244,733	(244,733)	-
Restricted assets:			
Cash and investments	665,625	-	665,625
Cash and investments with fiscal agents	27,367,623	6,853,316	34,220,939
Land held for resale	9,509,752	-	9,509,752
Deferred charges, net of accumulated amortization	1,023,813	736,051	1,759,864
Capital assets not being depreciated	93,474,059	36,341	93,510,400
Capital assets, net of accumulated depreciation	36,772,314	10,051,915	46,824,229
Total assets	204,196,238	34,535,460	238,731,698
Liabilities:			
Accounts payable and accrued liabilities	7,129,917	475,539	7,605,456
Accrued interest payable	1,614,514	84,158	1,698,672
Deferred revenue	186,667	-	186,667
Deposits	913,129	74,529	987,658
Noncurrent liabilities:			
Due within one year	2,531,627	587,762	3,119,389
Due in more than one year	62,730,527	20,151,465	82,881,992
Total liabilities	75,106,381	21,373,453	96,479,834
Net assets:			
Invested in capital assets, net of related debt	125,081,373	4,313,256	129,394,629
Restricted for:			
Special revenue funds	9,456,030	-	9,456,030
Capital projects funds	5,679,019	-	5,679,019
Debt service funds	33,139,153	6,608,583	39,747,736
Unrestricted	(44,265,718)	2,240,168	(42,025,550)
Total net assets	\$ 129,089,857	\$ 13,162,007	\$ 142,251,864

See notes to financial statements.

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 13,419,540	\$ 5,301,748	\$ -	\$ -
Public safety	14,853,808	50,932	1,885,873	-
Public works	10,021,833	3,389,626	490,411	3,043,640
Community development	7,859,391	1,379,549	2,436,802	2,890,000
Parks and recreation	3,147,286	560,235	-	230,256
Interest and fiscal charges	3,108,815	-	-	-
Total governmental activities	<u>52,410,673</u>	<u>10,682,090</u>	<u>4,813,086</u>	<u>6,163,896</u>
Business-type activities:				
Water and sewer	7,429,755	9,783,605	-	-
Transit	995,267	9,648	-	-
Total business-type activities	<u>8,425,022</u>	<u>9,793,253</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 60,835,695</u>	<u>\$ 20,475,343</u>	<u>\$ 4,813,086</u>	<u>\$ 6,163,896</u>

General revenues:

Taxes:

Property taxes

Utility users

Sales and use taxes

Franchise taxes

Business license taxes

Other taxes

Use of money and property

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year, as restated

Net assets - end of year

**City of Lynwood
Statement of Activities
Year ended June 30, 2011**

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (8,117,792)	\$ -	\$ (8,117,792)
(12,917,003)	-	(12,917,003)
(3,098,156)	-	(3,098,156)
(1,153,040)	-	(1,153,040)
(2,356,795)	-	(2,356,795)
(3,108,815)	-	(3,108,815)
<u>(30,751,601)</u>	<u>-</u>	<u>(30,751,601)</u>
-	2,353,850	2,353,850
-	(985,619)	(985,619)
-	<u>1,368,231</u>	<u>1,368,231</u>
<u>(30,751,601)</u>	<u>1,368,231</u>	<u>(29,383,370)</u>
18,352,556	-	18,352,556
5,591,230	-	5,591,230
5,873,372	-	5,873,372
1,185,455	-	1,185,455
536,812	-	536,812
64,266	-	64,266
175,705	107,207	282,912
57,051	-	57,051
(9,037)	9,037	-
<u>31,827,410</u>	<u>116,244</u>	<u>31,943,654</u>
1,075,809	1,484,475	2,560,284
<u>128,014,048</u>	<u>11,677,532</u>	<u>139,691,580</u>
<u>\$ 129,089,857</u>	<u>\$ 13,162,007</u>	<u>\$ 142,251,864</u>

See notes to financial statements.

	General	Special Revenue Funds	
		Community Development Housing "A"	HUD Home Program
ASSETS			
Cash and investments	\$ 1,025,262	\$ 771,292	\$ 91,809
Receivables:			
Intergovernmental	516,481	-	301,494
Accounts	1,713,048	2,327	-
Interest	4,657	-	-
Notes and loans	-	1,166,819	1,894,587
Due from other funds	6,882,329	-	-
Restricted assets:			
Cash and investments	8,459	-	-
Cash and investments with fiscal agents	-	-	-
Advances to other funds	891,712	-	-
Land held for resale	-	6,792,772	497,694
Total assets	\$ 11,041,948	\$ 8,733,210	\$ 2,785,584
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 2,539,010	\$ 180,545	\$ 189,845
Due to other funds	-	180,340	198,641
Deferred revenue	186,667	1,166,819	2,003,960
Deposits	825,631	-	-
Advances from other funds	957,380	-	-
Total liabilities	4,508,688	1,527,704	2,392,446
Fund balances			
Nonspendable	891,712	6,792,772	-
Restricted:			
Special revenue funds	-	412,734	393,138
Capital projects funds	-	-	-
Debt service funds	-	-	-
Committed	526,096	-	-
Unassigned	5,115,452	-	-
Total fund balances	6,533,260	7,205,506	393,138
Total liabilities and fund balances	\$ 11,041,948	\$ 8,733,210	\$ 2,785,584

**City of Lynwood
Governmental Funds
Balance Sheet
June 30, 2011**

Debt Service Fund	Capital Projects Funds					Total Governmental Funds
	2011 Series A Bond Proceeds	Capital Improvement Projects	2002 HUD Section 108 Loan	Nonmajor Governmental Funds		
Community Development "A"						
\$ 4,916,736	\$ -	\$ -	\$ 3,822,034	\$ 15,656,851	\$ 26,283,984	
316,210	-	-	-	999,979	2,134,164	
4,294	-	-	-	744,296	2,463,965	
2,231	-	-	-	5,999	12,887	
86,763	-	-	-	533,011	3,681,180	
180,340	-	1,397,647	-	42,657	8,502,973	
58,082	-	-	-	-	66,541	
-	17,891,998	1,855	-	9,473,770	27,367,623	
957,380	-	-	-	-	1,849,092	
620,500	-	-	-	1,598,786	9,509,752	
<u>\$ 7,142,536</u>	<u>\$ 17,891,998</u>	<u>\$ 1,399,502</u>	<u>\$ 3,822,034</u>	<u>\$ 29,055,349</u>	<u>\$ 81,872,161</u>	
\$ 1,907,706	\$ -	\$ 1,149,293	\$ -	\$ 1,075,739	\$ 7,042,138	
-	-	-	-	6,479,871	6,858,852	
144,845	-	-	-	1,106,675	4,608,966	
87,498	-	-	-	-	913,129	
891,712	-	-	-	-	1,849,092	
<u>3,031,761</u>	<u>-</u>	<u>1,149,293</u>	<u>-</u>	<u>8,662,285</u>	<u>21,272,177</u>	
1,577,880	-	-	-	1,598,786	10,861,150	
-	-	-	-	8,650,158	9,456,030	
-	17,891,998	250,209	3,822,034	11,174,912	33,139,153	
2,532,895	-	-	-	3,146,124	5,679,019	
-	-	-	-	-	526,096	
-	-	-	-	(4,176,916)	938,536	
<u>4,110,775</u>	<u>17,891,998</u>	<u>250,209</u>	<u>3,822,034</u>	<u>20,393,064</u>	<u>60,599,984</u>	
<u>\$ 7,142,536</u>	<u>\$ 17,891,998</u>	<u>\$ 1,399,502</u>	<u>\$ 3,822,034</u>	<u>\$ 29,055,349</u>	<u>\$ 81,872,161</u>	

See notes to financial statements.

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City of Lynwood
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2011

Total governmental fund balances	\$	60,599,984
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds</p>		
Governmental capital assets	\$	154,047,540
Less accumulated depreciation	<u>(24,232,601)</u>	129,814,939
<p>Governmental funds report the effect of issuance costs, premiums, discounts, and gains or losses on debt refundings when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities</p>		
Deferred issuance costs (net of amortization of \$880,014)	1,023,813	
Deferred loss on refunding (net of amortization of \$889,249)	<u>578,794</u>	1,602,607
<p>Receivables that are not available to pay for current-period expenditures are deferred in the governmental funds. In the Statement of Net Assets, these receivables are recognized as earned income.</p>		
		4,422,299
<p>Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:</p>		
Tax allocation bonds	(35,594,210)	
Compensated absences	(1,582,429)	
HUD loan payable	(5,105,000)	
CEC loan	(230,915)	
Claims payable	(1,751,884)	
Revenue bonds	(13,890,560)	
Other postemployment benefits	<u>(5,721,861)</u>	(63,876,859)
<p>Accrued interest payable due on long-term debt has not been reported in the governmental funds.</p>		
		(1,614,514)
<p>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</p>		
		<u>(1,858,599)</u>
Net assets of governmental activities	\$	<u><u>129,089,857</u></u>

See notes to financial statements.

	General	Special Revenue Funds	
		Community Development Housing "A"	HUD Home Program
Revenues			
Taxes and assessments	\$ 18,567,805	\$ -	\$ -
Licenses and permits	813,029	-	-
Fines, forfeitures and penalties	1,508,346	-	-
Use of money and property	269,608	166	9,381
Intergovernmental	487,786	-	578,833
Charges for services	3,386,104	-	-
Administrative support	1,118,246	-	-
Program income	-	-	-
Miscellaneous	385,638	28,877	30,000
Total revenues	<u>26,536,562</u>	<u>29,043</u>	<u>618,214</u>
Expenditures			
Current:			
General government	5,556,539	97,275	22,548
Public safety	14,535,439	-	-
Public works	4,719,399	-	-
Community development	-	335,403	725,875
Parks and recreation	3,043,494	-	-
Pass through to other agencies	-	-	-
Capital outlay	202,473	-	-
Debt service:			
Principal payment	-	67,000	-
Interest and fiscal charges	-	134,764	-
Bond issuance costs	-	-	-
Total expenditures	<u>28,057,344</u>	<u>634,442</u>	<u>748,423</u>
Excess (deficiency) of revenues over expenditures	<u>(1,520,782)</u>	<u>(605,399)</u>	<u>(130,209)</u>
Other financing sources (uses)			
Transfers in	2,165,160	1,117,832	-
Transfers out	(2,400,086)	-	-
Proceeds from bond issuance	-	-	-
Bond discount	-	-	-
Net other financing sources (uses)	<u>(234,926)</u>	<u>1,117,832</u>	<u>-</u>
Net change in fund balances	<u>(1,755,708)</u>	<u>512,433</u>	<u>(130,209)</u>
Fund balances - beginning of year	<u>8,288,968</u>	<u>6,693,073</u>	<u>523,347</u>
Fund balances - end of year	<u>\$ 6,533,260</u>	<u>\$ 7,205,506</u>	<u>\$ 393,138</u>

**City of Lynwood
Governmental Funds**

Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2011

Debt Service Fund Community Development "A"	Capital Projects Funds				Nonmajor Governmental Funds	Total Governmental Funds
	2011 Series A Bond Proceeds	Capital Improvement Projects	2002 HUD Section 108 Loan			
\$ 4,339,158	\$ -	\$ -	\$ -	\$ -	8,611,385	\$ 31,518,348
-	-	-	-	-	128,603	941,632
-	-	-	-	-	-	1,508,346
9,025	3,828	-	2,708	-	67,469	362,185
2,914,741	-	-	-	-	7,104,619	11,085,979
-	-	-	-	-	409,326	3,795,430
-	-	-	-	-	-	1,118,246
-	-	-	-	-	4,850	4,850
-	-	231,006	-	-	398	675,919
<u>7,262,924</u>	<u>3,828</u>	<u>231,006</u>	<u>2,708</u>		<u>16,326,650</u>	<u>51,010,935</u>
1,069,358	-	1,201,360	-	-	1,824,516	9,771,596
-	-	-	-	-	308,814	14,844,253
-	-	-	-	-	4,420,064	9,139,463
1,201,401	-	-	2,592,000	-	842,319	5,696,998
-	-	-	-	-	-	3,043,494
-	-	-	-	-	8,914	8,914
-	-	5,886,988	-	-	298,400	6,387,861
857,252	-	-	-	-	4,689,185	5,613,437
686,262	-	-	-	-	1,009,617	1,830,643
-	268,028	-	-	-	291,592	559,620
<u>3,814,273</u>	<u>268,028</u>	<u>7,088,348</u>	<u>2,592,000</u>		<u>13,693,421</u>	<u>56,896,279</u>
<u>3,448,651</u>	<u>(264,200)</u>	<u>(6,857,342)</u>	<u>(2,589,292)</u>		<u>2,633,229</u>	<u>(5,885,344)</u>
-	-	6,414,704	-	-	4,480,943	14,178,639
(1,117,832)	-	-	-	-	(10,669,758)	(14,187,676)
-	18,480,000	-	-	-	14,645,000	33,125,000
-	(323,802)	-	-	-	(455,826)	(779,628)
<u>(1,117,832)</u>	<u>18,156,198</u>	<u>6,414,704</u>	<u>-</u>		<u>8,000,359</u>	<u>32,336,335</u>
2,330,819	17,891,998	(442,638)	(2,589,292)	-	10,633,588	26,450,991
1,779,956	-	692,847	6,411,326	-	9,759,476	34,148,993
<u>\$ 4,110,775</u>	<u>\$ 17,891,998</u>	<u>\$ 250,209</u>	<u>\$ 3,822,034</u>		<u>\$ 20,393,064</u>	<u>\$ 60,599,984</u>

See notes to financial statements.

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**City of Lynwood
Governmental Funds**

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year ended June 30, 2011**

Net change in fund balances - total governmental funds		\$ 26,450,991
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation was exceeded by capital expenditures in the current period:		
Capital outlay	\$ 6,342,638	
Depreciation expense	<u>(1,231,522)</u>	5,111,116
Governmental funds report the effect of issuance costs, premiums, discounts, and gains or losses on debt refundings when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts represent amortization during the fiscal year:		
Bond issuance and deferred loss during the year	468,057	
Amortization of deferred issuance costs and deferred loss on refunding	<u>(91,008)</u>	377,049
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 as revenue. This is the net change between notes receivable collected and issued.		
		(2,345,478)
Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Assets, the repayment reduces long-term liabilities. Neither transaction, however, has any effect on net assets.		
Proceeds from bonds issuance	(32,345,372)	
Principal repayment of tax allocation bonds	375,000	
Principal retirement of CEC loan	34,185	
Principal repayment of HUD loan payable	320,000	
Principal repayment of notes payable - Grae Atlantic	589,252	
Principal repayment of revenue bonds	<u>4,295,000</u>	(26,731,935)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Interest on bonds and loan payable	(1,187,164)	
Other postemployment benefits	(1,646,280)	
Net change in claims payable	308,644	
Net change in compensated absences	<u>815,562</u>	(1,709,238)
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.		
		<u>(76,696)</u>
Change in net assets of governmental activities		\$ <u>1,075,809</u>

See notes to financial statements.

**City of Lynwood
Statement of Net Assets
Proprietary Funds
June 30, 2011**

	Business-type Activities - Enterprise Funds			Governmental
	Transit	Water and Sewer	Totals	Activities Internal Service Funds
ASSETS				
Current assets				
Cash and investments	\$ 140,046	\$ 14,673,636	\$ 14,813,682	\$ 561,988
Receivables:				
Accounts	-	2,279,954	2,279,954	151
Interest	-	8,934	8,934	-
Due from other funds	-	-	-	900,000
Total current assets	<u>140,046</u>	<u>16,962,524</u>	<u>17,102,570</u>	<u>1,462,139</u>
Noncurrent assets				
Restricted assets:				
Deposit in trust	-	-	-	599,084
Cash and investments with fiscal agents	-	6,853,316	6,853,316	-
Deferred issuance costs, net	-	736,051	736,051	-
Capital assets, not depreciated	-	36,341	36,341	-
Capital assets, depreciated, net	-	10,051,915	10,051,915	431,434
Total noncurrent assets	<u>-</u>	<u>17,677,623</u>	<u>17,677,623</u>	<u>1,030,518</u>
Total assets	<u>140,046</u>	<u>34,640,147</u>	<u>34,780,193</u>	<u>2,492,657</u>
LIABILITIES				
Current liabilities				
Accounts payable	140,046	335,493	475,539	87,779
Accrued interest payable	-	84,158	84,158	-
Deposits	-	74,529	74,529	-
Due to other funds	-	244,733	244,733	2,299,388
Current portion of long-term debt	-	587,762	587,762	-
Total current liabilities	<u>140,046</u>	<u>1,326,675</u>	<u>1,466,721</u>	<u>2,387,167</u>
Noncurrent liabilities				
Noncurrent portion of long-term debt:				
Compensated absences	-	79,254	79,254	-
Claims payable	-	-	-	1,964,089
Revenue bonds payable	-	20,072,211	20,072,211	-
Total noncurrent liabilities	<u>-</u>	<u>20,151,465</u>	<u>20,151,465</u>	<u>1,964,089</u>
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt	-	4,313,256	4,313,256	431,434
Restricted for debt service	-	6,608,583	6,608,583	-
Unrestricted	-	2,240,168	2,240,168	(2,290,033)
Total net assets (deficit) \$	<u>-</u>	<u>\$ 13,162,007</u>	<u>\$ 13,162,007</u>	<u>\$ (1,858,599)</u>

See notes to financial statements.

City of Lynwood
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year ended June 30, 2011

	Business-type Activities - Enterprise Funds			Governmental
	Transit	Water and Sewer	Totals	Activities Internal Service Funds
Operating revenues				
Sales and service charges	\$ 9,648	\$ 9,783,605	\$ 9,793,253	\$ 2,653,560
Total operating revenues	<u>9,648</u>	<u>9,783,605</u>	<u>9,793,253</u>	<u>2,653,560</u>
Operating expenses				
Administration	-	1,012,540	1,012,540	-
Insurance	-	-	-	576,987
Claims	-	-	-	1,718,294
Water utility	-	4,496,659	4,496,659	-
Sewer utility	-	500,776	500,776	-
Garage	-	-	-	266,409
Transit	995,267	-	995,267	-
Depreciation	-	359,454	359,454	194,100
Total operating expenses	<u>995,267</u>	<u>6,369,429</u>	<u>7,364,696</u>	<u>2,755,790</u>
Operating income (loss)	<u>(985,619)</u>	<u>3,414,176</u>	<u>2,428,557</u>	<u>(102,230)</u>
Nonoperating revenues (expenses)				
Use of money and property	-	107,207	107,207	25,534
Interest expense	-	(1,040,783)	(1,040,783)	-
Amortization expense	-	(19,543)	(19,543)	-
Net nonoperating revenues (expenses)	<u>-</u>	<u>(953,119)</u>	<u>(953,119)</u>	<u>25,534</u>
Income (loss) before transfers	(985,619)	2,461,057	1,475,438	(76,696)
Transfers				
Transfers in	974,621	-	974,621	-
Transfers out	-	(965,584)	(965,584)	-
Change in net assets	(10,998)	1,495,473	1,484,475	(76,696)
Total net assets (deficit) - beginning of year	<u>10,998</u>	<u>11,666,534</u>	<u>11,677,532</u>	<u>(1,781,903)</u>
Total net assets (deficit) - end of year	<u>\$ -</u>	<u>\$ 13,162,007</u>	<u>\$ 13,162,007</u>	<u>\$ (1,858,599)</u>

See notes to financial statements.

City of Lynwood
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2011

	Business-type Activities - Enterprise Funds			Governmental
	Transit	Water and Sewer	Totals	Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 9,648	\$ 9,698,666	\$ 9,708,314	\$ 1,753,560
Payments to suppliers	(1,044,775)	(6,015,180)	(7,059,955)	(903,336)
Payments for claims	-	-	-	(800,198)
Net cash provided by (used in) operating activities	(1,035,127)	3,683,486	2,648,359	50,026
Cash flows from noncapital financing activities				
Received from other funds	974,621	-	974,621	-
Paid to other funds	-	(965,584)	(965,584)	-
Net cash provided by (used in) noncapital financing activities	974,621	(965,584)	9,037	-
Cash flows from capital and related financing activities				
Disposal (acquisition) of capital assets	-	(1,159,853)	(1,159,853)	-
Principal payments on long-term debt	-	(287,616)	(287,616)	-
Interest paid on long-term debt	-	(1,041,658)	(1,041,658)	-
Net cash provided by (used in) capital and related financing activities	-	(2,489,127)	(2,489,127)	-
Cash flows from investing activities				
Decrease in cash and investments with fiscal agents	-	2,411,311	2,411,311	(519,084)
Interest received	-	111,119	111,119	25,534
Net cash provided by (used in) investing activities	-	2,522,430	2,522,430	(493,550)
Net change in cash and investments	(60,506)	2,751,205	2,690,699	(443,524)
Cash and investments - beginning of year	200,552	11,922,431	12,122,983	1,005,512
Cash and investments - end of year	\$ 140,046	\$ 14,673,636	\$ 14,813,682	\$ 561,988
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (985,619)	\$ 3,414,176	\$ 2,428,557	\$ (102,230)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	359,454	359,454	194,100
Changes in operating assets and liabilities:				
Increase in accounts receivables	-	(74,934)	(74,934)	(151)
Increase in due from other funds	-	-	-	(900,000)
Decrease in prepaid expenses	-	-	-	10,163
Decrease in accounts payable	(49,508)	(249,938)	(299,446)	(69,952)
Increase in claims payable	-	-	-	224,356
Decrease in deposits	-	(10,005)	(10,005)	-
Increase in due to other funds	-	244,733	244,733	693,740
Total adjustments	(49,508)	269,310	219,802	152,256
Net cash provided by (used in) operating activities	\$ (1,035,127)	\$ 3,683,486	\$ 2,648,359	\$ 50,026

See notes to financial statements.

City of Lynwood
Statement of Fiduciary Fund Assets and Liabilities
June 30, 2011

ASSETS	
Receivables:	
Notes and loans	\$ 54,506
Total assets	\$ <u>54,506</u>
LIABILITIES	
Loans payable	\$ 54,506
Total liabilities	\$ <u>54,506</u>

See notes to financial statements.

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.

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

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.

The Lynwood Redevelopment Agency issues separate component unit statements. Upon completion, the financial statements of the said component unit can be obtained at City Hall. The following entities are considered to be component units of the City.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Community Development Housing "A" Fund (formerly Redevelopment Agency Area "A" Low/Mod Income 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.

Community Development "A" Fund (formerly Redevelopment Agency Tax Increment Area "A" Fund) – This fund are established to finance and account for the payment of interest and principal on the debt.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2011 Series A Bond Proceeds Capital Project Fund - This fund accounts for the financial resources used for redevelopment activities and finance low and moderate income housing projects throughout the geographic boundaries of the City.

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.

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

The City reports the following other 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 City departments or agencies 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and of the Internal Service 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 City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance Reporting

During the fiscal year ended June 30, 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. This Statement establishes the following fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds:

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The City's nonspendable fund balance represents inventory, prepaid expenses, land held for resale, and loans receivable.

Restricted fund balance includes resources that are subject to externally enforceable legal restrictions. It includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The City's restricted fund balances represent resources restricted for programs funded by grants and other restricted sources, capital projects, debt service and the low/moderate income housing program, and more.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority.

Assigned fund balance consists of funds that are set aside for specific purposes by the Commission's highest level of decision making authority or a body or official that has been given the authority to assign funds.

Unassigned fund balance is the residual classification for the City's fund balance and includes all spendable amounts not contained in the other classifications. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

Assets, Liabilities, Net Assets or Equity

Cash and Cash Equivalents

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

Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for nonparticipating certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

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

Receivables and Payables

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advances between funds, as reported in the fund financial statements, are classified as nonspendable fund balance.

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

Property Taxes

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

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

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

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

Tax Levy Apportionments – Because of 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

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

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable governmental or business-type activities 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 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 year ended June 30, 2011.

The provision for depreciation of capital assets is computed using the straight-line method over the following estimated useful lives:

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

Claims and Judgments

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 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 which approximates the effective interest and bonds outstanding 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 and deferred amounts on refunding is included in interest expense while the amortization of issuance costs is included in amortization 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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.

Estimates

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 committed or assigned 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 committed or assigned 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).

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Balances/Net Assets

The following funds contained a deficit fund balance/net assets as of June 30, 2011:

Internal Service Fund:	
Self-insurance	\$ 3,744,269
Nonmajor Governmental Funds:	
Special Revenue Funds	
Traffic Safety	434,772
SB 821	27,776
Lighting Maintenance	808,562
Landscape Maintenance	295,639
Housing Community Development	32,054
TEA/ISTEA Grant	280,392
State Transportation Partnership	537,764
Capital Projects Fund:	
Park Replacement	2,689,902

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

Excess of Expenditures Over Appropriations

Fund	Final Appropriations	Expenditures	Excess
Major Governmental Funds:			
General Funds:			
General government:			
City attorney	\$ 446,500	\$ 599,590	\$ 153,090
Accounting and auditing	475,615	613,601	137,986
Business licensing	340,774	347,794	7,020
Public safety:			
Code enforcement	444,638	469,927	25,289
Marketing	301,411	325,527	24,116
Public relation	271,563	281,516	9,953
Parks and recreation:			
Sports and leisure services	343,656	387,742	44,086
Youth center operations	183,794	231,845	48,051
Special Revenue Fund:			
HUD Home Program:			
General government	-	22,548	22,548
Community development	671,127	725,875	54,748
Debt Service Fund:			
Community Development "A"			
Transfers out	-	1,117,832	1,117,832

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures Over Appropriations (continued)

Fund	Final Appropriations	Expenditures	Excess
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Traffic Safety			
Principal payments	\$ -	\$ 34,185	\$ 34,185
Interest and fiscal charges	-	9,425	9,425
Lighting Maintenance			
Public works	944,004	974,404	30,400
Housing Community Development (HUD)			
Public works	400,000	404,166	4,166
Used Oil Recycling Grant			
Public works	20,000	25,828	5,828
Roberti-Zberg Harris			
Public works	-	63,888	63,888
Debt Service Funds:			
Community Development "B"			
General government	359,656	514,961	155,305

NOTE 3 CASH AND INVESTMENTS

Cash and investments are reported as follows:

	Governmental Activities	Business-type Activities	Totals
Cash and investments	\$ 26,845,972	\$ 14,813,682	\$ 41,659,654
Restricted cash and investments:			
Cash and investments	665,625	-	665,625
Cash and investments with fiscal agents	27,367,623	6,853,316	34,220,939
	\$ 54,879,220	\$ 21,666,998	\$ 76,546,218

Cash and investments at June 30, 2011 consisted of the following:

Petty cash	\$ 3,790
Deposits	12,369,258
Investments	64,173,170
	\$ 76,546,218

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (State Pool)	N/A	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 Savings 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.

NOTE 3 CASH AND INVESTMENTS (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	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

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 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	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
State investment pool	\$ 21,605,870	\$ 21,605,870	\$ -	\$ -	\$ -
Money market funds	4,108,828	4,108,828	-	-	-
Time deposits	239,418	239,418	-	-	-
Federal Agency Securities	2,498,500	-	999,875	1,498,625	-
Corporate Note	1,501,472	1,501,472	-	-	-
Held by bond trustees:					
State investment pool	5,613,361	5,613,361	-	-	-
Money market funds	28,605,721	28,605,721	-	-	-
Totals	\$ 64,173,170	\$ 61,674,670	\$ 999,875	\$ 1,498,625	\$ -

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).

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

e. Disclosures Relating to Credit Risk

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

Investment Type	Totals	Minimum Legal Rating	Exempt from Disclosure	AAA	AA	A	Not Rated
State investment pool	\$ 21,605,870	N/A	\$ -	\$ -	\$ -	\$ -	\$ 21,605,870
Money market funds	4,108,828	N/A	-	-	-	-	4,108,828
Time deposits	239,418	N/A	-	-	-	-	239,418
Federal Agency Securities	2,498,500	AAA	-	2,498,500	-	-	-
Corporate Note	1,501,472	A	-	-	-	1,501,472	-
Held by bond trustees:							
State investment pool	5,613,361	N/A	-	-	-	-	5,613,361
Money market funds	28,605,721	N/A	-	-	-	-	28,605,721
Totals \$	<u>64,173,170</u>		<u>\$ -</u>	<u>\$ 2,498,500</u>	<u>\$ -</u>	<u>\$ 1,501,472</u>	<u>\$ 60,173,198</u>

f. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. As of June 30, 2011, there were no investment in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total City investments.

g. Custodial Credit Risk

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2011, \$11,755,063 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, 2011, the City's investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

Investment Type	Reported Amount
Time deposits and money market funds	\$ 196,508

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. At June 30, 2011, the total fair value of LAIF, including accrued interest was approximately \$66.5 billion. The fair value of the City's investment in the pool is \$27.2 million. LAIF's and the City's exposure to risk (credit, market, or legal) is not currently available.

NOTE 4 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, 2011, the net realizable value for land held for resale totaled \$9,509,752, with this amount classified as nonspendable fund balance.

NOTE 5 NOTES AND LOANS RECEIVABLE

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 of 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. Lynwood Redevelopment Agency (the Agency) also extended rehabilitation loans to property owners for the rehabilitation and improvements of commercial buildings. As of June 30, 2011, the long-term receivables balance was \$3,681,180. (This amount is net of an allowance in the amount of \$3,111,115).

NOTE 5 NOTES AND LOANS RECEIVABLE (CONTINUED)

	<u>Outstanding Balance June 30, 2011</u>
<p>In June 2002, the Agency extended a loan to a developer for building 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 \$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 \$128,081 has been established for the future amount to be forgiven.</p>	<p>\$ 40,360</p>
<p>In March 2002, the Agency extended a commercial rehabilitation loan in the amount of \$250,000 to a business known as El Gallo Giro. The loan bears simple interest at 10% per annum and is fully due on the tenth anniversary date of the loan agreement.</p>	<p>46,403</p>
<p>The Agency entered into a Loan Agreement with Habitat for Humanity of Greater Los Angeles to purchase foreclosed homes with Federal HOME funds and 20% Housing Set Aside funds; rehabilitate said home with 20% Housing Set Aside funds; and deed restrict and resell to a low income household. 3076 Redwood was purchased for \$315,000. \$61,906 of 20% Housing Set Aside funds were budgeted and utilized for rehabilitation of the unit.</p>	<p>30,126</p>
<p>The Agency entered into a Loan Agreement with Habitat for Humanity of Greater Los Angeles to purchase foreclosed homes with Federal HOME funds and 20% Housing Set Aside funds; rehabilitate said home with 20% Housing Set Aside funds; and deed restrict and resell to a low income household. 5525 Clark was purchased for \$299,500. \$48,970 of 20% Housing Set Aside funds were budgeted and utilized for rehabilitation of the unit.</p>	<p>2,905</p>
<p>In February 2009, the Agency extended a non-interest bearing note in the amount of \$710,000 to a developer for financial assistance on an affordable housing project located at 11300 Atlantic Avenue (the Property). The total amount represents the cash contribution from the Agency for the Insurance Payment of \$454,000 and the Rehabilitation Loan of \$256,000 for the project. Upon each anniversary of the date of the issuance of a Certificate of Completion and provided all material covenants set forth in the agreement have been performed during the previous year, a credit of 1/55 of the Insurance Payment principal amount shall be applied to the note, and the outstanding principal amount of the note shall be reduced by such amount.</p>	<p>437,491</p>

NOTE 5 NOTES AND LOANS RECEIVABLE (CONTINUED)

Outstanding
Balance
June 30, 2011

In July 2009, the Agency extended a noninterest-bearing Set Aside Note in the amount of \$454,100 to Habitat for Humanity to assist in the cost of developing 10 low income ownership homes. Upon the subdivision of the Site into individual lots for development, the Set Aside Note shall be divided by the number of units constructed and each unit shall be responsible for the repayment of an equal share of the Set Aside Note amount.

\$ 453,197

In April 2009, the Agency extended a noninterest-bearing Set Aside Note in the amount of \$243,100 to Habitat for Humanity to assist in the cost of redeveloping a low income triplex at 3254 Palm Avenue for sale to low income households. Pursuant to the Loan Agreement the Agency shall contribute the land and \$243,100 to build the affordable homes. Upon the subdivision of the Site into individual lots for development, the Set Aside Note shall be divided by the number of units constructed and each unit shall be responsible for the repayment of an equal share of the Set Aside Note amount.

243,100

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. An allowance of \$2,983,034 has been established for the future amount to be forgiven.

2,427,598

Net long-term receivables \$ 3,681,180

NOTE 6 ACCOUNTS RECEIVABLE

The following is a list of accounts receivable at June 30, 2011:

	Receivable	Allowance	Net
Governmental Activities:			
Intergovernmental	\$ 2,134,164	\$ -	\$ 2,134,164
Accounts (including taxes)	2,464,116	-	2,464,116
Interest	12,887	-	12,887
	\$ 4,611,167	\$ -	\$ 4,611,167
Business-type Activities:			
Accounts	\$ 2,631,151	\$ 351,197	\$ 2,279,954
Interest	8,934	-	8,934
	\$ 2,640,085	\$ 351,197	\$ 2,288,888

NOTE 7 DEFERRED CHARGES

Deferred charges consist of issuance costs of certain debt issues.

The City 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, 2011 was \$437,550, with amortization expense of \$45,152 for the current fiscal year.

The City 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, 2011 was \$155,076.

The City has deferred costs of issuance on the Lease Revenue Bonds, 2010 Series A. The cost amounted to \$201,093 and is amortized over 361 months. The accumulated amortization of the costs as of June 30, 2011 was \$6,126.

The City has deferred costs of issuance on the Tax Allocation Bonds, 2011 Series A and B. The cost amounted to \$358,527 and is amortized over 328 months. The accumulated amortization of the costs as of June 30, 2011 was \$4,373.

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, 2011 was \$58,638.

NOTE 7 DEFERRED CHARGES (CONTINUED)

In November 2008, the City of Lynwood issued \$9,755,000 of Enterprise Revenue Bonds. Total issue costs relating to the issue was \$294,942. The period of amortization is 360 months and the accumulated amortization as of June 30, 2011 was \$25,808.

In May 2009, the City of Lynwood issued \$5,735,000 of Enterprise Revenue Bonds. Total issue costs relating to the issue was \$174,018. The period of amortization is 240 months and the accumulated amortization as of June 30, 2011 was \$18,489.

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 City's interfund activity for the fiscal year ended June 30, 2011.

Current Interfund Balances

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

The following is a summary of current interfund balances as of June 30, 2011:

NOTE 8 INTERFUND ACTIVITY (CONTINUED)

Receivable Fund	Amount	Payable Fund	Amount
Major Funds:		Major Funds:	
General	\$ 6,882,329	Community Development	
Community Development "A"	180,340	Housing "A"	\$ 180,340
Capital Improvement Projects	1,397,647	HUD HOME Program	198,641
Nonmajor Funds:		Nonmajor Funds:	
Community Development		Traffic Safety	400,980
Housing "B"	42,657	AB 2928 Traffic Congestion Relief	375
		SB 821	27,776
		State COPS Program	10,108
		Lighting Maintenance	808,995
		Landscape Maintenance	303,944
		Housing Community Development	102,546
		Other Grants	687,738
		TEA/ISTEA Grant	280,392
		DOE Block Grant	114,685
		Safe School Route	
		State of California CEC Grant	
		State Transportation Partnership	537,764
		Community Development "B"	42,657
		Tax Increment Alameda Area	
		Park Replacement	2,689,902
		Capital Grant Loan	467,917
		2003 Lease Revenue Refunding	4,092
		Proprietary Fund:	
		Water and Sewer	244,733
Internal Service Fund:		Internal Service Fund:	
Garage	900,000	Self-insurance	2,299,388
Totals	<u>\$ 9,402,973</u>		<u>\$ 9,402,973</u>

Advances

As of June 30, 2011, the funds below have made advances that were not expected to be repaid within on year.

Funds	Advances Receivables	Advances Payable
Major Funds:		
General	\$ 891,712	\$ 957,380
Community Development "A"	957,380	891,712
Totals	<u>\$ 1,849,092</u>	<u>\$ 1,849,092</u>

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

NOTE 8 INTERFUND ACTIVITY (CONTINUED)

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 expenditures on behalf of another fund.

Funds	Transfer in	Transfer out
Major Governmental Funds:		
General	\$ 2,165,160	\$ 2,400,086
Community Development Housing "A"	1,117,832	-
Community Development "A"	-	1,117,832
Capital Improvement Projects	7,268,014	-
Nonmajor Governmental Funds:		
Community Development Housing "B"	182,719	-
Retirement	-	1,934,379
Traffic Safety	2,461,060	-
Gas Tax	-	1,650,063
AB 2928 Traffic Congestion Relief	-	984,170
Prop A	-	701,553
Prop C	-	624,834
Measure R	-	16,406
Air Quality Improvement	-	100,000
Lighting Maintenance	170,113	212,692
Landscape Maintenance	619,776	199,399
Impact Fees	-	275,514
Housing Community Development (HUD)	-	17,724
LA County Park Maintenance Grant	-	38,789
Other Grants	-	757,527
Per Capita Grant 2000	-	56,920
DOE Block Grant	-	573,279
Safe School Route	1,195	-
Prop 1B	-	189,108
State Transportation Partnership	-	1,263,139
Roberti-Zberg Harris	-	63,888
Community Development Housing "B"	-	182,719
City of Lynwood	1,036,185	-
Public Financing Authority	9,895	-
CIP Loan Proceeds	-	807,613
2003 Lease Revenue Refunding	-	20,042
Major Enterprise Fund:		
Transit	974,621	-
Water and Sewer	-	1,818,894
Totals	\$ 16,006,570	\$ 16,006,570

NOTE 9 CAPITAL ASSETS

Governmental Activities

Capital asset governmental activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010 (as restated)	Additions	Deletions	Balance June 30, 2011
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 48,238,564	\$ 281,834	\$ -	\$ 48,520,398
Rights of way	22,904,315	-	-	22,904,315
Trees	287,627	-	-	287,627
Construction in progress	24,478,349	5,845,136	8,561,766	21,761,719
Total capital assets not being depreciated	<u>95,908,855</u>	<u>6,126,970</u>	<u>8,561,766</u>	<u>93,474,059</u>
Capital assets being depreciated:				
Buildings and improvements	10,333,681	752,614	-	11,086,295
Machinery and equipment	2,988,245	497,503	-	3,485,748
Infrastructure				
Roadways, curbs and gutters	28,004,171	7,127,547	-	35,131,718
Sidewalks and medians	5,941,012	171,906	-	6,112,918
Other street appurtenances	4,528,938	227,865	-	4,756,803
Total capital assets being depreciated	<u>51,796,047</u>	<u>8,777,435</u>	<u>-</u>	<u>60,573,482</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,012,290)	(208,548)	-	(5,220,838)
Machinery and equipment	(2,297,736)	(112,173)	-	(2,409,909)
Infrastructure				
Roadways, curbs and gutters	(11,013,740)	(665,336)	-	(11,679,076)
Sidewalks and medians	(2,526,711)	(127,755)	-	(2,654,466)
Other street appurtenances	(2,150,603)	(117,710)	-	(2,268,313)
Total accumulated depreciation	<u>(23,001,080)</u>	<u>(1,231,522)</u>	<u>-</u>	<u>(24,232,602)</u>
Capital assets being depreciated, net	<u>28,794,967</u>	<u>7,545,913</u>	<u>-</u>	<u>36,340,880</u>
Governmental activities capital assets, net	<u>\$ 124,703,822</u>	<u>\$ 13,672,883</u>	<u>\$ 8,561,766</u>	<u>\$ 129,814,939</u>

Internal Service Fund (Allocated to Governmental Activities)

	Balance July 1, 2010 (as restated)	Additions	Deletions	Balance June 30, 2011
Capital assets being depreciated:				
Machinery and equipment	\$ 1,382,851	\$ -	\$ -	\$ 1,382,851
Total capital assets being depreciated	<u>1,382,851</u>	<u>-</u>	<u>-</u>	<u>1,382,851</u>
Less accumulated depreciation for:				
Machinery and equipment	(757,316)	(194,101)	-	(951,417)
Total accumulated depreciation	<u>(757,316)</u>	<u>(194,101)</u>	<u>-</u>	<u>(951,417)</u>
Capital assets being depreciated, net	<u>\$ 625,535</u>	<u>\$ (194,101)</u>	<u>\$ -</u>	<u>\$ 431,434</u>

NOTE 9 CAPITAL ASSETS (CONTINUED)

Total Governmental Activities

	Balance July 1, 2010 (as restated)	Additions	Deletions	Balance June 30, 2011
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 48,238,564	\$ 281,834	\$ -	\$ 48,520,398
Rights of way	22,904,315	-	-	22,904,315
Trees	287,627	-	-	287,627
Construction in progress	<u>24,478,349</u>	<u>5,845,136</u>	<u>8,561,766</u>	<u>21,761,719</u>
Total capital assets not being depreciated	<u>95,908,855</u>	<u>6,126,970</u>	<u>8,561,766</u>	<u>93,474,059</u>
Capital assets, being depreciated:				
Buildings and improvements	10,333,681	752,614	-	11,086,295
Machinery and equipment	4,371,096	497,503	-	4,868,599
Infrastructure				
Roadways, curbs and gutters	28,004,171	7,127,547	-	35,131,718
Sidewalks and medians	5,941,012	171,906	-	6,112,918
Other street appurtenances	<u>4,528,938</u>	<u>227,865</u>	<u>-</u>	<u>4,756,803</u>
Total capital assets being depreciated	<u>53,178,898</u>	<u>8,777,435</u>	<u>-</u>	<u>61,956,333</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,012,290)	(208,548)	-	(5,220,838)
Machinery and equipment	(3,055,052)	(306,274)	-	(3,361,326)
Infrastructure				
Roadways, curbs and gutters	(11,013,740)	(665,336)	-	(11,679,076)
Sidewalks and medians	(2,526,711)	(127,755)	-	(2,654,466)
Other street appurtenances	<u>(2,150,603)</u>	<u>(117,710)</u>	<u>-</u>	<u>(2,268,313)</u>
Total accumulated depreciation	<u>(23,758,396)</u>	<u>(1,425,623)</u>	<u>-</u>	<u>(25,184,019)</u>
Capital assets being depreciated, net	<u>29,420,502</u>	<u>7,351,812</u>	<u>-</u>	<u>36,772,314</u>
Governmental activities capital assets, net	<u>\$ 125,329,357</u>	<u>\$ 13,478,782</u>	<u>\$ 8,561,766</u>	<u>\$ 130,246,373</u>

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>
General government	\$ 233,294	\$ -	\$ 233,294
Public safety	9,555	-	9,555
Public works	882,370	194,101	1,076,471
Community development	2,511	-	2,511
Parks and recreation	<u>103,792</u>	<u>-</u>	<u>103,792</u>
	<u>\$ 1,231,522</u>	<u>\$ 194,101</u>	<u>\$ 1,425,623</u>

NOTE 9 CAPITAL ASSETS (CONTINUED)

Business-type Activities

Capital asset business-type activity (Water activity) for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010 (as restated)	Additions	Deletions	Balance June 30, 2011
Water Activity:				
Capital assets not being depreciated				
Land	\$ 37,252	\$ -	\$ (911)	\$ 36,341
Total capital assets not being depreciated	<u>37,252</u>	<u>-</u>	<u>(911)</u>	<u>36,341</u>
Capital assets being depreciated:				
Buildings and improvements	49,197	-	(13,698)	35,499
Machinery and equipment	-	399,311	-	399,311
Infrastructure	15,016,577	853,311	55,186	15,814,702
Total capital assets being depreciated	<u>15,065,774</u>	<u>1,252,622</u>	<u>41,488</u>	<u>16,249,512</u>
Less accumulated depreciation for:				
Buildings and improvements	(10,650)	(710)	-	(11,360)
Machinery and equipment	-	(12,719)	-	(12,719)
Infrastructure	(5,804,519)	(346,026)	(22,973)	(6,173,518)
Total accumulated depreciation	<u>(5,815,169)</u>	<u>(359,455)</u>	<u>(22,973)</u>	<u>(6,197,597)</u>
Capital assets being depreciated, net	<u>9,250,605</u>	<u>893,167</u>	<u>18,515</u>	<u>10,051,915</u>
Water capital assets, net	<u>\$ 9,287,857</u>	<u>\$ 893,167</u>	<u>\$ 17,604</u>	<u>\$ 10,088,256</u>

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

Business-type Activities:	
Water	\$359,455

NOTE 10 LONG-TERM LIABILITIES

The following is a summary of changes in the City's long-term liabilities for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Repayments	Balance June 30, 2011	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 1,397,991	\$ 982,931	\$ (798,493)	\$ 1,582,429	\$ 1,186,822
Other postemployment benefits	4,075,581	2,614,456	(968,176)	5,721,861	-
Capital leases payable	-	-	-	-	-
Tax allocation bonds	12,335,000	23,627,966	(368,756)	35,594,210	415,000
HUD loan payable	5,425,000	-	(320,000)	5,105,000	340,000
Claims payable	3,800,261	224,356	(308,644)	3,715,973	-
Note payable - Grae Atlantic	589,252	-	(589,252)	-	-
CEC loan	265,100	-	(34,185)	230,915	34,805
Revenue bonds	9,460,000	8,717,406	(4,286,846)	13,890,560	555,000
Deferred amount on refunding	(493,724)	91,563	(176,633)	(578,794)	-
Total	<u>\$ 36,854,461</u>	<u>\$ 36,258,678</u>	<u>\$ (7,850,985)</u>	<u>\$ 65,262,154</u>	<u>\$ 2,531,627</u>
Business-type Activities:					
Compensated absences	\$ 315,897	\$ 238,041	\$ (236,922)	\$ 317,016	\$ 237,762
Revenue bonds	20,984,291	4,806	(310,000)	20,679,097	350,000
Deferred amount on refunding	(273,345)	16,459	-	(256,886)	-
Total	<u>\$ 21,026,843</u>	<u>\$ 259,306</u>	<u>\$ (546,922)</u>	<u>\$ 20,739,227</u>	<u>\$ 587,762</u>

Governmental activities long-term debt at June 30, 2011 consisted of the following:

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, 2011, the total unpaid principal balance was \$10,235,000.

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

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, 2011 was \$5,105,000.

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, 2011 is \$3,715,973.

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 Agreement. The Agency began monthly payments to Grae Ventures, LLC during the fiscal year ended June 30, 2007. Payments are \$79,853 per year at an interest rate of 11 %. The final payment is due during the fiscal year ending June 30, 2026. The note was paid in full during 2011.

CEC Loan

On May 28, 2008, the State of California, Energy Resources Conservation and Development Commission loaned \$265,100 to the City. The funds are to be used to finance energy efficiency projects. The interest rate charged in the loan 3.95% per annum and final maturity date of the loan is June 22, 2017. Principal and interest payments are due every December and June starting in 2010. The balance of the loan outstanding at June 30, 2011 was \$230,915.

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 was refunded with the proceeds for the issuance of the Lease Revenue Bonds, 2010 Series A.

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

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, 2011 was \$5,165,000.

Lynwood Public Financing Authority 2010 Lease Revenue Refunding Bonds Series A

On August 4, 2010, the Lynwood Public Financing Authority issued \$8,985,000 of 2010 Lease Revenue Bonds. The proceeds will be used to finance the costs of the acquisition, construction, installation and equipping of certain public capital improvements for the City and refund the outstanding Lynwood Public Financing Authority Lease Revenue Bonds, Series 1999, fund a reserve account and pay cost of issuance of the bonds. Interest on the bonds is payable semi-annually each March 1 and September 1, beginning March 1, 2011. Principal matures each September 1 beginning 2019 and maturing in 2040. Interest rates on the bonds vary between 4.125% and 5.77%. The outstanding balance of the bonds at June 30, 2011 was \$8,985,000.

The refunding of the 1999 Lease Revenue Refunding Bonds created a deferred loss on refunding amounting to \$176,633. The deferred loss is being amortized over the shorter life of either the new debt or old debt which is 229 months. At June 30, 2011, the accumulated amortization is \$9,276.

Lynwood Redevelopment Agency 2011 Taxable Tax Allocation Bonds

On March 7, 2011, the Agency issued Tax Allocation Bonds Series A in the amount of \$18,480,000 and Tax Allocation Bonds Series B in the amount of \$5,660,000. For Series A, the interest rates vary from 6.75% to 7.25% and for Series B, the interest rates vary from 9% to 9.5%.

The primary purpose of the issuance of the 2011 Tax Allocation Bonds is to finance redevelopment activities within or of benefit to the Agency and finance low and moderate income housing projects throughout the geographic boundaries of the City of benefit to the Agency's redevelopment project areas. The principal balance outstanding as of June 30, 2011, including unamortized discount of \$505,790, is \$23,634,210.

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

Business-type long-term debt at June 30, 2011 consisted of the following:

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 \$5,480,000 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, 2011 including unamortized premium of \$25,492 was \$5,800,492.

Lynwood Utility Authority 2008 Series A Enterprise Revenue Bonds

On November 25, 2008, the Lynwood Utility Authority issued \$9,755,000 of 2008 Series A Enterprise Revenue Bonds, the proceeds which were used to refund, on a current basis, the outstanding Lynwood Public Financing Authority Water Revenue Bonds Series 1995, finance certain new improvements to the water distribution systems, finance certain capital improvements for the City, fund a reserve fund for the bonds and pay the costs of issuance of the bonds.

The bonds consist of \$3,855,000 of serial bonds maturing from 2009 through 2025 and \$5,900,000 of term bonds maturing on June 1 of 2028, 2033, and 2038.

The serial bonds carry interest at rates of 3.00% to 5% and mature June 1, 2025. Interest is payable semi-annually every December 1 and June 1 with principal due June 1 beginning in 2009. The term bonds carry interest at rates of 4.875% to 5.375%.

The bonds will be paid from and secured by the net revenues of the water and sewer enterprise of the City. The Lynwood Utility Authority has covenanted, to the maximum extent permitted by law, to set rates and charges for the service and facilities of water and sewer enterprise sufficient to provide net revenues each year equal to at least 1.25 times the aggregate annual amount of debt service payments on these bonds and any other parity debt.

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

The refunding of the Revenue Bonds 1995 Series A created a deferred loss on refunding in the amount of \$60,075. This deferred loss is being amortized over the shorter life of either the new debt or old debt which is 150 months. At June 30, 2011, the accumulated amortization was \$12,658.

The principal balance outstanding at June 30, 2011 including unamortized discount of \$41,650 was \$9,223,350.

Lynwood Utility Authority 2009 Series A Enterprise Revenue Bonds

On May 28, 2009, the Lynwood Utility Authority issued \$5,735,000 of 2009 Series A Enterprise Revenue Bonds, the proceeds which were used to refund, on a current basis, the outstanding Lynwood Public Financing Authority Water Revenue Bonds Series 1999, fund a reserve fund for the bonds and pay the costs of issuance of the bonds.

The bonds consist of \$3,745,000 of serial bonds maturing from 2012 through 2026 and \$1,990,000 of term bonds maturing on June 1 of 2029.

The serial bonds carry interest at rates of 2.50% to 5.00% and mature June 1, 2026. Interest is payable semi-annually every December 1 and June 1 with principal due June 1 beginning in December 2009. The term bonds carry interest at rates of 5.00%.

The bonds will be paid from and secured by the net revenues of the water and sewer enterprise of the City. The Lynwood Utility Authority has covenanted, to the maximum extent permitted by law, to set rates and charges for the service and facilities of water and sewer enterprise sufficient to provide net revenues each year equal to at least 1.25 times the aggregate annual amount of debt service payments on these bonds and any other parity debt.

The refunding of the Revenue Bonds 1999 Series A created a deferred loss on refunding in the amount of \$233,228. This deferred loss is being amortized over the shorter life of either the new debt or old debt which is 241 months. At June 30, 2011, the accumulated amortization was \$23,759.

The principal balance outstanding at June 30, 2009 including unamortized discount of \$79,745 was \$5,655,255.

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, 2011 including interest are as follows:

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

1999 Tax Allocation Bonds A:

Year ending June 30,	Principal	Interest	Total
2012	\$ -	\$ 602,482	\$ 602,482
2013	-	602,482	602,482
2014	395,000	590,929	985,929
2015	420,000	567,090	987,090
2016	445,000	541,789	986,789
2017-2021	2,670,000	2,271,229	4,941,229
2022-2026	3,590,000	1,355,230	4,945,230
2027-2029	2,715,000	246,769	2,961,769
Totals	<u>\$ 10,235,000</u>	<u>\$ 6,777,999</u>	<u>\$ 17,012,999</u>

1999 Tax Allocation Bonds B

Year ending June 30,	Principal	Interest	Total
2012	\$ 370,000	\$ 44,370	\$ 414,370
2013	395,000	15,109	410,109
Totals	<u>\$ 765,000</u>	<u>\$ 59,479</u>	<u>\$ 824,479</u>

1999 Tax Allocation Bonds Alameda

Year ending June 30,	Principal	Interest	Total
2012	\$ 45,000	\$ 59,062	\$ 104,062
2013	45,000	56,227	101,227
2014	50,000	53,235	103,235
2015	55,000	49,928	104,928
2016	55,000	46,463	101,463
2017-2021	345,000	171,833	516,833
2022-2025	365,000	48,038	413,038
Totals	<u>\$ 960,000</u>	<u>\$ 484,785</u>	<u>\$ 1,444,785</u>

2011 Tax Allocation Bonds A

Year ending June 30,	Principal	Interest	Total
2012	\$ -	\$ 1,161,233	\$ 1,161,233
2013	305,000	1,184,575	1,489,575
2014	420,000	1,175,225	1,595,225
2015	435,000	1,160,225	1,595,225
2016	450,000	1,141,400	1,591,400
2017-2021	2,580,000	5,332,225	7,912,225
2022-2026	3,720,000	4,390,044	8,110,044
2027-2031	5,810,000	2,899,256	8,709,256
2032-2036	3,350,000	905,713	4,255,713
2037-2038	1,410,000	158,413	1,568,413
Less - discount	(319,853)	-	(319,853)
Totals	<u>\$ 18,160,147</u>	<u>\$ 19,508,308</u>	<u>\$ 37,668,455</u>

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

Governmental Long-term Debt Amortization (continued)

2011 Tax Allocation Bonds B			
Year ending June 30,	Principal	Interest	Total
2012	\$ -	\$ 462,440	\$ 462,440
2013	200,000	469,950	669,950
2014	125,000	464,450	589,450
2015	130,000	458,700	588,700
2016	140,000	451,425	591,425
2017-2021	830,000	2,102,644	2,932,644
2022-2026	1,230,000	1,694,388	2,924,388
2027-2031	1,590,000	1,078,469	2,668,469
2032-2036	950,000	377,000	1,327,000
2037-2038	465,000	69,113	534,113
Less - discount	(185,937)	-	(185,937)
Totals	\$ 5,474,063	\$ 7,628,578	\$ 13,102,641

HUD Section 108 Loan			
Year ending June 30,	Principal	Interest	Total
2012	\$ 340,000	\$ 280,240	\$ 620,240
2013	360,000	263,013	623,013
2014	380,000	243,980	623,980
2015	405,000	222,933	627,933
2016	430,000	199,983	629,983
2017-2021	2,590,000	583,189	3,173,189
2022	600,000	18,210	618,210
Totals	\$ 5,105,000	\$ 1,811,548	\$ 6,916,548

Public Financing Authority			
2003 Lease Revenue Refunding Bonds			
Year ending June 30,	Principal	Interest	Total
2012	\$ 555,000	\$ 228,163	\$ 783,163
2013	575,000	205,203	780,203
2014	600,000	180,594	780,594
2015	625,000	154,172	779,172
2016	650,000	124,250	774,250
2017-2019	2,160,000	165,500	2,325,500
Totals	\$ 5,165,000	\$ 1,057,882	\$ 6,222,882

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

Governmental Long-term Debt Amortization (continued)

Public Financing Authority			
2010 Series A Lease Revenue Refunding Bonds			
Year ending June 30,	Principal	Interest	Total
2012	\$ -	\$ 470,600	\$ 470,600
2013	-	470,600	470,600
2014	-	470,600	470,600
2015	-	470,600	470,600
2016	-	470,600	470,600
2017-2021	935,000	2,315,688	3,250,688
2022-2026	1,910,000	1,978,162	3,888,162
2027-2031	2,075,000	1,436,319	3,511,319
2032-2036	2,015,000	908,600	2,923,600
2037-2040	2,050,000	289,575	2,339,575
Less - discount	(259,440)	-	(259,440)
Totals	\$ 8,725,560	\$ 9,281,344	\$ 18,006,904

CEC Loan			
Year ending June 30,	Principal	Interest	Total
2012	\$ 34,805	\$ 8,805	\$ 43,610
2013	36,217	7,394	43,611
2014	37,661	5,949	43,610
2015	39,163	4,447	43,610
2016	40,719	2,891	43,610
2017	42,350	1,260	43,610
Totals	\$ 230,915	\$ 30,746	\$ 261,661

Total Long-term Debt			
Year ending June 30,	Principal	Interest	Total
2012	\$ 1,344,805	\$ 3,317,395	\$ 4,662,200
2013	1,916,217	3,274,553	5,190,770
2014	2,007,661	3,184,962	5,192,623
2015	2,109,163	3,088,095	5,197,258
2016	2,210,719	2,978,800	5,189,519
2017-2021	12,152,350	12,943,567	25,095,917
2022-2026	11,415,000	9,484,071	20,899,071
2027-2031	12,190,000	5,660,813	17,850,813
2032-2036	6,315,000	2,191,313	8,506,313
2037-2040	3,925,000	517,100	4,442,100
Less - discount	(765,230)	-	(765,230)
Totals	\$ 54,820,685	\$ 46,640,668	\$ 101,461,353

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

Business-type Long-term Debt Amortization

The schedules of annual requirements to amortize all business-type long-term debt outstanding as of June 30, 2011 including interest are as follows:

<u>2003 Enterprise Revenue Bonds</u>			
<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 145,000	\$ 284,512	\$ 429,512
2013	150,000	279,438	429,438
2014	155,000	274,000	429,000
2015	160,000	266,250	426,250
2016	170,000	258,250	428,250
2017-2021	980,000	1,155,250	2,135,250
2022-2026	1,250,000	884,750	2,134,750
2027-2031	1,600,000	538,750	2,138,750
2032-2034	1,165,000	118,250	1,283,250
Plus - premium	25,492	-	25,492
Totals	\$ <u>5,800,492</u>	\$ <u>4,059,450</u>	\$ <u>9,859,942</u>

<u>2008 Enterprise Revenue Bonds</u>			
<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 175,000	\$ 461,706	\$ 636,706
2013	185,000	455,581	640,581
2014	190,000	446,331	636,331
2015	205,000	436,831	641,831
2016	210,000	428,631	638,631
2017-2021	1,215,000	1,979,250	3,194,250
2022-2026	1,515,000	1,674,713	3,189,713
2027-2031	1,920,000	1,271,481	3,191,481
2032-2036	2,470,000	725,388	3,195,388
2037-2038	1,180,000	95,944	1,275,944
Less - discount	(41,650)	-	(41,650)
Totals	\$ <u>9,223,350</u>	\$ <u>7,975,856</u>	\$ <u>17,199,206</u>

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

Business-type Long-term Debt Amortization

2009 Enterprise Revenue Bonds			
Year ending June 30,	Principal	Interest	Total
2012	\$ 30,000	\$ 263,675	\$ 293,675
2013	45,000	262,775	307,775
2014	100,000	261,650	361,650
2015	105,000	258,800	363,800
2016	105,000	255,125	360,125
2017-2021	600,000	1,209,781	1,809,781
2022-2026	2,760,000	896,094	3,656,094
2027-2029	1,990,000	202,250	2,192,250
Less - discount	(79,745)	-	(79,745)
Totals	\$ 5,655,255	\$ 3,610,150	\$ 9,265,405

Total Long-term Debt			
Year ending June 30,	Principal	Interest	Total
2012	\$ 350,000	\$ 1,009,893	\$ 1,359,893
2013	380,000	997,794	1,377,794
2014	445,000	981,981	1,426,981
2015	470,000	961,881	1,431,881
2016	485,000	942,006	1,427,006
2017-2021	2,795,000	4,344,281	7,139,281
2022-2026	5,525,000	3,455,557	8,980,557
2027-2031	5,510,000	2,012,481	7,522,481
2032-2036	3,635,000	843,638	4,478,638
2037-2038	1,180,000	95,944	1,275,944
Less - discount	(95,903)	-	(95,903)
Totals	\$ 20,679,097	\$ 15,645,456	\$ 36,324,553

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.

NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (continued)

A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report for each plan. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

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

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

Funding Policy

Active plan members are required to contribute 8% 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 2009/10 was 18.416% 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.

Annual Pension Cost

For the year ended June 30, 2011, the City's annual pension cost of \$1,884,712 and \$775,018 for PERS' miscellaneous and safety plan, respectively, were equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by age, length of service and type of employment from 3.25 % to 14.45%, (c) a 3.0% inflation rate; (d) a 3.25% payroll growth rate; and (e) a merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.0% and an annual production growth of 0.25%.

NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost (continued)

The actuarial value of the Plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three-year period. Initial unfunded liabilities are amortized over a closed period that depends on the Plan's date of entry into CalPERS. Subsequent Plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the Plan are amortized over a rolling period which results in an amortization of 10% of unamortized gains and losses each year. If the Plan's accrued liability exceeds the actuarial value of Plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

Three-Year Trend Information - Miscellaneous Plan

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC contributed	Net Pension Obligation
6/30/2009	\$ 1,678,342	100%	\$ -
6/30/2010	1,712,488	100%	-
6/30/2011	1,884,712	100%	-

Three-Year Trend Information - Safety Plan

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC contributed	Net Pension Obligation
6/30/2009	\$ 740,547	100%	\$ -
6/30/2010	767,469	100%	-
6/30/2011	775,018	100%	-

Funded Status and Funding Progress (Unaudited)

Miscellaneous Plan

As of June 30, 2009, the most recent actuarial valuation date, the plan was 79.0% funded. The actuarial accrued liability for benefits was \$62,055,419 and the actuarial value of assets was \$48,993,622 resulting in an unfunded actuarial accrued liability (UAAL) of \$13,061,797. The covered payroll (annual payroll of active employees covered by the plan) was \$8,918,829 and the ratio of the UAAL to the covered payroll was 146.4%.

Safety Plan

The City of Lynwood's Safety Plan is part of the Inactive Agency Risk Pool, a cost-sharing multiple-employer defined benefit plan. As of June 30, 2009, the most recent actuarial valuation date, the risk pool was 92.2% funded. The actuarial accrued liability for benefits was \$480,513,699 and the actuarial value of assets was \$442,936,897 resulting in an unfunded actuarial accrued liability (UAAL) of \$37,576,802. The covered payroll (annual payroll of active employees covered by the plan) was \$0 and the ratio of the UAAL to the covered payroll was 0%.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS

In addition to the retirement plan described in Note 11, the City provides healthcare and life insurance benefits, in accordance with memorandum of understandings, to eligible retired employees. As of June 30, 2011, there is no separate audited financial report available for the said plan.

Eligible participants to the plan at June 30, 2011, the date of the latest actuarial valuation are:

Retirees receiving benefits	82
Active/full-time employees	<u>196</u>
	<u>278</u>

The City's contribution is currently based on a projected pay-as-you-go funding method, that is, benefits are payable when due. The cost of retiree health care insurance benefits is recognized as expenditure as insurance premiums are paid. For the fiscal year ended June 30, 2011, those costs totaled \$449,092. During the year, the City established a trust or equivalent that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the plan and that are legally protected from creditors. Total contributions during the year amounted to \$519,084.

The following table shows the components of the City's annual Other Post-employment Benefits (OPEB) cost for the year (based on 30-year amortization), the amount of benefits and/or insurance premiums actually paid and the City's Net OPEB obligation as of June 30, 2011:

	Amount
Annual required contribution	\$ 2,482,000
Interest on net OPEB obligation	<u>132,456</u>
Annual OPEB cost (expense)	2,614,456
Contributions to irrevocable trust	(519,084)
Premium payments including benefit payments	<u>(449,092)</u>
Increase in net OPEB obligation	1,646,280
Net OPEB obligation - beginning of year	<u>4,075,581</u>
Net OPEB obligation - end of year	<u>\$ 5,721,861</u>

The Annual Required Contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the type of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

In the June 30, 2009 actuarial valuation, the entry age normal actuarial cost method was used to value liabilities. Wherever normal cost is stated, this cost method is assumed. The actuarial assumptions included a 4.25% discount rate (assuming the Plan will not be pre-funded), an annual non-Medicare eligible HMO medical cost trend rate for 2011 of 8.4% and 2012 of 7.8% (PPO – 2011 of 9.0% and 2012 of 8.3%) decreasing to 4.5% on year 2017, a 3% general inflation rate, and a 3.25% aggregate payroll increase. The UAAL is being amortized as a level percentage of projected payroll over 30 years on a closed group basis.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were:

Three-Year Trend Information - OPEB

Fiscal Year Ended	Annual Pension Cost (APC)	Annual Contribution	Percentage of APC contributed	Net Pension Obligation
6/30/2009	\$ 2,482,000	\$ 508,403	20%	\$ 2,482,000
6/30/2010	2,551,076	449,092	18%	4,075,581
6/30/2011	2,614,456	449,092	17%	5,721,861

The funded status of the plan as of June 30, 2010, the plan's most recent actuarial valuation date, was:

Actuarial accrued liability (AAL)	\$ 27,232,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 27,232,000</u>
Funded ratio (actuarial value of plan assets AAL)	-
Covered Payroll	<u>\$ 9,340,000</u>
UAAL as a percentage of covered payroll	<u>292%</u>
Normal cost	<u>\$ 1,480,000</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The normal cost for the plan is the amount that the liabilities are expected to increase during the year based on increased eligibility and service. Normal cost is the value of benefits expected to be earned during the year, based on certain methods and assumptions.

NOTE 13 NET ASSETS

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.

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 \$1,040,176.

NOTE 14 RISK MANAGEMENT

The City is a member of Independent Cities Risk Management Authority (ICRMA). The Independent Cities Risk Management Authority (ICRMA) was established in 1980 to provide excess insurance coverage, risk management and self-insurance services for California cities. ICRMA is a Joint Powers Authority JPA directed by a Governing Board consisting of one representative from each Member City. ICRMA offers members excess liability, excess workers' compensation, property and special events coverage. Currently there are twenty-two member cities. ICRMA maintains a management services agreement with Bickmore Risk Services to provide staff services to the Authority.

NOTE 14 RISK MANAGEMENT (CONTINUED)

Liability Program

ICRMA provides coverage on an occurrence basis to Members of the Liability Program between the Members' Self-Insured Retentions (SIR's) and \$2 million. The City of Lynwood currently has a SIR of \$200,000. Members pay an annual premium consisting of two components:

- risk premium - to fund losses as estimated by ICRMA's independent actuary and to fund the cost of reinsurance
- administrative premium - to pay management and operations costs

The combination of self-funding and the ability to attract reinsurance provides ICRMA Members with affordable and broad coverage in all stages of the commercial insurance market. The Liability Program Bylaws set forth claims handling and risk management guidelines and other program terms and conditions. Currently, coverage is provided as noted below:

	ICRMA	Reinsurer
Public Officials Errors & Omissions Liability	\$2,000,000 each occurrence*	\$18,000,000 each occurrence & annual aggregate excess of ICRMA
Employment Practices Liability	\$2,000,000 each occurrence*	\$18,000,000 each occurrence & annual aggregate excess of ICRMA
Other Liability	\$2,000,000 each occurrence*	\$18,000,000 each occurrence excess of ICRMA

*Less City of Lynwood's Self Insured Retention of \$200,000 each occurrence

Workers' Compensation Program

The Workers' Compensation Program combines self-funding and group purchased excess insurance. Sixteen ICRMA Members participate in this program. Members gain lower costs by combining to purchase excess coverage as one large entity and they gain cost stability by joining together to fund losses between the Members' SIRs and the excess insurance attachment point.

Currently, the ICRMA Workers' Compensation program covers the difference between the City's \$500,000 SIR and \$5 million each accident. Commercial excess insurance attaches above the ICRMA \$5 million limit and extends to \$100 million each accident.

Members pay an annual premium consisting of two components:

- risk premium - to fund losses as estimated by ICRMA's independent actuary and to fund the cost of excess insurance.
- administrative premium - to pay management and operations costs.

NOTE 14 RISK MANAGEMENT (CONTINUED)

All Risk Property Program

The City of Lynwood participates in the Property Insurance Program including earthquake and flood insurance. The property coverage limit is \$125 million with a \$10,000 per loss deductible for perils other than flood and earthquake. The deductible for flood caused by Named Storms is 5% of insured values, \$1 million minimum and \$100,000 for other floods. The deductible for earthquake is 5% of insured value per location, minimum \$100,000. Due to the cost of earthquake insurance, the city only covers essential buildings for this insurance. Premiums for these policies are paid annually and are not subject to retroactive adjustments.

While the ultimate amount of losses incurred through June 30, 2010 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, 2011:

	Workers' Compensation	General Liability	Total
Claims and judgments at July 1, 2010	\$ 1,739,733	\$ 2,060,528	\$ 3,800,261
Claims incurred and changes in estimates	677,835	(221,397)	456,438
Claims payment	<u>(453,479)</u>	<u>(87,247)</u>	<u>(540,726)</u>
Claims and judgments at June 30, 2011	<u>\$ 1,964,089</u>	<u>\$ 1,751,884</u>	<u>\$ 3,715,973</u>

As of June 30, 2011 the unpaid workers' compensation claims in the amount of \$1,964,089 was reported in the self-insurance fund. The unpaid general liability claims in the amount of \$1,751,884 was reported as long-term debt.

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.

NOTE 14 RISK MANAGEMENT (CONTINUED)

During the past three fiscal (claim) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage.

There have been no significant reductions in pooled or insured liability coverage from the prior year.

NOTE 15 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 16 COMMITMENTS AND CONTINGENCIES

Single-Family Housing Project:

Case 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.

NOTE 16 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Multi-Family Housing Project:

Park Place

On March 15, 2011, the Agency approved the First Amendment to the Amended Restated Disposition and Development Agreement which provided additional funds to the project. The total amount of Agency funds is in the form of a development loan in the amount of \$10,956,150. The loan is equal to the value of the site, the "purchase price" for the land (\$7,060,000), and \$3,000,000 from the Agency's Taxable Tax Allocation Bonds proceeds and Agency reserve funds to cover closing costs, and the interest on the Agency's loan (\$896,150), which shall be repaid from the residual receipts over the 55 year affordability period. The project also received \$191,711 from HOME funds. The Agency loan bears a 3% simple interest rate per annum and shall have a term commencing upon closing and ending fifty-five years from the issuance of the final Certificate of Completion for the Project. The 99 apartment units will be located at the north west side of Atlantic Avenue and Carlin Avenue and will include a community center, computer lab, child care facility, several tot lots, landscaped gardens and a swimming pool and spa area.

The project will be built using the latest environmental and sustainable building methods and will include energy efficiency features. The unit breakdown is as follows:

- 10 Extremely Low (30% AMI or less) units
- 59 Very Low (50% AMI or less) units
- 29 Low (60% AMI or less) units
- 1 non restricted manager unit

The total project cost is estimated at \$23,624,481.

Recent Laws and Regulations Affecting Redevelopment Agencies

The California Legislature approved and the Governor signed bill ABX1 26 (legislation) which dissolves California redevelopment agencies and establishes mechanisms for paying existing agency debts and liquidating agency assets. This bill was appealed to the State Supreme Court which ruled, on December 29, 2011, that ABX1 26 is constitutional and valid. Consequently, all redevelopment agencies remain subject to the suspension provisions of ABX1 26 and are to be dissolved in accordance with that bill as of February 1, 2012. The legislation provides, however, that another local governmental entity may assume the role as successor agency to the dissolved redevelopment agency.

Actions Taken by the City and RDA

On January 10, 2012, the City Council passed a resolution which affirmatively determines that the City elects to, and shall, serve as the Successor Agency to the dissolved Lynwood Redevelopment Agency. The City also elected to, and shall retain the housing assets and functions of the dissolved redevelopment agency.

NOTE 16 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Others

During the year, a trial court ordered Lynwood Redevelopment Agency to pay for a plaintiffs' attorneys' fees and costs in the sum of approximately \$600,000 in connection with a case settled in March 2009. The plaintiffs appealed that order and have filed their opening brief in the Court of Appeals requesting a higher amount. The Lynwood Redevelopment Agency filed a respondent's brief in October 2010. In May 2011, the Court of Appeals issued an opinion reversing the award of attorney fees and remanding the matter to the superior court to redetermine the amount of the attorneys fees awarded. As of February 24, 2012, the case is still pending. The Lynwood Redevelopment Agency recorded a liability of approximately \$600,000 as of June 30, 2011 since the claim was denied by the Lynwood Redevelopment Agency's insurance carrier.

There are other claims against the Lynwood Redevelopment Agency which have been denied and referred to the Lynwood Redevelopment Agency's insurance carrier. The Lynwood Redevelopment Agency believes that none of these claims will exceed insurance coverage.

Under the terms of federal, county, and state grants, periodic audits are required and certain costs may be questioned as not appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. If expenditures were disallowed, the City believes such disallowances, if any, would be immaterial.

The City invests in various investment securities, including Local Agency Investment Fund (LAIF) which are exposed to various risks such as interest rate, market, and credit risks. Because of the level of risks associated with certain investment securities, it is at least reasonably possible that change in the values of investment securities will occur and that such changes could materially affect the values of investments as of June 30, 2011. The actual amount of exposure as of March 26, 2012 is not determinable.

NOTE 17 PRIOR PERIOD ADJUSTMENT

Government-wide financial statements

During the year, the City corrected the beginning balance of the capital assets for both the governmental activities and business-type activities. Additions to capital assets in the business-type activities were previously included under the governmental activities. Total reclassification of capital assets from governmental activities to business-type activities amounted to \$1,656,486.

NOTE 18 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2011 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through March 26, 2012, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

NOTE 19 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2011, that have effective dates that may impact future financial presentations.

GASB No. 60 - GASB has issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. Statement 60 addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011.

GASB No. 61 - GASB has issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012.

GASB No. 62 - GASB has issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The requirements in this Statement are effective for financial statements for periods beginning after December 15, 2011.

GASB No. 63 - GASB has issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

**NOTE 19 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
PRONOUNCEMENTS (CONTINUED)**

GASB No. 64 - GASB has issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*. The requirements of this Statement enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The provisions of Statement 64 are effective for financial statements for periods beginning after June 15, 2011.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Lynwood
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
General Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 18,291,849	\$ 18,291,849	\$ 18,567,805	\$ 275,956
Licenses and permits	721,500	721,500	813,029	91,529
Fines, forfeitures and penalties	1,268,750	1,268,750	1,508,346	239,596
Use of money and property	400,800	400,800	269,608	(131,192)
Intergovernmental	305,580	305,580	487,786	182,206
Charges for services	3,482,210	3,511,210	3,386,104	(125,106)
Administrative support	1,118,246	1,118,246	1,118,246	-
Miscellaneous	710,834	710,834	385,638	(325,196)
Total revenues	<u>26,299,769</u>	<u>26,328,769</u>	<u>26,536,562</u>	<u>207,793</u>
Expenditures				
Current:				
General government				
City council	309,415	309,415	162,467	146,948
City clerk	334,936	334,936	257,318	77,618
City treasurer	156,116	156,116	110,589	45,527
City manager	750,987	750,987	682,679	68,308
City attorney	446,500	446,500	599,590	(153,090)
Accounting and auditing	475,615	475,615	613,601	(137,986)
Administrative services	621,054	621,054	594,299	26,755
Information technology	336,184	336,184	214,776	121,408
Purchasing	157,333	157,333	156,513	820
Parking enforcement	894,851	956,301	860,582	95,719
Human resources	753,581	753,581	711,264	42,317
Building and safety	523,000	523,000	440,217	82,783
Business licensing	340,774	340,774	347,794	(7,020)
Incentive program	36,000	36,000	7,323	28,677
Contingency set-aside	199,196	199,196	-	199,196
Total general government	<u>6,335,542</u>	<u>6,396,992</u>	<u>5,759,012</u>	<u>637,980</u>
Public safety				
Law enforcement	8,412,090	8,412,090	8,307,013	105,077
Fire suppression	5,232,112	5,232,112	4,992,788	239,324
Animal control	260,000	260,000	158,668	101,332
Code enforcement	444,637	444,638	469,927	(25,289)
Marketing	301,411	301,411	325,527	(24,116)
Public relation	271,563	271,563	281,516	(9,953)
Total public safety	<u>14,921,813</u>	<u>14,921,814</u>	<u>14,535,439</u>	<u>386,375</u>
Public works				
Administration	135,357	135,357	46,598	88,759
Engineering	271,129	271,129	235,920	35,209
Building maintenance	969,536	969,536	902,257	67,279
Sanitation	2,299,562	2,299,562	2,202,716	96,846
Storm water program	329,276	329,276	273,529	55,747
Right of way	777,379	777,379	626,057	151,322
Planning	623,632	640,037	432,322	207,715
Total public works	<u>5,405,871</u>	<u>5,422,276</u>	<u>4,719,399</u>	<u>702,877</u>
Parks and recreation				
Recreation and community services	977,572	977,572	936,276	41,296
Sports and leisure services	343,656	343,656	387,742	(44,086)
Parks and playground	451,576	451,576	363,578	87,998
Youth center operations	183,794	183,794	231,845	(48,051)
Senior citizen program	295,044	295,044	268,164	26,880
Bateman Hall	529,904	529,904	439,284	90,620
Natorium	441,576	441,576	416,605	24,971
Total parks and recreation	<u>3,223,122</u>	<u>3,223,122</u>	<u>3,043,494</u>	<u>179,628</u>
Total expenditures	<u>29,886,348</u>	<u>29,964,204</u>	<u>28,057,344</u>	<u>1,906,860</u>
Excess (deficiency) of revenues over expenditures	<u>(3,586,579)</u>	<u>(3,635,435)</u>	<u>(1,520,782)</u>	<u>2,114,653</u>
Other financing sources (uses)				
Transfers in	2,000,622	2,000,622	2,165,160	164,538
Transfers out	<u>(2,092,021)</u>	<u>(2,617,887)</u>	<u>(2,400,086)</u>	<u>217,801</u>
Net other financing sources (uses)	<u>(91,399)</u>	<u>(617,265)</u>	<u>(234,926)</u>	<u>382,339</u>
Net change in fund balances	<u>(3,677,978)</u>	<u>(4,252,700)</u>	<u>(1,755,708)</u>	<u>2,496,992</u>
Fund balances - beginning of year	<u>8,288,968</u>	<u>8,288,968</u>	<u>8,288,968</u>	<u>-</u>
Fund balances - end of year	<u>\$ 4,610,990</u>	<u>\$ 4,036,268</u>	<u>\$ 6,533,260</u>	<u>\$ 2,496,992</u>

City of Lynwood
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Community Development Housing “A” Special Revenue Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ 40,000	\$ 40,000	\$ 166	\$ (39,834)
Miscellaneous	-	-	28,877	28,877
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>29,043</u>	<u>(10,957)</u>
Expenditures				
Current:				
General government	254,900	254,900	97,275	157,625
Community development	825,500	825,500	335,403	490,097
Debt service:				
Principal payment	67,000	67,000	67,000	-
Interest and fiscal charges	134,764	134,764	134,764	-
Total expenditures	<u>1,282,164</u>	<u>1,282,164</u>	<u>634,442</u>	<u>647,722</u>
Excess (deficiency) of revenues over expenditures	(1,242,164)	(1,242,164)	(605,399)	636,765
Other financing sources				
Transfers in	1,282,164	1,282,164	1,117,832	(164,332)
Net change in fund balances	40,000	40,000	512,433	472,433
Fund balances - beginning of year	6,693,073	6,693,073	6,693,073	-
Fund balances - end of year	<u>\$ 6,733,073</u>	<u>\$ 6,733,073</u>	<u>\$ 7,205,506</u>	<u>\$ 472,433</u>

City of Lynwood
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
HUD Home Program Special Revenue Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 9,381	\$ 9,381
Intergovernmental	671,127	-	578,833	578,833
Miscellaneous	-	-	30,000	30,000
Total revenues	<u>671,127</u>	<u>-</u>	<u>618,214</u>	<u>618,214</u>
Expenditures				
Current:				
General government	-	-	22,548	(22,548)
Community development	671,127	671,127	725,875	(54,748)
Total expenditures	<u>671,127</u>	<u>671,127</u>	<u>748,423</u>	<u>(77,296)</u>
Excess (deficiency) of revenues over expenditures	-	(671,127)	(130,209)	540,918
Fund balances - beginning of year	<u>523,347</u>	<u>523,347</u>	<u>523,347</u>	-
Fund balances - end of year	<u>\$ 523,347</u>	<u>\$ (147,780)</u>	<u>\$ 393,138</u>	<u>\$ 540,918</u>

**City of Lynwood
California Public Retirement System
Schedules of Funding Progress
June 30, 2011**

The schedules of funding progress presented below, present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Miscellaneous Plan

Actuarial Valuation Date	Entry Age Actuarial Accrued Liability (AAL) (A)	Actuarial Asset Value (B)	Unfunded Actuarial Accrued Liability (Excess Assets) [(A)-(B)] (UAAL) (C)	Funded Ratio [(B)/(A)] (D)	Covered Payroll (E)	Unfunded Actuarial Accrued Liability as Percentage of Covered Payroll {[(A)-(B)]/(E)} (F)
June 30, 2008	\$ 55,638,251	47,228,203	8,410,048	84.9%	8,925,184	94.2%
June 30, 2009	62,055,419	48,993,622	13,061,797	79.0%	8,918,828	146.5%
June 30, 2010	64,792,218	51,673,679	13,118,539	79.8%	8,983,330	146.0%

NOTE 1 BUDGETARY CONTROL AND ACCOUNTING

The City's basis of budgeting for its major fund groups (General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, and Capital Projects Funds) is modified accrual, which is the same as accounting principles generally accepted in the United States of America.

Revenues are budgeted according to when they are both measurable and available. Revenues are considered to be available when they are collected within the current period, or soon enough thereafter to pay liabilities of the current period. The City considers property taxes, franchise taxes, licenses, and interest associated with the current fiscal year period susceptible to accrual if they are collected within 60 days of the end of the current fiscal year. 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. Expenditures are budgeted according to when the liability is incurred, regardless of the timing of related cash flow. The exceptions are debt service, compensated absences, claims and judgments, which are budgeted as expenditures according to when the payments are due.

The following procedures establish the budgetary data reflected in the financial statements:

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 Safe School Special Revenue Fund.

SUPPLEMENTARY INFORMATION

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Community Development "A" Debt Service Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues			
Taxes and assessments	\$ 5,440,126	\$ 4,339,158	\$ (1,100,968)
Use of money and property	30,000	9,025	(20,975)
Intergovernmental	3,306,609	2,914,741	(391,868)
Total revenues	8,776,735	7,262,924	(1,513,811)
Expenditures			
Current:			
General government	1,346,014	1,069,358	276,656
Community development	1,667,150	1,201,401	465,749
Debt service:			
Principal payment	924,538	857,252	67,286
Interest and fiscal charges	782,026	686,262	95,764
Total expenditures	4,719,728	3,814,273	905,455
Excess (deficiency) of revenues over expenditures	4,057,007	3,448,651	(608,356)
Other financing sources (uses)			
Transfers in	3,100,833	-	(3,100,833)
Transfers out	-	(1,117,832)	(1,117,832)
Net other financing sources (uses)	3,100,833	(1,117,832)	(4,218,665)
Net change in fund balances	7,157,840	2,330,819	(4,827,021)
Fund balances - beginning of year	1,779,956	1,779,956	-
Fund balances - end of year	\$ 8,937,796	\$ 4,110,775	\$ (4,827,021)

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
2011 Series A Bond Proceeds Debt Service Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 3,828	\$ 3,828
Total revenues	<u>-</u>	<u>3,828</u>	<u>3,828</u>
Expenditures			
Debt service:			
Bond issuance costs/discount	652,860	591,830	61,030
Total expenditures	<u>652,860</u>	<u>591,830</u>	<u>61,030</u>
Excess (deficiency) of revenues over expenditures	(652,860)	(588,002)	64,858
Other financing sources			
Proceeds from bond issuance	18,480,000	18,480,000	-
Net change in fund balances	17,827,140	17,891,998	64,858
Fund balances - beginning of year	-	-	-
Fund balances - end of year	<u>\$ 17,827,140</u>	<u>\$ 17,891,998</u>	<u>\$ 64,858</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Capital Improvement Projects Capital Projects Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget Positive (Negative)</u>
Revenues			
Miscellaneous	\$ 171,909	\$ 231,006	\$ 59,097
Total revenues	<u>171,909</u>	<u>231,006</u>	<u>59,097</u>
Expenditures			
Current:			
Capital outlay	8,273,308	7,088,348	1,184,960
Total expenditures	<u>8,273,308</u>	<u>7,088,348</u>	<u>1,184,960</u>
Excess (deficiency) of revenues over expenditures	(8,101,399)	(6,857,342)	1,244,057
Other financing sources			
Transfers in	<u>7,266,471</u>	<u>6,414,704</u>	<u>(851,767)</u>
Net change in fund balances	(834,928)	(442,638)	392,290
Fund balances - beginning of year	<u>692,847</u>	<u>692,847</u>	<u>-</u>
Fund balances - end of year	<u>\$ (142,081)</u>	<u>\$ 250,209</u>	<u>\$ 392,290</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
2002 HUD Section 108 Loan Capital Projects Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget Positive (Negative)</u>
Revenues			
Use of money and property	\$ 200,000	\$ 2,708	\$ (197,292)
Total revenues	<u>200,000</u>	<u>2,708</u>	<u>(197,292)</u>
Expenditures			
Current:			
Community development	2,592,000	2,592,000	-
Total expenditures	<u>2,592,000</u>	<u>2,592,000</u>	<u>-</u>
Net change in fund balances	(2,392,000)	(2,589,292)	(197,292)
Fund balances - beginning of year	6,411,326	6,411,326	-
Fund balances - end of year	<u>\$ 4,019,326</u>	<u>\$ 3,822,034</u>	<u>\$ (197,292)</u>

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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.

Community Development Housing "B" - This fund receive transfers from tax increment funds (20% of gross tax increment received) and use these funds for redevelopment related purposes that qualify as low-and-moderate-income housing.

Retirement Fund - This fund accounts for revenue received from property tax levy to cover retirement costs.

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.

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

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.

SB 821 Fund - This fund accounts for revenue received from the State of California for the development of bicycle and pedestrian facilities.

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.

Measure R – These funds are used to account for revenues and monies spent on critical transit and highway projects.

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.

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

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.

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.

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.

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.

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 Stormwater Division.

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 Community 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.

Business Improvement District Fund - This fund accounts for special tax assessments imposed on businesses in the District to promote various activities within the District.

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.

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

Other Grants – This fund accounts for various grant funds received by the City not included in the other funds.

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.

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.

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

DOE Block Grant – This fund accounts for the Department of Energy grant award from the State of California.

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.

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

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.

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.

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

Roberti-Zberg Harris Fund – This fund represents a grant from the State of California that can be used for the acquisition and/or development of high priority projects that satisfy the most urgent park and recreation needs specifically in the most heavily populated and most economically disadvantaged areas in Lynwood.

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.

Community Development B Debt Service Fund – This fund is established to finance and account for the payment of interest and principal on the Lynwood Redevelopment Agency's debt.

1999 Tax Allocation Bond Reserves Debt Service Fund – This fund is established to finance and account for the payment of interest and principal on the Lynwood Redevelopment Agency's 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.

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.

CAPITAL PROJECTS FUND

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.

Community Development A Bond Proceeds, 1999 Bond Proceeds and 2011 Series B bond Proceeds Capital Projects Funds – These funds account for redevelopment project capital outlays in each of their respective project areas.

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.

CIP Loan Proceeds Fund - Accounts for loan proceeds which are used to rehabilitate City Hall facilities (i.e. City Hall, Bateman Hall Building, etc.).

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).

2010 Lease Revenue Bonds Series A Fund - Accounts for proceeds which are used to fund certain projects within the City (Civic Center improvement project).

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	Special Revenue Funds			
	Community Development Housing "B"	Retirement	Traffic Safety	Gas Tax
ASSETS				
Cash and investments	\$ 707,944	\$ 881,722	\$ -	\$ 49,361
Receivables:				
Intergovernmental	-	91,765	-	-
Accounts	-	-	-	-
Interest	-	-	-	325
Notes and loans	-	-	-	-
Due from other funds	42,657	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	726,671	-	-	-
Total assets	\$ 1,477,272	\$ 973,487	\$ -	\$ 49,686
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 336,425	\$ 23,916	\$ 33,792	\$ -
Due to other funds	-	-	400,980	-
Deferred revenue	-	-	-	-
Deposits	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	336,425	23,916	434,772	-
Fund balances (deficits)				
Nonspendable	726,671	-	-	-
Restricted				
Special revenue funds	414,176	949,571	-	49,686
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Unassigned	-	-	(434,772)	-
Total fund balances (deficits)	1,140,847	949,571	(434,772)	49,686
Total liabilities and fund balances	\$ 1,477,272	\$ 973,487	\$ -	\$ 49,686

**City of Lynwood
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011**

Special Revenue Funds

AB 2928 Traffic Congestion Relief	SB 821	Prop A	Prop C	Measure R	Air Quality Improvement	State COPS Program
\$ -	\$ -	\$ 2,223,414	\$ 2,706,961	\$ 1,063,934	\$ 65,259	\$ -
-	-	-	-	-	-	15,691
-	-	-	-	-	17,016	-
375	-	1,449	1,595	618	43	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>375</u>	<u>-</u>	<u>2,224,863</u>	<u>2,708,556</u>	<u>1,064,552</u>	<u>82,318</u>	<u>15,691</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
375	27,776	-	-	-	-	10,108
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>375</u>	<u>27,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,108</u>
-	-	-	-	-	-	-
-	-	2,224,863	2,708,556	1,064,552	82,318	5,583
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>(27,776)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(27,776)</u>	<u>2,224,863</u>	<u>2,708,556</u>	<u>1,064,552</u>	<u>82,318</u>	<u>5,583</u>
<u>375</u>	<u>-</u>	<u>2,224,863</u>	<u>2,708,556</u>	<u>1,064,552</u>	<u>82,318</u>	<u>15,691</u>

(Continued)

	Special Revenue Funds			
	Sheriff Drug Seizure	Lighting Maintenance	Landscape Maintenance	Impact Fees
ASSETS				
Cash and investments	\$ 34,068	\$ -	\$ -	\$ 186,333
Receivables:				
Intergovernmental	-	45,020	39,814	-
Accounts	-	-	-	-
Interest	22	-	-	120
Notes and loans	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 34,090	\$ 45,020	\$ 39,814	\$ 186,453
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 190	\$ 44,587	\$ 31,509	\$ -
Due to other funds	-	808,995	303,944	-
Deferred revenue	-	-	-	-
Deposits	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	190	853,582	335,453	-
Fund balances (deficits)				
Nonspendable	-	-	-	-
Restricted				
Special revenue funds	33,900	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Unassigned	-	(808,562)	(295,639)	186,453
Total fund balances (deficits)	33,900	(808,562)	(295,639)	186,453
Total liabilities and fund balances	\$ 34,090	\$ 45,020	\$ 39,814	\$ 186,453

**City of Lynwood
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2011**

Special Revenue Funds						
Public Art	Litter Abatement	HUD 108 Loan	Housing Community Development (HUD)	Business Improvement District	Beverage Container Recycling Grant	LA County Park Maintenance Grant
\$ 323,291	\$ 376,691	\$ 170,022	\$ 32,771	\$ 193,165	\$ 162,936	\$ 102,910
-	-	-	76,961	-	-	-
-	52,485	-	-	-	19,416	-
206	242	-	-	121	103	67
-	-	-	533,011	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 323,497</u>	<u>\$ 429,418</u>	<u>\$ 170,022</u>	<u>\$ 642,743</u>	<u>\$ 193,286</u>	<u>\$ 182,455</u>	<u>\$ 102,977</u>
\$ -	\$ 36,428	\$ -	\$ 3,340	\$ 17,681	\$ -	\$ -
-	-	-	102,546	-	-	-
-	-	-	568,911	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>36,428</u>	<u>-</u>	<u>674,797</u>	<u>17,681</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	170,022	-	-	182,455	102,977
-	-	-	-	-	-	-
-	-	-	-	-	-	-
323,497	392,990	-	(32,054)	175,605	-	-
<u>323,497</u>	<u>392,990</u>	<u>170,022</u>	<u>(32,054)</u>	<u>175,605</u>	<u>182,455</u>	<u>102,977</u>
<u>\$ 323,497</u>	<u>\$ 429,418</u>	<u>\$ 170,022</u>	<u>\$ 642,743</u>	<u>\$ 193,286</u>	<u>\$ 182,455</u>	<u>\$ 102,977</u>

(Continued)

	Special Revenue Funds			
	Other Grants	Used Oil Recycling Grant	Per Capita Grant 2000	TEA/ISTEA Grant
ASSETS				
Cash and investments	\$ -	\$ 16,932	\$ -	\$ -
Receivables:				
Intergovernmental	118,504	-	-	-
Accounts	536,159	-	-	-
Interest	-	6	-	-
Notes and loans	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	409,722	-	-	-
Total assets	\$ 1,064,385	\$ 16,938	\$ -	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 115,525	\$ 7,755	\$ -	\$ -
Due to other funds	687,738	-	-	280,392
Deferred revenue	-	-	-	-
Deposits	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	803,263	7,755	-	280,392
Fund balances (deficits)				
Nonspendable	409,722	-	-	-
Restricted				
Special revenue funds	-	9,183	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Unassigned	(148,600)	-	-	(280,392)
Total fund balances (deficits)	261,122	9,183	-	(280,392)
Total liabilities and fund balances	\$ 1,064,385	\$ 16,938	\$ -	\$ -

**City of Lynwood
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2011**

Special Revenue Funds						
DOE Block Grant	Safe School Route	DuPont Lead Safety Grant	Prop 1B	Justice Assistance	State Transportation Partnership	Roberti-Zberg Harris
\$ -	\$ -	\$ 104,811	\$ 500,023	\$ 54,899	\$ -	\$ -
-	-	-	-	68,923	537,764	-
114,685	-	-	-	-	-	-
-	-	67	368	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 114,685</u>	<u>\$ -</u>	<u>\$ 104,878</u>	<u>\$ 500,391</u>	<u>\$ 123,822</u>	<u>\$ 537,764</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 76,775	\$ -	\$ -
114,685	-	-	-	-	537,764	-
-	-	-	-	-	537,764	-
-	-	-	-	-	-	-
<u>114,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,775</u>	<u>1,075,528</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	104,878	500,391	47,047	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(537,764)	-
<u>-</u>	<u>-</u>	<u>104,878</u>	<u>500,391</u>	<u>47,047</u>	<u>(537,764)</u>	<u>-</u>
<u>\$ 114,685</u>	<u>\$ -</u>	<u>\$ 104,878</u>	<u>\$ 500,391</u>	<u>\$ 123,822</u>	<u>\$ 537,764</u>	<u>\$ -</u>

(Continued)

	Debt Service Funds			
	Community Development "B"	1999 Tax Allocation Bond Reserves	City of Lynwood	Public Financing Authority
ASSETS				
Cash and investments	\$ 827,062	\$ -	\$ -	\$ -
Receivables:				
Intergovernmental	5,537	-	-	-
Accounts	4,535	-	-	-
Interest	257	-	-	-
Notes and loans	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	1,138,979	1,560,227	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 837,391	\$ 1,138,979	\$ 1,560,227	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 347,816	\$ -	\$ -	\$ -
Due to other funds	42,657	-	-	-
Deferred revenue	-	-	-	-
Deposits	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	390,473	-	-	-
Fund balances (deficits)				
Nonspendable	-	-	-	-
Restricted				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	446,918	1,138,979	1,560,227	-
Unassigned	-	-	-	-
Total fund balances (deficits)	446,918	1,138,979	1,560,227	-
Total liabilities and fund balances	\$ 837,391	\$ 1,138,979	\$ 1,560,227	\$ -

**City of Lynwood
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2011**

Capital Projects Funds							
Community Development A Bond Proceeds	1999 Bond Proceeds	2011 Series B Bond Proceeds	Park Replacement	CIP Loan Proceeds	2003 Lease Revenue Refunding	2010 Lease Revenue Bonds Series A	Total Nonmajor Governmental Funds
\$ 3,607	\$ 44,299	\$ 4,824,436	\$ -	\$ -	\$ -	\$ -	\$ 15,656,851
-	-	-	-	-	-	-	999,979
-	-	-	-	-	-	-	744,296
-	15	-	-	-	-	-	5,999
-	-	-	-	-	-	-	533,011
-	-	-	-	-	-	-	42,657
-	-	-	-	-	-	-	-
-	-	557,639	-	838,652	1,175,256	4,203,017	9,473,770
-	-	-	-	-	-	-	-
462,393	-	-	-	-	-	-	1,598,786
<u>\$ 466,000</u>	<u>\$ 44,314</u>	<u>\$ 5,382,075</u>	<u>\$ -</u>	<u>\$ 838,652</u>	<u>\$ 1,175,256</u>	<u>\$ 4,203,017</u>	<u>\$ 29,055,349</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,075,739
-	-	-	2,689,902	467,917	4,092	-	6,479,871
-	-	-	-	-	-	-	1,106,675
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,689,902	467,917	4,092	-	8,662,285
462,393	-	-	-	-	-	-	1,598,786
-	-	-	-	-	-	-	8,650,158
3,607	44,314	5,382,075	-	370,735	1,171,164	4,203,017	11,174,912
-	-	-	-	-	-	-	3,146,124
-	-	-	(2,689,902)	-	-	-	(4,176,916)
<u>466,000</u>	<u>44,314</u>	<u>5,382,075</u>	<u>(2,689,902)</u>	<u>370,735</u>	<u>1,171,164</u>	<u>4,203,017</u>	<u>20,393,064</u>
<u>\$ 466,000</u>	<u>\$ 44,314</u>	<u>\$ 5,382,075</u>	<u>\$ -</u>	<u>\$ 838,652</u>	<u>\$ 1,175,256</u>	<u>\$ 4,203,017</u>	<u>\$ 29,055,349</u>

	Special Revenue Funds			
	Community Development Housing "B"	Retirement	Traffic Safety	Gas Tax
Revenues				
Taxes and assessments	\$ -	\$ 2,618,790	\$ -	\$ -
Licenses and permits	-	-	-	-
Use of money and property	192	-	-	663
Intergovernmental	-	-	-	1,645,639
Charges for services	-	-	-	-
Program income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>192</u>	<u>2,618,790</u>	<u>-</u>	<u>1,646,302</u>
Expenditures				
Current:				
General government	58,310	775,016	121,700	-
Public safety	116,611	-	-	-
Public works	-	-	1,570,681	-
Community development	-	-	-	-
Pass through to other agencies	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal payment	8,000	-	34,185	-
Interest and fiscal charges	12,348	-	9,425	-
Debt issuance costs	-	-	-	-
Total expenditures	<u>195,269</u>	<u>775,016</u>	<u>1,735,991</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(195,077)</u>	<u>1,843,774</u>	<u>(1,735,991)</u>	<u>1,646,302</u>
Other financing sources (uses)				
Transfers in	182,719	-	2,461,060	-
Transfers out	-	(1,934,379)	-	(1,650,063)
Proceeds from bond issuance	-	-	-	-
Bond discount	-	-	-	-
Net other financing sources (uses)	<u>182,719</u>	<u>(1,934,379)</u>	<u>2,461,060</u>	<u>(1,650,063)</u>
Net change in fund balances	<u>(12,358)</u>	<u>(90,605)</u>	<u>725,069</u>	<u>(3,761)</u>
Fund balances (deficits) - beginning of year, as restated	<u>1,153,205</u>	<u>1,040,176</u>	<u>(1,159,841)</u>	<u>53,447</u>
Fund balances (deficits) - end of year	<u>\$ 1,140,847</u>	<u>\$ 949,571</u>	<u>\$ (434,772)</u>	<u>\$ 49,686</u>

City of Lynwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year ended June 30, 2011

Special Revenue Funds						
AB 2928 Traffic Congestion Relief	SB 821	Prop A	Prop C	Measure R	Air Quality Improvement	State COPS Program
\$ -	\$ -	\$ 1,052,457	\$ 1,241,269	\$ 613,597	\$ -	\$ -
-	-	-	-	-	-	-
2,109	-	6,408	6,799	2,165	257	15
-	-	-	-	-	79,909	102,985
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,109</u>	<u>-</u>	<u>1,058,865</u>	<u>1,248,068</u>	<u>615,762</u>	<u>80,166</u>	<u>103,000</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	100,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
<u>2,109</u>	<u>-</u>	<u>1,058,865</u>	<u>1,248,068</u>	<u>615,762</u>	<u>80,166</u>	<u>3,000</u>
-	-	-	-	-	-	-
(984,170)	-	(701,553)	(624,834)	(16,406)	(100,000)	-
-	-	-	-	-	-	-
<u>(984,170)</u>	<u>-</u>	<u>(701,553)</u>	<u>(624,834)</u>	<u>(16,406)</u>	<u>(100,000)</u>	<u>-</u>
(982,061)	-	357,312	623,234	599,356	(19,834)	3,000
<u>982,061</u>	<u>(27,776)</u>	<u>1,867,551</u>	<u>2,085,322</u>	<u>465,196</u>	<u>102,152</u>	<u>2,583</u>
\$ -	\$ (27,776)	\$ 2,224,863	\$ 2,708,556	\$ 1,064,552	\$ 82,318	\$ 5,583

(Continued)

	Special Revenue Funds			
	Sheriff Drug Seizure	Lighting Maintenance	Landscape Maintenance	Impact Fees
Revenues				
Taxes and assessments	\$ -	\$ 1,033,268	\$ 1,070,619	\$ 67,788
Licenses and permits	-	-	-	-
Use of money and property	104	17,730	17,039	734
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Program income	-	-	-	-
Miscellaneous	-	398	-	-
Total revenues	<u>104</u>	<u>1,051,396</u>	<u>1,087,658</u>	<u>68,522</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	1,440	-	-	-
Public works	-	974,404	1,179,166	-
Community development	-	-	-	-
Pass through to other agencies	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal payment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>1,440</u>	<u>974,404</u>	<u>1,179,166</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,336)</u>	<u>76,992</u>	<u>(91,508)</u>	<u>68,522</u>
Other financing sources (uses)				
Transfers in	-	170,113	619,776	-
Transfers out	-	(212,692)	(199,399)	(275,514)
Proceeds from bond issuance	-	-	-	-
Bond discount	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>(42,579)</u>	<u>420,377</u>	<u>(275,514)</u>
Net change in fund balances	<u>(1,336)</u>	<u>34,413</u>	<u>328,869</u>	<u>(206,992)</u>
Fund balances (deficits) - beginning of year, as restated	<u>35,236</u>	<u>(842,975)</u>	<u>(624,508)</u>	<u>393,445</u>
Fund balances (deficits) - end of year	<u>\$ 33,900</u>	<u>\$ (808,562)</u>	<u>\$ (295,639)</u>	<u>\$ 186,453</u>

City of Lynwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
Year ended June 30, 2011

Special Revenue Funds						
Public Art	Litter Abatement	HUD 108 Loan	Housing Community Development (HUD)	Business Improvement District	Beverage Container Recycling Grant	LA County Park Maintenance Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
938	861	85	2	128,603	480	363
13,743	395,583	-	1,478,662	412	19,416	-
-	-	-	4,850	-	-	-
-	-	-	-	-	-	-
<u>14,681</u>	<u>396,444</u>	<u>85</u>	<u>1,483,514</u>	<u>129,015</u>	<u>19,896</u>	<u>363</u>
-	-	-	344,634	-	-	-
-	-	-	-	-	-	-
-	265,819	-	404,166	-	-	-
-	-	-	159,080	62,448	-	-
-	-	-	-	-	-	-
-	-	-	320,000	-	-	-
-	-	-	295,957	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>265,819</u>	<u>-</u>	<u>1,523,837</u>	<u>62,448</u>	<u>-</u>	<u>-</u>
<u>14,681</u>	<u>130,625</u>	<u>85</u>	<u>(40,323)</u>	<u>66,567</u>	<u>19,896</u>	<u>363</u>
-	-	-	-	-	-	-
-	-	-	(17,724)	-	-	(38,789)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,724)</u>	<u>-</u>	<u>-</u>	<u>(38,789)</u>
<u>14,681</u>	<u>130,625</u>	<u>85</u>	<u>(58,047)</u>	<u>66,567</u>	<u>19,896</u>	<u>(38,426)</u>
<u>308,816</u>	<u>262,365</u>	<u>169,937</u>	<u>25,993</u>	<u>109,038</u>	<u>162,559</u>	<u>141,403</u>
<u>\$ 323,497</u>	<u>\$ 392,990</u>	<u>\$ 170,022</u>	<u>\$ (32,054)</u>	<u>\$ 175,605</u>	<u>\$ 182,455</u>	<u>\$ 102,977</u>

(Continued)

	Special Revenue Funds			
	Other Grants	Used Oil Recycling Grant	Per Capita Grant 2000	TEA/ISTEA Grant
Revenues				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Use of money and property	-	8	-	-
Intergovernmental	1,751,731	23,301	50,000	-
Charges for services	-	-	-	-
Program income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>1,751,731</u>	<u>23,309</u>	<u>50,000</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	25,828	-	-
Community development	485,189	-	-	-
Pass through to other agencies	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal payment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>485,189</u>	<u>25,828</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,266,542</u>	<u>(2,519)</u>	<u>50,000</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(757,527)	-	(56,920)	-
Proceeds from bond issuance	-	-	-	-
Bond discount	-	-	-	-
Net other financing sources (uses)	<u>(757,527)</u>	<u>-</u>	<u>(56,920)</u>	<u>-</u>
Net change in fund balances	509,015	(2,519)	(6,920)	-
Fund balances (deficits) - beginning of year, as restated	<u>(247,893)</u>	<u>11,702</u>	<u>6,920</u>	<u>(280,392)</u>
Fund balances (deficits) - end of year	<u>\$ 261,122</u>	<u>\$ 9,183</u>	<u>\$ -</u>	<u>\$ (280,392)</u>

City of Lynwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
Year ended June 30, 2011

Special Revenue Funds						
DOE Block Grant	Safe School Route	DuPont Lead Safety Grant	Prop 1B	Justice Assistance	State Transportation Partnership	Roberti-Zberg Harris
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	310	1,907	106	-	-
579,384	297,766	-	-	137,249	938,577	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>579,384</u>	<u>297,766</u>	<u>310</u>	<u>1,907</u>	<u>137,355</u>	<u>938,577</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	90,763	-	-
-	-	-	-	-	-	-
-	-	-	-	298,400	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>389,163</u>	<u>-</u>	<u>-</u>
<u>579,384</u>	<u>297,766</u>	<u>310</u>	<u>1,907</u>	<u>(251,808)</u>	<u>938,577</u>	<u>-</u>
-	1,195	-	-	-	-	-
(573,279)	-	-	(189,108)	-	(1,263,139)	(63,888)
-	-	-	-	-	-	-
<u>(573,279)</u>	<u>1,195</u>	<u>-</u>	<u>(189,108)</u>	<u>-</u>	<u>(1,263,139)</u>	<u>(63,888)</u>
6,105	298,961	310	(187,201)	(251,808)	(324,562)	(63,888)
(6,105)	(298,961)	104,568	687,592	298,855	(213,202)	63,888
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,878</u>	<u>\$ 500,391</u>	<u>\$ 47,047</u>	<u>\$ (537,764)</u>	<u>\$ -</u>

(Continued)

	Debt Service Funds			
	1999			
	Community Development "B"	Tax Allocation Bond Reserves	City of Lynwood	Public Financing Authority
Revenues				
Taxes and assessments	\$ 913,597	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Use of money and property	2,293	19	642	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Program income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>915,890</u>	<u>19</u>	<u>642</u>	<u>-</u>
Expenditures				
Current:				
General government	514,961	-	-	9,895
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	135,602	-	-	-
Pass through to other agencies	8,914	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal payment	32,000	-	4,295,000	-
Interest and fiscal charges	49,392	-	642,495	-
Debt issuance costs	-	-	201,093	-
Total expenditures	<u>740,869</u>	<u>-</u>	<u>5,138,588</u>	<u>9,895</u>
Excess (deficiency) of revenues over expenditures	<u>175,021</u>	<u>19</u>	<u>(5,137,946)</u>	<u>(9,895)</u>
Other financing sources (uses)				
Transfers in	-	-	1,036,185	9,895
Transfers out	(182,719)	-	-	-
Proceeds from bond issuance	-	-	4,785,000	-
Bond discount	-	-	(267,594)	-
Net other financing sources (uses)	<u>(182,719)</u>	<u>-</u>	<u>5,553,591</u>	<u>9,895</u>
Net change in fund balances	(7,698)	19	415,645	-
Fund balances (deficits) - beginning of year, as restated	454,616	1,138,960	1,144,582	-
Fund balances (deficits) - end of year	<u>\$ 446,918</u>	<u>\$ 1,138,979</u>	<u>\$ 1,560,227</u>	<u>\$ -</u>

City of Lynwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
Year ended June 30, 2011

Capital Projects Funds							
Community Development A Bond Proceeds	1999 Bond Proceeds	2011 Series B Bond Proceeds	Park Replacement	CIP Loan Proceeds	2003 Lease Revenue Refunding	2010 Lease Revenue Bonds Series A	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,611,385
-	-	-	-	-	-	-	128,603
6	90	806	-	897	12	3,017	67,469
-	-	-	-	-	-	-	7,104,619
-	-	-	-	-	-	-	409,326
-	-	-	-	-	-	-	4,850
-	-	-	-	-	-	-	398
<u>6</u>	<u>90</u>	<u>806</u>	<u>-</u>	<u>897</u>	<u>12</u>	<u>3,017</u>	<u>16,326,650</u>
-	-	-	-	-	-	-	1,824,516
-	-	-	-	-	-	-	308,814
-	-	-	-	-	-	-	4,420,064
-	-	-	-	-	-	-	842,319
-	-	-	-	-	-	-	8,914
-	-	-	-	-	-	-	298,400
-	-	-	-	-	-	-	4,689,185
-	-	-	-	-	-	-	1,009,617
-	-	90,499	-	-	-	-	291,592
<u>-</u>	<u>-</u>	<u>90,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,693,421</u>
<u>6</u>	<u>90</u>	<u>(89,693)</u>	<u>-</u>	<u>897</u>	<u>12</u>	<u>3,017</u>	<u>2,633,229</u>
-	-	-	-	-	-	-	4,480,943
-	-	-	-	(807,613)	(20,042)	-	(10,669,758)
-	-	5,660,000	-	-	-	4,200,000	14,645,000
<u>-</u>	<u>-</u>	<u>(188,232)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(455,826)</u>
<u>-</u>	<u>-</u>	<u>5,471,768</u>	<u>-</u>	<u>(807,613)</u>	<u>(20,042)</u>	<u>4,200,000</u>	<u>8,000,359</u>
<u>6</u>	<u>90</u>	<u>5,382,075</u>	<u>-</u>	<u>(806,716)</u>	<u>(20,030)</u>	<u>4,203,017</u>	<u>10,633,588</u>
465,994	44,224	-	(2,689,902)	1,177,451	1,191,194	-	9,759,476
<u>\$ 466,000</u>	<u>\$ 44,314</u>	<u>\$ 5,382,075</u>	<u>\$ (2,689,902)</u>	<u>\$ 370,735</u>	<u>\$ 1,171,164</u>	<u>\$ 4,203,017</u>	<u>\$ 20,393,064</u>

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City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Community Development Housing “B” Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ 14,000	\$ 192	\$ (13,808)
Total revenues	<u>14,000</u>	<u>192</u>	<u>(13,808)</u>
Expenditures			
Current:			
General government	98,625	58,310	40,315
Public safety	710,834	116,611	594,223
Principal payment	8,000	8,000	-
Interest and fiscal charges	12,348	12,348	-
Total expenditures	<u>829,807</u>	<u>195,269</u>	<u>634,538</u>
Excess of revenues over expenditures	(815,807)	(195,077)	620,730
Other financing uses			
Transfers in	<u>214,348</u>	<u>182,719</u>	<u>(31,629)</u>
Net change in fund balances	(601,459)	(12,358)	589,101
Fund balances - beginning of year	<u>1,153,205</u>	<u>1,153,205</u>	<u>-</u>
Fund balances - end of year	<u>\$ 551,746</u>	<u>\$ 1,140,847</u>	<u>\$ 589,101</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Retirement Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Taxes and assessments	\$ 2,556,844	\$ 2,618,790	\$ 61,946
Total revenues	<u>2,556,844</u>	<u>2,618,790</u>	<u>61,946</u>
Expenditures			
Current:			
General government	775,016	775,016	-
Total expenditures	<u>775,016</u>	<u>775,016</u>	<u>-</u>
Excess of revenues over expenditures	1,781,828	1,843,774	61,946
Other financing uses			
Transfers out	<u>(1,972,237)</u>	<u>(1,934,379)</u>	<u>37,858</u>
Net change in fund balances	(190,409)	(90,605)	99,804
Fund balances - beginning of year	1,040,176	1,040,176	-
Fund balances - end of year	<u>\$ 849,767</u>	<u>\$ 949,571</u>	<u>\$ 99,804</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Traffic Safety Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
General government	201,129	121,700	79,429
Public works	1,691,782	1,570,681	121,101
Debt service:			
Principal payment	-	34,185	(34,185)
Interest and fiscal charges	-	9,425	(9,425)
Total expenditures	<u>1,892,911</u>	<u>1,735,991</u>	<u>156,920</u>
Excess (deficiency) of revenues over expenditures	(1,892,911)	(1,735,991)	156,920
Other financing sources			
Transfers in	<u>2,690,003</u>	<u>2,461,060</u>	<u>(228,943)</u>
Net change in fund balances	797,092	725,069	(72,023)
Fund balances - beginning of year	<u>(1,159,841)</u>	<u>(1,159,841)</u>	<u>-</u>
Fund balances - end of year	<u>\$ (362,749)</u>	<u>\$ (434,772)</u>	<u>\$ (72,023)</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Gas Tax Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ 5,000	\$ 663	\$ (4,337)
Intergovernmental	<u>1,873,914</u>	<u>1,645,639</u>	<u>(228,275)</u>
Total revenues	<u>1,878,914</u>	<u>1,646,302</u>	<u>(232,612)</u>
 Expenditures			
Current:			
General government	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (deficiency) of revenues over expenditures	1,878,914	1,646,302	(232,612)
 Other financing uses			
Transfers out	<u>(1,879,005)</u>	<u>(1,650,063)</u>	<u>228,942</u>
Net change in fund balances	(91)	(3,761)	(3,670)
 Fund balances - beginning of year	<u>53,447</u>	<u>53,447</u>	<u>-</u>
Fund balances - end of year	<u>\$ 53,356</u>	<u>\$ 49,686</u>	<u>\$ (3,670)</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
AB2928 Traffic Congestion Relief Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 2,109	\$ 2,109
Total revenues	<u>-</u>	<u>2,109</u>	<u>2,109</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	2,109	2,109
Other financing uses			
Transfers out	-	(984,170)	(984,170)
Net change in fund balances	-	(982,061)	(982,061)
Fund balances - beginning of year	982,061	982,061	-
Fund balances - end of year	<u>\$ 982,061</u>	<u>\$ -</u>	<u>\$ (982,061)</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
SB 821 Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 71,420	\$ -	\$ (71,420)
Total revenues	<u>71,420</u>	<u>-</u>	<u>(71,420)</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	71,420	-	(71,420)
Other financing sources (uses)			
Transfers out	-	-	-
Net change in fund balances	71,420	-	(71,420)
Fund balances - beginning of year	<u>(27,776)</u>	<u>(27,776)</u>	<u>-</u>
Fund balances - end of year	<u>\$ 43,644</u>	<u>\$ (27,776)</u>	<u>\$ (71,420)</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Prop A Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and assessments	\$ 1,040,276	\$ 1,052,457	\$ 12,181
Use of money and property	2,400	6,408	4,008
Total revenues	1,042,676	1,058,865	16,189
Expenditures			
Current:			
General government	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	1,042,676	1,058,865	16,189
Other financing sources (uses)			
Transfers out	(1,131,867)	(701,553)	430,314
Net change in fund balances	(89,191)	357,312	446,503
Fund balances - beginning of year	1,867,551	1,867,551	-
Fund balances - end of year	\$ 1,778,360	\$ 2,224,863	\$ 446,503

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Prop C Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Taxes and assessments	\$ 1,378,450	\$ 1,241,269	\$ (137,181)
Use of money and property	20,000	6,799	(13,201)
Total revenues	<u>1,398,450</u>	<u>1,248,068</u>	<u>(150,382)</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	1,398,450	1,248,068	(150,382)
Other financing sources (uses)			
Transfers out	<u>(2,925,782)</u>	<u>(624,834)</u>	<u>2,300,948</u>
Net change in fund balances	(1,527,332)	623,234	2,150,566
Fund balances - beginning of year	<u>2,085,322</u>	<u>2,085,322</u>	<u>-</u>
Fund balances - end of year	<u>\$ 557,990</u>	<u>\$ 2,708,556</u>	<u>\$ 2,150,566</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Measure R Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and assessments	\$ 600,000	\$ 613,597	\$ 13,597
Use of money and property	-	2,165	2,165
Total revenues	<u>600,000</u>	<u>615,762</u>	<u>15,762</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	600,000	615,762	15,762
Other financing sources (uses)			
Transfers out	(76,406)	(16,406)	60,000
Net other financing sources (uses)	<u>(76,406)</u>	<u>(16,406)</u>	<u>60,000</u>
Net change in fund balances	523,594	599,356	75,762
Fund balances - beginning of year	465,196	465,196	-
Fund balances - end of year	<u>\$ 988,790</u>	<u>\$ 1,064,552</u>	<u>\$ 75,762</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Air Quality Improvement Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ 1,000	\$ 257	\$ (743)
Intergovernmental	75,000	79,909	4,909
Total revenues	76,000	80,166	4,166
Expenditures			
Current:			
General government	-	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	76,000	80,166	4,166
Other financing sources (uses)			
Transfers out	(100,000)	(100,000)	-
Net change in fund balances	(24,000)	(19,834)	4,166
Fund balances - beginning of year	102,152	102,152	-
Fund balances - end of year	\$ 78,152	\$ 82,318	\$ 4,166

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
State COPS Program Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 15	15
Intergovernmental	<u>100,000</u>	<u>102,985</u>	<u>\$ 2,985</u>
Total revenues	<u>100,000</u>	<u>103,000</u>	<u>3,000</u>
 Expenditures			
Current:			
Public safety	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	-	3,000	3,000
 Fund balances - beginning of year	<u>2,583</u>	<u>2,583</u>	<u>-</u>
Fund balances - end of year	<u><u>\$ 2,583</u></u>	<u><u>\$ 5,583</u></u>	<u><u>\$ 3,000</u></u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Sheriff Drug Seizure Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ 800	\$ 104	\$ (696)
Total revenues	<u>800</u>	<u>104</u>	<u>(696)</u>
Expenditures			
Current:			
Public safety	44,700	1,440	43,260
Total expenditures	<u>44,700</u>	<u>1,440</u>	<u>43,260</u>
Net change in fund balances	(43,900)	(1,336)	42,564
Fund balances - beginning of year	35,236	35,236	-
Fund balances - end of year	<u>\$ (8,664)</u>	<u>\$ 33,900</u>	<u>\$ 42,564</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Lighting Maintenance Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and assessments	\$ 1,026,300	\$ 1,033,268	\$ 6,968
Use of money and property	10,000	17,730	7,730
Miscellaneous	-	398	398
Total revenues	<u>1,036,300</u>	<u>1,051,396</u>	<u>15,096</u>
Expenditures			
Current:			
Public works	944,004	974,404	(30,400)
Total expenditures	<u>944,004</u>	<u>974,404</u>	<u>(30,400)</u>
Excess (deficiency) of revenues over expenditures	92,296	76,992	(15,304)
Other financing sources (uses)			
Transfers in	170,113	170,113	-
Transfers out	(295,850)	(212,692)	83,158
Net other financing sources (uses)	<u>(125,737)</u>	<u>(42,579)</u>	<u>83,158</u>
Net change in fund balances	(33,441)	34,413	67,854
Fund balances - beginning of year	(842,975)	(842,975)	-
Fund balances - end of year	<u>\$ (876,416)</u>	<u>\$ (808,562)</u>	<u>\$ 67,854</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Landscape Maintenance Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and assessments	\$ 1,051,654	\$ 1,070,619	\$ 18,965
Use of money and property	13,000	17,039	4,039
Total revenues	1,064,654	1,087,658	23,004
Expenditures			
Current:			
Public works	1,448,772	1,179,166	269,606
Total expenditures	1,448,772	1,179,166	269,606
Excess (deficiency) of revenues over expenditures	(384,118)	(91,508)	292,610
Other financing sources (uses)			
Transfers in	619,776	619,776	-
Transfers out	(238,450)	(199,399)	39,051
Net other financing sources (uses)	381,326	420,377	39,051
Net change in fund balances	(2,792)	328,869	331,661
Fund balances - beginning of year	(624,508)	(624,508)	-
Fund balances - end of year	\$ (627,300)	\$ (295,639)	\$ 331,661

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Impact Fees Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and assessments	\$ 130,010	\$ 67,788	\$ (62,222)
Use of money and property	5,000	734	(4,266)
Total revenues	135,010	68,522	(66,488)
Expenditures			
Current:			
General government	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	135,010	68,522	(66,488)
Other financing uses			
Transfers out	(320,872)	(275,514)	45,358
Net other financing sources (uses)	(320,872)	(275,514)	45,358
Net change in fund balances	(185,862)	(206,992)	(21,130)
Fund balances - beginning of year	393,445	393,445	-
Fund balances - end of year	\$ 207,583	\$ 186,453	\$ (21,130)

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Public Art Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ 1,900	\$ 938	\$ (962)
Charges for services	<u>35,000</u>	<u>13,743</u>	<u>(21,257)</u>
Total revenues	<u>36,900</u>	<u>14,681</u>	<u>(22,219)</u>
Expenditures			
Current:			
General government	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	36,900	14,681	(22,219)
Fund balances - beginning of year	<u>308,816</u>	<u>308,816</u>	<u>-</u>
Fund balances - end of year	<u>\$ 345,716</u>	<u>\$ 323,497</u>	<u>\$ (22,219)</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Litter Abatement Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 861	\$ 861
Charges for services	<u>290,400</u>	<u>395,583</u>	<u>105,183</u>
Total revenues	<u>290,400</u>	<u>396,444</u>	<u>106,044</u>
 Expenditures			
Current:			
Public works	<u>285,405</u>	<u>265,819</u>	<u>19,586</u>
Total expenditures	<u>285,405</u>	<u>265,819</u>	<u>19,586</u>
Net change in fund balances	4,995	130,625	125,630
 Fund balances - beginning of year	<u>262,365</u>	<u>262,365</u>	<u>-</u>
Fund balances - end of year	<u>\$ 267,360</u>	<u>\$ 392,990</u>	<u>\$ 125,630</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
HUD 108 Loan Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ 5,000	\$ 85	\$ (4,915)
Total revenues	<u>5,000</u>	<u>85</u>	<u>(4,915)</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,000	85	(4,915)
Fund balances - beginning of year	<u>169,937</u>	<u>169,937</u>	<u>-</u>
Fund balances - end of year	<u>\$ 174,937</u>	<u>\$ 170,022</u>	<u>\$ (4,915)</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Housing Community Development (HUD) Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 2	\$ 2
Intergovernmental	2,535,680	1,478,662	(1,057,018)
Program income	-	4,850	4,850
Total revenues	2,535,680	1,483,514	(1,052,166)
Expenditures			
Current:			
General government	418,002	344,634	73,368
Public works	400,000	404,166	(4,166)
Community development	160,000	159,080	920
Debt service:			
Principal payment	340,000	320,000	20,000
Interest and fiscal charges	292,645	295,957	(3,312)
Total expenditures	1,610,647	1,523,837	86,810
Excess of revenues over expenditures	925,033	(40,323)	(965,356)
Other financing sources (uses)			
Transfers out	(943,413)	(17,724)	925,689
Net change in fund balances	(18,380)	(58,047)	(39,667)
Fund balances - beginning of year	25,993	25,993	-
Fund balances - end of year	\$ 7,613	\$ (32,054)	\$ (39,667)

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Business Improvement District Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 125,000	\$ 128,603	\$ 3,603
Use of money and property	-	412	412
Total revenues	125,000	129,015	4,015
Expenditures			
Current:			
Community development	150,000	62,448	87,552
Total expenditures	150,000	62,448	87,552
Net change in fund balances	(25,000)	66,567	91,567
Fund balances - beginning of year	109,038	109,038	-
Fund balances - end of year	\$ 84,038	\$ 175,605	\$ 91,567

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Beverage Container Recycling Grant Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 480	\$ 480
Intergovernmental	8,000	19,416	11,416
Total revenues	<u>8,000</u>	<u>19,896</u>	<u>11,896</u>
 Expenditures			
Current:			
Community development	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,000	19,896	11,896
 Fund balances - beginning of year	<u>162,559</u>	<u>162,559</u>	<u>-</u>
Fund balances - end of year	<u>\$ 170,559</u>	<u>\$ 182,455</u>	<u>\$ 11,896</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
LA County Park Maintenance Grant Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 363	\$ 363
Total revenues	<u>-</u>	<u>363</u>	<u>363</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	363	363
Other financing sources (uses)			
Transfers out	<u>(52,684)</u>	<u>(38,789)</u>	<u>13,895</u>
Net change in fund balances	(52,684)	(38,426)	14,258
Fund balances - beginning of year	141,403	141,403	-
Fund balances - end of year	<u>\$ 88,719</u>	<u>\$ 102,977</u>	<u>\$ 14,258</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Other Grants Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 3,119,129	\$ 1,751,731	\$ (1,367,398)
Total revenues	<u>3,119,129</u>	<u>1,751,731</u>	<u>(1,367,398)</u>
Expenditures			
Current:			
Community development	1,607,053	485,189	1,121,864
Total expenditures	<u>1,607,053</u>	<u>485,189</u>	<u>1,121,864</u>
Excess (deficiency) of revenues over expenditures	1,512,076	1,266,542	(245,534)
Other financing sources (uses)			
Transfers out	<u>(1,189,806)</u>	<u>(757,527)</u>	432,279
Net other financing sources (uses)	<u>(1,189,806)</u>	<u>(757,527)</u>	432,279
Net change in fund balances	322,270	509,015	186,745
Fund balances - beginning of year	<u>(247,893)</u>	<u>(247,893)</u>	-
Fund balances - end of year	<u>\$ 74,377</u>	<u>\$ 261,122</u>	<u>\$ 186,745</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Used Oil Recycling Grant Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 8	\$ 8
Intergovernmental	12,000	23,301	11,301
Total revenues	<u>12,000</u>	<u>23,309</u>	<u>11,309</u>
Expenditures			
Current:			
Public works	20,000	25,828	(5,828)
Total expenditures	<u>20,000</u>	<u>25,828</u>	<u>(5,828)</u>
Net change in fund balances	(8,000)	(2,519)	5,481
Fund balances - beginning of year	11,702	11,702	-
Fund balances - end of year	<u>\$ 3,702</u>	<u>\$ 9,183</u>	<u>\$ 5,481</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Per Capita Grant 2000 Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 50,000	\$ 50,000	\$ -
Total revenues	50,000	50,000	-
Expenditures			
Current:			
General government	-	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	50,000	50,000	-
Other financing sources (uses)			
Transfers out	(66,949)	(56,920)	10,029
Net change in fund balances	(16,949)	(6,920)	10,029
Fund balances - beginning of year	6,920	6,920	-
Fund balances - end of year	\$ (10,029)	\$ -	\$ 10,029

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
TEA/ISTEA Grant Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 2,376,799	\$ -	\$ (2,376,799)
Total revenues	<u>2,376,799</u>	<u>-</u>	<u>(2,376,799)</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	2,376,799	-	(2,376,799)
Other financing sources (uses)			
Transfers out	(2,370,667)	-	2,370,667
Net change in fund balances	<u>6,132</u>	<u>-</u>	<u>(6,132)</u>
Fund balances - beginning of year	<u>(280,392)</u>	<u>(280,392)</u>	<u>-</u>
Fund balances - end of year	<u>\$ (274,260)</u>	<u>\$ (280,392)</u>	<u>\$ (6,132)</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
DOE Block Grant Special Revenue Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 580,955	\$ 579,384	\$ (1,571)
Total revenues	<u>580,955</u>	<u>579,384</u>	<u>(1,571)</u>
Expenditures			
Current:			
Community development	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	580,955	579,384	(1,571)
Other financing sources (uses)			
Transfers out	<u>(573,279)</u>	<u>(573,279)</u>	<u>-</u>
Net other financing sources (uses)	<u>(573,279)</u>	<u>(573,279)</u>	<u>-</u>
Net change in fund balances	7,676	6,105	(1,571)
Fund balances - beginning of year	<u>(6,105)</u>	<u>(6,105)</u>	<u>-</u>
Fund balances - end of year	<u>\$ 1,571</u>	<u>\$ -</u>	<u>\$ (1,571)</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Safe School Route Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ -	\$ 297,766	\$ 297,766
Total revenues	<u>-</u>	<u>297,766</u>	<u>297,766</u>
Expenditures			
Current:			
Public safety	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	297,766	297,766
Other financing sources (uses)			
Transfers in	-	1,195	1,195
Net change in fund balances	<u>-</u>	<u>298,961</u>	<u>298,961</u>
Fund balances - beginning of year	<u>(298,961)</u>	<u>(298,961)</u>	<u>-</u>
Fund balances - end of year	<u>\$ (298,961)</u>	<u>\$ -</u>	<u>\$ 298,961</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
DuPont Lead Safety Grant Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 310	\$ 310
Total revenues	<u>-</u>	<u>310</u>	<u>310</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	310	310
Other financing sources (uses)			
Transfers out	<u>(92,424)</u>	<u>-</u>	<u>92,424</u>
Net change in fund balances	(92,424)	310	92,734
Fund balances - beginning of year	104,568	104,568	-
Fund balances - end of year	<u>\$ 12,144</u>	<u>\$ 104,878</u>	<u>\$ 92,734</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Prop 1B Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 1,907	\$ 1,907
Total revenues	<u>-</u>	<u>1,907</u>	<u>1,907</u>
Expenditures			
Current:			
Public works	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	1,907	1,907
Other financing sources (uses)			
Transfers out	-	(189,108)	(189,108)
Net change in fund balances	-	(187,201)	(187,201)
Fund balances - beginning of year	<u>687,592</u>	<u>687,592</u>	<u>-</u>
Fund balances - end of year	<u>\$ 687,592</u>	<u>\$ 500,391</u>	<u>\$ (187,201)</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Justice Assistance Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 106	\$ 106
Intergovernmental	<u>143,628</u>	<u>137,249</u>	<u>(6,379)</u>
Total revenues	<u>143,628</u>	<u>137,355</u>	<u>(6,273)</u>
 Expenditures			
Current:			
Public safety	143,628	90,763	52,865
Capital outlay	<u>298,825</u>	<u>298,400</u>	<u>425</u>
Total expenditures	<u>442,453</u>	<u>389,163</u>	<u>53,290</u>
Net change in fund balances	(298,825)	(251,808)	47,017
 Fund balances - beginning of year	<u>298,855</u>	<u>298,855</u>	<u>-</u>
Fund balances - end of year	<u>\$ 30</u>	<u>\$ 47,047</u>	<u>\$ 47,017</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
State Transportation Partnership Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 1,000,000	\$ 938,577	\$ (61,423)
Total revenues	<u>1,000,000</u>	<u>938,577</u>	<u>(61,423)</u>
Expenditures			
Current:			
Public works	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	1,000,000	938,577	(61,423)
Other financing sources (uses)			
Transfers out	<u>(1,616,434)</u>	<u>(1,263,139)</u>	<u>353,295</u>
Net change in fund balances	(616,434)	(324,562)	291,872
Fund balances - beginning of year	<u>(213,202)</u>	<u>(213,202)</u>	<u>-</u>
Fund balances - end of year	<u>\$ (829,636)</u>	<u>\$ (537,764)</u>	<u>\$ 291,872</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Roberti-Zberg Harris Special Revenue Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
Public works	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Other financing sources (uses)			
Transfers out	-	(63,888)	(63,888)
Net change in fund balances	-	(63,888)	(63,888)
Fund balances - beginning of year	<u>63,888</u>	<u>63,888</u>	<u>-</u>
Fund balances - end of year	<u>\$ 63,888</u>	<u>\$ -</u>	<u>\$ (63,888)</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Community Development “B” Debt Service Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and assessments	\$ 955,900	\$ 913,597	\$ (42,303)
Use of money and property	8,000	2,293	(5,707)
Total revenues	963,900	915,890	(48,010)
Expenditures			
Current:			
General government	359,656	514,961	(155,305)
Community development	198,900	135,602	63,298
Pass through to other agencies	22,000	8,914	13,086
Debt service:			
Principal payment	40,000	32,000	8,000
Interest and fiscal charges	61,740	49,392	12,348
Total expenditures	682,296	740,869	(58,573)
Excess of revenues over (under) expenditures	281,604	175,021	(106,583)
Other financing sources (uses)			
Transfers out	(796,573)	(182,719)	613,854
Net other financing sources (uses)	(796,573)	(182,719)	613,854
Net change in fund balances	(514,969)	(7,698)	507,271
Fund balances - beginning of year	454,616	454,616	-
Fund balances - end of year	\$ (60,353)	\$ 446,918	\$ 507,271

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
1999 Tax Allocation Bond Reserves Debt Service Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 19	\$ 19
Total revenues	<u>-</u>	<u>19</u>	<u>19</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	19	19
Fund balances - beginning of year	1,138,960	1,138,960	-
Fund balances - end of year	<u>\$ 1,138,960</u>	<u>\$ 1,138,979</u>	<u>\$ 19</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
City of Lynwood Debt Service Fund
Year ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 642	\$ 642
Total revenues	<u>-</u>	<u>642</u>	<u>642</u>
Expenditures			
Debt service:			
Principal payment	4,295,000	4,295,000	-
Interest and fiscal charges	772,821	642,495	130,326
Debt issuance costs/discount	479,617	468,687	10,930
Total expenditures	<u>5,547,438</u>	<u>5,406,182</u>	<u>141,256</u>
Excess (deficiency) of revenues over expenditures	(5,547,438)	(5,405,540)	141,898
Other financing sources (uses)			
Transfers in	1,307,821	1,036,185	(271,636)
Proceeds from bond issuance	4,785,000	4,785,000	-
Net other financing sources (uses)	<u>6,092,821</u>	<u>5,821,185</u>	<u>(271,636)</u>
Net change in fund balances	545,383	415,645	(129,738)
Fund balances - beginning of year	<u>1,144,582</u>	<u>1,144,582</u>	-
Fund balances - end of year	<u>\$ 1,689,965</u>	<u>\$ 1,560,227</u>	<u>\$ (129,738)</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Public Financing Authority Debt Service Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
General government	12,023	9,895	2,128
Total expenditures	<u>12,023</u>	<u>9,895</u>	<u>2,128</u>
Excess (deficiency) of revenues over expenditures	(12,023)	(9,895)	2,128
Other financing sources (uses)			
Transfers in	<u>12,023</u>	<u>9,895</u>	<u>(2,128)</u>
Net change in fund balances	-	-	-
Fund balances - beginning of year	-	-	-
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Community Development “A” Bond Proceeds Capital Projects Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 6	\$ 6
Total revenues	<u>-</u>	<u>6</u>	<u>6</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	6	6
Fund balances - beginning of year	465,994	465,994	-
Fund balances - end of year	<u>\$ 465,994</u>	<u>\$ 466,000</u>	<u>\$ 6</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
1999 Bond Proceeds Capital Projects Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 90	\$ 90
Total revenues	<u>-</u>	<u>90</u>	<u>90</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	90	90
Fund balances - beginning of year	44,224	44,224	-
Fund balances - end of year	<u>\$ 44,224</u>	<u>\$ 44,314</u>	<u>\$ 90</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
2011 Series B Bond Proceeds Capital Projects Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 806	\$ 806
Total revenues	<u>-</u>	<u>806</u>	<u>806</u>
 Expenditures			
Debt service:			
Debt issuance costs/discount	289,015	278,731	10,284
Total expenditures	<u>289,015</u>	<u>278,731</u>	<u>10,284</u>
 Excess (deficiency) of revenues over expenditures	(289,015)	(277,925)	11,090
 Other financing sources (uses)			
Proceeds from bond issuance	<u>5,660,000</u>	<u>5,660,000</u>	<u>-</u>
Net change in fund balances	5,370,985	5,382,075	11,090
 Fund balances - beginning of year	-	-	-
Fund balances - end of year	<u>\$ 5,370,985</u>	<u>\$ 5,382,075</u>	<u>\$ 11,090</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Park Replacement Capital Projects Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
Public works	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Other financing sources (uses)			
Transfers out	-	-	-
Net change in fund balances	-	-	-
Fund balances - beginning of year	<u>(2,689,902)</u>	<u>(2,689,902)</u>	<u>-</u>
Fund balances - end of year	<u>\$ (2,689,902)</u>	<u>\$ (2,689,902)</u>	<u>\$ -</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
CIP Loan Proceeds Capital Projects Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 897	\$ 897
Total revenues	<u>-</u>	<u>897</u>	<u>897</u>
Expenditures			
Current:			
Public works	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	897	897
Other financing sources (uses)			
Transfers out	<u>(1,024,763)</u>	<u>(807,613)</u>	<u>217,150</u>
Net change in fund balances	(1,024,763)	(806,716)	218,047
Fund balances - beginning of year	<u>1,177,451</u>	<u>1,177,451</u>	<u>-</u>
Fund balances - end of year	<u>\$ 152,688</u>	<u>\$ 370,735</u>	<u>\$ 218,047</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
2003 Lease Revenue Refunding Capital Projects Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 12	\$ 12
Total revenues	<u>-</u>	<u>12</u>	<u>12</u>
Expenditures			
Current:			
Public works	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	12	12
Other financing sources (uses)			
Transfers out	<u>(996,512)</u>	<u>(20,042)</u>	<u>976,470</u>
Net change in fund balances	(996,512)	(20,030)	976,482
Fund balances - beginning of year	1,191,194	1,191,194	-
Fund balances - end of year	<u>\$ 194,682</u>	<u>\$ 1,171,164</u>	<u>\$ 976,482</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
2010 Lease Revenue Bonds Series A Capital Projects Fund
Year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 3,017	\$ 3,017
Total revenues	<u>-</u>	<u>3,017</u>	<u>3,017</u>
Expenditures			
Current:			
Public works	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	3,017	3,017
Other financing sources (uses)			
Proceeds from bond issuance	<u>4,200,000</u>	<u>4,200,000</u>	<u>-</u>
Net change in fund balances	4,200,000	4,203,017	3,017
Fund balances - beginning of year	-	-	-
Fund balances - end of year	<u>\$ 4,200,000</u>	<u>\$ 4,203,017</u>	<u>\$ 3,017</u>

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, 2011

	Internal Service Fund			
	Garage	Information Technology	Self-Insurance	Totals
ASSETS				
Current assets				
Cash and investments	\$ 481,886	\$ 80,102	\$ -	\$ 561,988
Receivables:				
Accounts	-	-	151	151
Due from other funds	900,000	-	-	900,000
Total current assets	<u>1,381,886</u>	<u>80,102</u>	<u>151</u>	<u>1,462,139</u>
Noncurrent assets				
Restricted assets:				
Deposit in trust	-	-	599,084	599,084
Capital assets, depreciated, net	143,436	287,998	-	431,434
Total noncurrent assets	<u>143,436</u>	<u>287,998</u>	<u>599,084</u>	<u>1,030,518</u>
Total assets	<u>1,525,322</u>	<u>368,100</u>	<u>599,235</u>	<u>2,492,657</u>
LIABILITIES				
Current liabilities				
Accounts payable	7,752	-	80,027	87,779
Advances from other funds	-	-	2,299,388	2,299,388
Total current liabilities	<u>7,752</u>	<u>-</u>	<u>2,379,415</u>	<u>2,387,167</u>
Noncurrent liabilities				
Noncurrent portion of long-term debt:				
Claims payable	-	-	1,964,089	1,964,089
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,964,089</u>	<u>1,964,089</u>
NET ASSETS				
Invested in capital assets, net of related debt	143,436	287,998	-	431,434
Unrestricted	1,374,134	80,102	(3,744,269)	(2,290,033)
Total net assets	<u>\$ 1,517,570</u>	<u>\$ 368,100</u>	<u>\$ (3,744,269)</u>	<u>\$ (1,858,599)</u>

City of Lynwood
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds
Year ended June 30, 2011

	Internal Service Fund			
	Garage	Information Technology	Self-Insurance	Total
Operating revenues				
Sales and service charges	\$ 737,847	\$ -	\$ 1,915,713	\$ 2,653,560
Total operating revenues	<u>737,847</u>	<u>-</u>	<u>1,915,713</u>	<u>2,653,560</u>
Operating expenses				
Insurance	-	-	576,987	576,987
Claims	-	-	1,718,294	1,718,294
Garage	266,409	-	-	266,409
Depreciation	23,234	170,866	-	194,100
Total operating expenses	<u>289,643</u>	<u>170,866</u>	<u>2,295,281</u>	<u>2,755,790</u>
Operating income (loss)	<u>448,204</u>	<u>(170,866)</u>	<u>(379,568)</u>	<u>(102,230)</u>
Nonoperating revenues				
Use of money and property	-	-	25,534	25,534
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>25,534</u>	<u>25,534</u>
Change in net assets	448,204	(170,866)	(354,034)	(76,696)
Total net assets (deficit) - beginning of year	<u>1,069,366</u>	<u>538,966</u>	<u>(3,390,235)</u>	<u>(1,781,903)</u>
Total net assets (deficit) - end of year	<u>\$ 1,517,570</u>	<u>\$ 368,100</u>	<u>\$ (3,744,269)</u>	<u>\$ (1,858,599)</u>

City of Lynwood
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2011

	Internal Service Fund			
	Garage	Information Technology	Self-Insurance	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ (162,153)	\$ -	\$ 1,915,713	\$ 1,753,560
Payments to suppliers	(274,367)	-	(628,969)	(903,336)
Payments for claims	-	-	(800,198)	(800,198)
Net cash provided by (used in) operating activities	<u>(436,520)</u>	<u>-</u>	<u>486,546</u>	<u>50,026</u>
Cash flows from investing activities				
Interest received	-	-	25,534	25,534
Deposit in trust	-	-	(519,084)	(519,084)
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>	<u>(493,550)</u>	<u>(493,550)</u>
Net increase (decrease) in cash and investments	(436,520)	-	(7,004)	(443,524)
Cash and investments - beginning of year	918,406	80,102	7,004	1,005,512
Cash and investments - end of year	<u>\$ 481,886</u>	<u>\$ 80,102</u>	<u>\$ -</u>	<u>\$ 561,988</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income	\$ 448,204	\$ (170,866)	\$ (379,568)	\$ (102,230)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	23,234	170,866	-	194,100
Changes in operating assets and liabilities:				
Increase in accounts receivables	-	-	(151)	(151)
Increase in due from other funds	(900,000)	-	-	(900,000)
Decrease in prepaid expenses	-	-	10,163	10,163
Decrease in accounts payable	(7,958)	-	(61,994)	(69,952)
Increase in claims payable	-	-	224,356	224,356
Increase in due to other funds	-	-	693,740	693,740
Total adjustments	<u>(884,724)</u>	<u>170,866</u>	<u>866,114</u>	<u>152,256</u>
Net cash provided by (used in) operating activities	<u>\$ (436,520)</u>	<u>\$ -</u>	<u>\$ 486,546</u>	<u>\$ 50,026</u>

City of Lynwood
Statement of Changes in Assets and Liabilities
Fiduciary Fund
Year ended June 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</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				
Loans payable	\$ 54,506	\$ -	\$ -	\$ 54,506
Total liabilities	<u>\$ 54,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,506</u>

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STATISTICAL SECTION

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Financial Trends These tables contain trend information that may assist the reader in the City's current financial performance by placing it in historical perspective.	157-163
Revenue Capacity These tables contain information that may help in assessing the viability of the City's most significant revenue sources.	164--173
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	174-181
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	182-183
Operating Information These tables contain service and infrastructure indicators that may inform one's understanding on how the information in the City's financial statements relate to the services that the City provides and the activities that it performs.	184-186

**City of Lynwood
Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	\$32,840,261	\$36,637,087	\$36,453,679	\$71,070,677	\$79,540,927	\$85,074,079	\$88,707,464	\$111,837,946	\$125,081,373
Restricted	23,958,817	57,487,760	57,339,342	34,546,018	33,396,865	34,777,084	19,520,953	14,825,579	48,274,202
Unrestricted	6,275,255	1,230,937	1,002,841	24,793	4,340,631	3,283,514	16,293,599	3,009,212	(44,265,718)
Total governmental activities net assets	63,074,333	95,355,784	94,795,862	105,641,488	117,278,423	123,134,677	124,522,016	129,672,737	129,089,857
Business-type activities									
Invested in capital assets, net of related debt	2,801,882	4,824,744	3,960,818	2,247,256	(2,167,357)	(3,167,553)	(7,686,833)	1,716,371	4,313,256
Restricted	7,086,817	12,896,690	11,961,502	9,707,252	4,891,486	988,286	1,900,804	6,454,343	6,608,583
Unrestricted	1,246,735	(4,685,335)	(5,719,044)	(3,107,059)	1,610,454	9,258,275	14,791,755	1,850,332	2,240,168
Total business-type activities net assets	11,135,434	13,036,099	10,203,276	8,847,449	4,334,583	7,079,008	9,005,726	10,021,046	13,162,007
Primary government									
Invested in capital assets, net of related debt	35,642,143	41,461,831	40,414,497	73,317,933	77,373,570	81,906,526	81,020,631	113,554,317	129,394,629
Restricted	31,045,634	70,384,450	69,300,844	44,253,270	38,288,351	35,765,370	21,421,757	21,279,922	54,882,785
Unrestricted	7,521,990	(3,454,398)	(4,716,203)	(3,082,266)	5,951,085	12,541,789	31,085,354	4,859,544	(42,025,550)
Total primary government net assets	74,209,767	108,391,883	104,999,138	114,488,937	121,613,006	130,213,685	133,527,742	139,693,783	142,251,864

GASB 34 was implemented for the fiscal year ended June 30, 2003.
Information prior to implementation of GASB 34 is not available.

Source: City of Lynwood

City of Lynwood
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General government	\$5,620,554	\$7,942,266	\$6,936,325	\$6,213,553	\$8,117,721	\$9,942,569	\$12,089,347	\$14,177,616	\$13,419,540
Public safety	\$12,658,884	\$13,533,160	\$13,182,693	\$13,922,118	\$15,505,809	\$15,696,589	\$17,461,248	\$17,331,341	\$14,853,808
Public works	\$5,812,021	\$5,333,050	\$5,791,864	\$5,363,619	\$5,294,634	\$7,344,547	\$8,213,775	\$8,374,895	\$10,021,833
Community Development	\$4,201,124	\$3,048,594	\$7,550,558	\$4,694,655	\$6,390,638	\$5,406,955	\$3,028,869	\$4,269,655	\$7,859,391
Parks and recreation	\$2,298,800	\$2,671,467	\$2,761,444	\$2,840,996	\$3,312,944	\$3,160,255	\$3,620,892	\$3,462,998	\$3,147,286
Interest on long-term debt	\$2,345,787	\$2,329,344	\$2,235,271	\$2,377,448	\$1,984,742	\$1,941,003	\$1,728,377	\$1,527,767	\$3,108,815
Unallocated Depreciation	\$515,339	\$725,591	\$0	\$0	\$1,025,821	\$1,048,750	\$0*	\$0	\$0
Total governmental activities expenses	<u>\$33,452,509</u>	<u>\$35,583,472</u>	<u>\$38,458,155</u>	<u>\$35,412,389</u>	<u>\$41,632,309</u>	<u>\$44,540,668</u>	<u>\$46,142,508</u>	<u>\$49,144,272</u>	<u>\$52,410,673</u>
Business-type activities:									
Water	\$5,781,285	\$6,111,741	\$6,517,910	\$6,168,104	\$6,544,735	\$6,485,599	\$7,717,008	\$7,356,688	\$7,429,755
Transit	\$1,195,792	\$1,352,061	\$1,320,016	\$1,227,619	\$1,144,485	\$1,040,822	\$1,081,676	\$1,023,916	\$995,267
Total business-type activities expenses	<u>\$6,977,077</u>	<u>\$7,463,802</u>	<u>\$7,837,926</u>	<u>\$7,395,723</u>	<u>\$7,689,220</u>	<u>\$7,526,421</u>	<u>\$8,798,684</u>	<u>\$8,380,604</u>	<u>\$8,425,022</u>
Total primary government expenses	<u>\$40,429,586</u>	<u>\$43,047,274</u>	<u>\$46,296,081</u>	<u>\$42,808,112</u>	<u>\$49,321,529</u>	<u>\$52,067,089</u>	<u>\$54,941,192</u>	<u>\$57,524,876</u>	<u>\$60,835,695</u>
Program Revenues (see Schedule 3)									
Governmental activities:									
Charges for services:									
General government	\$0	\$0	\$369,070	\$693,390	\$1,652,328	\$352,691	\$1,667,834	\$4,131,395	\$5,301,748
Public safety	\$969,066	\$796,674	\$829,237	\$1,024,589	\$514,552	\$1,682,637	\$1,587,339	\$1,276,036	\$50,932
Public works	\$4,926,535	\$6,186,410	\$7,202,653	\$4,607,579	\$3,853,232	\$3,281,415	\$2,436,899	\$2,959,776	\$3,389,626
Community development	\$18,338	\$31,892	\$5,564	\$284,119	\$3,161	\$0	\$0	\$1,104,052	\$1,379,549
Parks and recreation	\$223,745	\$272,792	\$283,326	\$317,006	\$364,681	\$500,951	\$434,508	\$414,406	\$560,235
Operating grants and contributions	\$3,777,768	\$7,269,731	\$7,714,006	\$7,368,051	\$5,178,618	\$10,674,374	\$5,612,899	\$4,369,982	\$4,813,086
Capital grants and contributions	\$4,183,094	\$32,559,483	\$575,179	\$1,648,244	\$1,703,546	\$186,401	\$1,432,067	\$3,774,852	\$6,163,896
Total governmental activities program revenues	<u>\$14,098,546</u>	<u>\$47,116,982</u>	<u>\$16,979,035</u>	<u>\$15,942,978</u>	<u>\$13,270,118</u>	<u>\$16,678,469</u>	<u>\$13,171,546</u>	<u>\$18,030,499</u>	<u>\$21,659,072</u>
Business-type activities:									
Charges for services:									
Water	\$6,599,015	\$6,614,089	\$6,503,052	\$5,833,964	\$7,861,420	\$9,759,112	\$10,014,463	\$9,764,490	\$9,783,605
Transit	\$4,571	\$4,617	\$23,956	\$11,663	\$20,073	\$5,427	\$13,208	\$6,296	\$9,648
Operating grants and contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital grants and contributions	\$0	\$0	\$0	\$422,767	\$0	\$0	\$0	\$0	\$0
Total business-type activities program revenues	<u>\$6,603,586</u>	<u>\$6,618,706</u>	<u>\$6,527,008</u>	<u>\$6,268,394</u>	<u>\$7,881,493</u>	<u>\$9,764,539</u>	<u>\$10,027,671</u>	<u>\$9,770,786</u>	<u>\$9,793,253</u>
Total primary government program revenues	<u>\$20,702,132</u>	<u>\$53,735,688</u>	<u>\$23,506,043</u>	<u>\$22,211,372</u>	<u>\$21,151,611</u>	<u>\$26,443,008</u>	<u>\$23,199,217</u>	<u>\$27,801,285</u>	<u>\$31,452,325</u>

GASB 34 was implemented for the fiscal year ended June 30, 2003.

Information prior to implementation of GASB 34 is not available.

Source: City of Lynwood

City of Lynwood
Changes in Net Assets (Continued)
Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities	(19,353,963)	11,533,510	(21,479,120)	(19,469,411)	(28,362,191)	(27,862,199)	(32,970,962)	(31,113,773)	(30,751,601)
Business-type activities	(373,491)	(845,096)	(1,310,918)	(1,127,329)	192,273	2,238,118	1,228,987	1,390,182	1,368,231
Total primary government net expense	<u>(19,727,454)</u>	<u>10,688,414</u>	<u>(22,790,038)</u>	<u>(20,596,740)</u>	<u>(28,169,918)</u>	<u>(25,624,081)</u>	<u>(31,741,975)</u>	<u>(29,723,591)</u>	<u>(29,383,370)</u>
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Property taxes	9,658,238	7,696,553	10,205,679	13,831,194	18,209,991	17,801,044	19,303,986	18,711,265	18,352,556
Utility users tax	4,967,836	5,077,227	5,533,166	5,810,278	6,193,590	6,576,250	5,949,307	5,878,709	5,591,230
Franchise taxes	958,608	2,027,649	1,278,192	1,332,113	1,257,149	1,302,678	1,305,288	1,232,463	1,185,455
Sales taxes	4,384,013	3,075,281	3,198,615	3,247,091	3,688,238	5,401,170	4,391,476	5,304,325	5,873,372
Business license taxes	371,747	384,645	394,083	262,305	407,714	471,907	434,513	420,200	536,812
Other taxes	88,045	103,270	150,623	93,142	1,327,499	1,433,893	1,600,134	152,742	64,266
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-
Payments in lieu of taxes	4,170,468	3,315,792	474,591	1,738,552	540,103	361,087	-	-	-
Investment earnings	943,852	671,926	1,354,489	1,897,716	2,176,869	1,402,738	638,296	402,786	175,705
Miscellaneous	1,585,936	591,230	219,998	488,886	1,118,246	239,172	1,250,614	870,321	57,051
Transfers	(884,910)	(718,944)	1,709,871	780,106	5,312,643	(346,792)	(515,313)	475,854	(9,037)
Gain/Loss of Capital Assets	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>26,243,833</u>	<u>22,224,629</u>	<u>24,519,307</u>	<u>29,481,383</u>	<u>40,232,042</u>	<u>34,643,147</u>	<u>34,358,301</u>	<u>33,448,665</u>	<u>31,827,410</u>
Business-type activities									
Investment earnings	196,708	112,551	313,212	551,608	607,504	159,515	182,418	100,992	107,207
Miscellaneous	4,061	3,566	3,363	-	-	-	-	-	-
Transfers	884,910	718,944	(1,709,871)	(780,106)	(5,312,643)	346,792	515,313	(475,854)	9,037
Total business-type activities	<u>1,085,679</u>	<u>835,061</u>	<u>(1,393,296)</u>	<u>(228,498)</u>	<u>(4,705,139)</u>	<u>506,307</u>	<u>697,731</u>	<u>(374,862)</u>	<u>116,244</u>
Total primary government	<u>27,329,512</u>	<u>23,059,690</u>	<u>23,126,011</u>	<u>29,252,885</u>	<u>35,526,903</u>	<u>35,149,454</u>	<u>35,056,032</u>	<u>33,073,803</u>	<u>31,943,654</u>
Change in Net Assets									
Governmental activities	6,894,870	33,758,139	3,040,187	10,011,972	12,703,331	6,780,948	2,443,121	2,334,892	1,075,809
Business-type activities	712,188	(10,035)	(2,704,214)	(1,355,827)	(4,512,866)	2,744,425	1,269,827	1,040,796	1,484,475
Total primary government	<u>7,607,058</u>	<u>33,748,104</u>	<u>335,973</u>	<u>8,656,145</u>	<u>8,190,465</u>	<u>9,525,373</u>	<u>3,712,948</u>	<u>3,375,688</u>	<u>2,560,284</u>

GASB 34 was implemented for the fiscal year ended June 30, 2003.
Information prior to implementation of GASB 34 is not available.
Source: City of Lynwood

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	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-
Unassigned	-	-	-	-
Reserved	2,205,644	1,989,973	1,962,864	1,628,825
Unreserved	8,699,004	11,711,978	10,399,462	11,691,290
Total general fund	<u>10,904,648</u>	<u>13,701,951</u>	<u>12,362,326</u>	<u>13,320,115</u>
All Other Governmental Funds				
Reserved	9,054,081	22,422,534	54,423,105	54,245,733
Nonspendable	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Restricted:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Unreserved, reported in:				
Special revenue funds	5,206,318	1,575,850	1,368,974	1,616,959
Capital projects funds	5,461,571	-	(584,387)	225,465
Debt service funds	-	(816,809)	(195,031)	-
Total all other governmental funds	<u>\$ 19,721,970</u>	<u>\$ 23,181,575</u>	<u>\$ 55,012,661</u>	<u>\$ 56,088,157</u>

* Beginning Fiscal Year 2010-2011, the City adopted GASB 54, Fund Balance Reporting, which changes the fund balance classifications in the governmental funds.

Source: City of Lynwood

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011*</u>
\$	-	-	-	-	-	891,712
	-	-	-	-	-	526,096
	-	-	-	-	-	5,115,452
	1,000,340	1,412,294	1,450,866	164,456	4,874,307	-
	15,512,533	14,891,975	9,626,275	9,547,949	3,107,949	-
	<u>16,512,873</u>	<u>16,304,269</u>	<u>11,077,141</u>	<u>9,712,405</u>	<u>7,982,256</u>	<u>6,533,260</u>
	26,536,539	26,798,572	17,632,454	24,765,113	24,589,471	-
	-	-	-	-	-	9,969,438
	-	-	-	-	-	-
	-	-	-	-	-	(4,176,916)
	-	-	-	-	-	9,456,030
	-	-	-	-	-	33,139,153
	-	-	-	-	-	5,679,019
	1,867,118	1,641,242	(388,455)	4,899,496	4,219,342	-
	1,005,908	(11,113)	(37,030)	(1,570,414)	(2,642,076)	-
	-	-	-	-	-	-
\$	<u>29,409,565</u>	<u>28,428,701</u>	<u>17,206,969</u>	<u>28,094,195</u>	<u>26,166,737</u>	<u>54,066,724</u>

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenues				
Taxes (see Schedule 6)	\$ 19,495,439	\$ 21,128,956	\$ 22,954,611	\$ 26,978,169
Licenses, fees, and permits	254,271	454,611	502,598	607,075
Fines and penalties	776,010	811,231	796,674	893,895
Use of money and property	1,206,049	1,027,588	639,696	3,347,760
Intergovernmental	8,413,014	12,486,772	40,526,204	6,322,206
Charges for services	5,397,825	4,853,504	3,732,973	3,106,996
Administrative support	288,909	2,469,978	2,416,859	1,476,834
Program Income	-	-	-	-
Other revenues	2,486,714	849,567	278,324	451,571
Sale of Real Estate	-	-	-	-
Loan repayment	210,000	-	-	-
Total revenues	<u>38,528,231</u>	<u>44,082,207</u>	<u>71,847,939</u>	<u>43,184,506</u>
Expenditures				
General government	7,998,353	5,470,466	6,671,970	5,897,451
Public safety	11,690,690	12,750,489	13,522,180	12,763,219
Public works	4,982,360	6,009,954	5,688,359	4,394,322
Community development	9,061,949	5,687,161	4,852,042	7,487,623
Parks and recreation	-	2,209,511	2,588,372	2,601,140
Pass Through To Other Agencies	-	-	-	-
Capital outlay	5,131,272	7,538,476	4,390,038	6,050,387
Real estate acquisition	2,075,547	-	-	-
Debt service				
Interest	1,829,488	1,965,260	1,934,549	2,017,357
Principal	770,006	584,038	440,438	1,122,553
Bond issue costs	-	-	351,369	-
Payments to escrow agents	-	-	-	-
Total expenditures	<u>43,539,665</u>	<u>42,215,355</u>	<u>40,439,317</u>	<u>42,334,052</u>
Excess of revenues over (under) expenditures	<u>(5,011,434)</u>	<u>1,866,852</u>	<u>31,408,622</u>	<u>850,454</u>
Other Financing Sources (Uses)				
Bonds proceeds	-	-	-	8,630,000
Premium on bond issuance	-	-	-	74,214
Payments to escrow agent	-	-	-	(7,067,541)
Bond Discount	-	-	-	-
Loan repayment	-	-	-	-
Transfers in	13,807,397	10,388,722	13,777,876	11,272,762
Transfers out	(13,090,279)	(10,875,724)	(14,954,778)	(13,173,740)
Total other financing sources (uses)	<u>717,118</u>	<u>(487,002)</u>	<u>(1,176,902)</u>	<u>(264,305)</u>
Net change in fund balances	<u>\$ (4,294,316)</u>	<u>\$ 1,379,850</u>	<u>\$ 30,231,720</u>	<u>\$ 586,149</u>
Debt service as a percentage of noncapital expenditures	5.97%	6.04%	6.74%	7.42%

Source: City of Lynwood

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 29,252,885	\$ 31,084,181	\$ 32,765,398	\$ 32,425,069	\$ 31,950,394	\$ 31,518,348
639,142	646,340	354,853	915,469	887,559	941,632
1,007,352	1,175,169	1,187,753	1,160,199	1,276,583	1,508,346
2,137,438	2,176,869	1,481,300	638,296	402,786	362,185
7,299,319	6,247,098	9,401,941	6,925,831	8,173,257	11,085,979
3,338,468	4,285,276	3,840,333	3,712,006	3,740,730	3,795,430
3,228,043	3,060,251	1,310,366	1,208,409	1,151,040	1,118,246
-	267,585	49,273	45,966	95,477	4,850
135,177	1,456,338	660,694	769,658	1,470,894	675,919
-	833,480	-	-	-	-
-	-	-	-	-	-
<u>47,037,824</u>	<u>51,232,587</u>	<u>51,051,911</u>	<u>47,800,903</u>	<u>49,148,720</u>	<u>51,010,935</u>
6,615,223	7,527,419	8,328,291	7,406,008	8,612,274	9,771,596
13,900,407	15,505,809	15,696,589	17,453,355	17,323,198	14,844,253
5,124,278	6,042,820	7,344,547	7,273,396	7,487,773	9,139,463
6,393,455	7,935,098	5,552,608	4,856,699	5,512,018	5,696,998
2,785,317	3,312,944	3,160,255	3,535,156	3,374,547	3,043,494
-	-	-	552,052	250,021	8,914
34,153,313	13,311,825	5,983,029	6,145,649	8,136,405	6,387,861
-	-	-	-	-	-
2,207,102	1,174,979	1,335,594	1,596,989	1,531,443	1,830,643
975,682	1,826,207	1,768,237	2,079,713	1,054,502	5,613,437
-	-	-	-	-	559,620
-	-	-	-	-	-
<u>72,154,777</u>	<u>56,637,101</u>	<u>49,169,150</u>	<u>50,899,017</u>	<u>53,282,181</u>	<u>56,896,279</u>
<u>(25,116,953)</u>	<u>(5,404,514)</u>	<u>1,882,761</u>	<u>(3,098,114)</u>	<u>(4,133,461)</u>	<u>(5,885,344)</u>
-	-	-	-	-	33,125,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(779,628)
-	-	-	-	-	-
13,085,974	41,023,249	26,879,932	15,795,814	17,061,122	14,178,639
(11,903,143)	(40,493,902)	(22,078,219)	(20,565,918)	(16,585,268)	(14,187,676)
<u>1,182,831</u>	<u>529,347</u>	<u>4,801,713</u>	<u>(4,770,104)</u>	<u>475,854</u>	<u>32,336,335</u>
<u>\$ (23,934,122)</u>	<u>\$ (4,875,167)</u>	<u>\$ 6,684,474</u>	<u>\$ (7,868,218)</u>	<u>\$ (3,657,607)</u>	<u>\$ 26,450,991</u>
4.41%	5.30%	6.31%	7.22%	4.85%	14.07%

City of Lynwood
Tax Revenues by Source - Governmental Funds
Last Ten Fiscal Years

Fiscal Year	Property	Sales Taxes	Utility Users Tax	Franchise	Property Transfer	Other	Total
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
2009	19,303,986	4,391,476	5,949,307	1,305,288	434,513	1,600,134	32,984,704
2010	18,711,265	5,304,325	5,878,709	1,232,463	420,200	152,742	31,699,704
2011	18,352,556	5,873,372	5,591,230	1,185,455	175,706	64,266	31,242,585
Change							
2002-2011	50.9%	46.3%	22.4%	27.2%	21.9%	-2999.0%	37.6%

Source: City of Lynwood

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	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Residential	\$ 1,180,583,357	\$ 1,233,312,782	\$ 1,314,481,155	\$ 1,411,103,429	\$ 1,553,834,605
Commercial	158,893,529	167,814,148	179,860,921	187,518,358	234,685,857
Industrial	149,075,762	167,989,151	172,530,335	178,999,129	175,850,603
Government	33,600	38,822	39,620	985,000	-
Institutional	16,747,221	86,817,332	17,108,202	17,251,962	14,856,434
Miscellaneous	4,095,787	4,177,680	280,487	32,194	32,835
Recreational	316,011	448,517	202,485	206,264	210,388
Vacant Land	6,670,789	7,400,195	10,952,209	20,101,072	15,419,783
SBE Nonunitary	118,100	113,701	907,822	902,410	906,787
Cross Reference	11,521,308	3,858,929	3,937,652	3,893,265	4,199,252
Unsecured	60,097,988	79,682,144	76,819,836	76,884,821	78,080,903
Tax Exempt	14,610,159	14,219,966	13,205,320	18,979,457	21,827,731
Unknown	-	-	-	8,122,189	1,517,191
TOTALS	\$ 1,588,153,452	\$ 1,751,653,401	\$ 1,777,120,724	\$ 1,906,000,093	\$ 2,079,594,638
Total Direct Rate	0.38530	0.43029	0.39809	0.40637	0.40827

Source: HDL, Coren Cole

**City of Lynwood
Assessed Value
Last Ten Fiscal Years**

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 1,769,041,214	\$ 1,970,733,207	\$ 2,065,073,300	\$1,914,425,758	\$ 1,833,560,959
250,214,463	273,733,571	291,616,514	314,804,857	308,471,599
180,517,681	192,759,499	211,284,405	226,310,747	224,421,914
-	-	-	-	-
14,503,805	21,072,234	21,610,145	24,496,869	195,237,553
1,440,488	1,469,295	3,335,932	3,335,448	3,213,287
284,668	290,360	296,166	302,088	301,369
16,970,075	17,594,342	18,875,074	19,573,033	20,415,541
831,966	729	717	694	779
4,601,816	4,262,361	4,376,567	3,955,210	4,399,868
79,689,348	82,205,276	83,586,372	84,371,270	74,657,976
27,645,498	30,246,612	29,585,217	28,473,480	29,135,826
615,060	-	44	44	-
<u>\$ 2,318,710,584</u>	<u>\$ 2,564,120,874</u>	<u>\$ 2,700,055,236</u>	<u>\$2,591,576,018</u>	<u>\$ 2,664,680,845</u>
0.40358	0.40563	0.41092	0.43155	0.47631

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

Agency	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Basic Levy	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Compton Community College District	0.00000	0.00000	0.02714	0.00396	0.02051	0.01975	0.01763	0.01262	0.01296	0.01487
Compton Unified School District	0.00000	0.00000	0.05570	0.06261	0.04827	0.06144	0.05976	0.06237	0.06238	0.07054
County Detention Facilities 1987 Debt	0.00113	0.00103	0.00099	0.00092	0.00080	0.00066	0.00000	0.00000	0.00000	0.00000
LA Community College District	0.01600	0.01460	0.01986	0.01810	0.01429	0.02146	0.00879	0.02212	0.02311	0.04031
LA County Flood Control	0.00107	0.00088	0.00046	0.00025	0.00005	0.00005	0.00000	0.00000	0.00000	0.00000
Los Angeles Unified School District	0.04813	0.03697	0.07715	0.08884	0.08435	0.10681	0.12334	0.12478	0.15181	0.18695
Lynwood Unified	0.00010	0.00009	0.06141	0.05731	0.04827	0.04317	0.04370	0.04498	0.04359	0.04945
Metropolitan Water District	0.00770	0.00670	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370
Tax District	0.12500	0.12500	0.12500	0.12500	0.12500	0.12500	0.12500	0.12500	0.12500	0.12500
Total Direct & Overlapping Tax Rates	1.19913	1.18527	1.37381	1.36279	1.34674	1.38304	1.38272	1.39617	1.42315	1.49082
City's Share of 1% Levy Per Prop 13	0.11301									
General Obligation Debt Rate	0.12500									
Redevelopment Rate Total Direct Rate	1.13501	1.13370	1.13263	1.13204	1.13112	1.13048	1.12956	1.12930	1.12930	1.12870
Total Direct Rate	0.38530	0.43029	0.39809	0.40637	0.40827	0.40358	0.40563	0.41092	0.43155	0.47631

Source: Los Angeles County Auditor-Controller

**City of Lynwood
Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	2002			2011		
	Value	Rank	% of Net Assessed Value	Value	Rank	% of Net Assessed Value
St. Francis Medical Center	\$9,131,507	7	0.57%	\$172,764,753	1	6.48%
Placo Investment				40,645,508	2	1.53%
Earl M. Jorgensen Company	10,334,224	4	0.65%	23,192,497	3	0.87%
2700 East Imperial Highway Inc.	12,884,920	2	0.81%	21,596,124	4	0.81%
Lynwood Alameda Corporation	16,863,776	1	1.06%	19,851,707	5	0.74%
Universal Molding Company	9,480,028	6	0.60%	17,879,903	6	0.67%
NHP PMB St. Francis Lynwood Medical Plaza				17,441,364	7	0.65%
Albi Lynwood Investment LLC				16,975,560	8	0.64%
Atlantic Lynwood LLC				11,419,589	9	0.43%
805 Property LLC				10,478,510	10	0.39%
McWhorter Inc.	12,881,733	3	0.81%			
Economic Resources Corporation	10,257,543	5	0.65%			
Shapco Partnership	8,515,665	8	0.54%			
LTC Development Inc.	6,968,640	9	0.44%			
Doveco LLC	5,833,380	10	0.37%			
Top Ten Totals	\$103,151,416		6.50%	\$352,245,515		13.22%
City Totals	\$1,588,153,452		100%	\$2,664,680,845		100%

Source: HDL, Coren Cole

**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
2002	\$1,381,069.96	\$ 1,312,567	95.04%	\$ 95,836	\$ 1,408,403	101.98%
2003	1,435,563	1,478,210	102.97%	112,208	1,590,418	110.79%
2004	1,529,632	1,446,731	94.58%	123,679	1,570,410	102.67%
2005	1,628,787	1,121,313	68.84%	293,270	1,414,583	86.85%
2006	1,785,744	1,335,441	74.78%	458,772	1,794,213	100.47%
2007	2,016,965	1,874,289	92.93%	395,019	2,269,308	112.51%
2008	2,234,886	2,113,315	94.56%	325,810	2,439,125	109.14%
2009	2,340,660	2,113,570	90.30%	260,479	2,374,049	101.43%
2010	2,397,112	2,184,554	91.13%	190,899	2,375,453	99.10%
2011	2,286,742	2,251,225	98.45%	-	2,251,225	98.45%

NOTE:

* Other Collections may include prior years delinquencies, interest and penalties, tax redemption, and supplemental taxes.

Source: HDL Coren Cole
City Finance Department

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	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Apparel Stores	\$8,136	\$8,802	\$13,929	\$14,044
General Merchandise	1,718	1,790	2,721	3,563
Food Stores	29,854	29,592	29,227	30,347
Eating and Drinking Places	31,298	33,548	41,165	48,432
Building Materials	20,549	19,645	22,480	28,314
Auto Dealers and Supplies	18,854	22,152	25,043	27,342
Service Stations	39,619	38,684	45,527	50,409
Other Retail Stores	24,741	26,901	30,818	34,018
All Other Outlets	<u>57,391</u>	<u>62,931</u>	<u>56,387</u>	<u>71,445</u>
Total	<u>\$232,160</u>	<u>\$244,045</u>	<u>\$267,297</u>	<u>\$307,914</u>

Source: HDL Coren Cole

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$16,034	\$16,388	\$16,341	\$14,845	\$13,671	\$9,627
3,473	3,489	3,398	3,419	3,480	6,511
30,061	31,200	30,747	31,445	31,801	31,537
51,306	56,094	57,316	55,876	53,996	52,625
31,626	32,968	32,302	25,376	19,980	1,459
30,445	28,974	22,720	15,293	12,630	13,441
55,558	61,236	62,998	66,578	51,407	64,504
42,698	47,984	50,214	48,831	44,589	30,172
<u>76,729</u>	<u>75,021</u>	<u>88,180</u>	<u>89,898</u>	<u>72,430</u>	<u>70,997</u>
<u>\$337,930</u>	<u>\$353,354</u>	<u>\$364,216</u>	<u>\$351,561</u>	<u>\$303,984</u>	<u>\$280,873</u>

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>
2002	1%	1%
2003	1%	1%
2004	1%	1%
2005	1%	1%
2006	1%	1%
2007	1%	1%
2008	1%	1%
2009	1%	1%
2010	1%	1%
2011	1%	1%

Source: HDL Coren Cole

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

2011

Tax Remitter	Business Category
99 Cents Only Stores	Department Stores
Airgas - West	Heavy Industry
Alpha Beta Market	Food Markets
ARCO AM/PM	Service Stations
Autozone	Auto Parts/Repair
Chevron Service Stations	Service Stations
CVS Pharmacy	Drug Stores
Del Steel Ornamental & Tube	Bldg. Matls - Whsle
Factory 2-U	Department Stores
Jones Lumber Company	Bldg. Matls - Whsle
King Tao Restaurant	Restaurants
La Curacao	Furniture/Appliances
McDonald's Restaurant	Restaurants
Rapid Gas Service Stations	Service Stations
Rite Aid Drug Stores	Drug Stores
Shell Service Stations	Service Stations
Shell Service Stations	Service Stations
Smart & Final	Food Markets
Sun's Market Gas & Diesel	Service Stations
Superior Super Warehouse	Food Markets
TJ's Metal Mfg.	Heavy Industry
Union 76 Service Stations	Service Stations
Valu Plus Food Warehouse	Food Markets
Verizon Wireless	Misc Retail
Walgreen's Drug Stores	Drug Stores

2002

Tax Remitter	Business Category
5	Heavy Industry
5 Sites Inc.	Service Stations
Airgas - West	Heavy Industry
Alpha Beta Market	Food Markets
Atlantic Chevron	Service Stations
Autozone	Auto Parts/Repair
Chevron Service Stations	Service Stations
Fernando Rivas	Auto Sales - Used
G & M Oil Co.	Service Stations
Imaging Supplies & Equipment	Miscellaneous Retail
J & M Sales Inc	Apparel Stores
Jack In The Box Restaurants	Restaurants
Jones Lumber Company	Bldg. Matls - Whsle
L.B. Foster Company	Heavy Industry
McDonald's Restaurant	Restaurants
Olegario Sanchez Maldonado	Auto Sales - Used
Rapid Gas Service Stations	Service Stations
Rite Aid Drug Stores	Drug Stores
Shell Service Stations	Service Stations
Smart & Final	Food Markets
St. Francis Medical Center	Health & Govt
Superior Super Warehouse	Food Markets
Taco Bell	Restaurants
Union 76 Service Stations	Service Stations
Valu Plus Food Warehouse	Food Markets

NOTE: California Law prohibits further detail.

Source: HDL Coren Cole

City of Lynwood
Ratios of General Bonded Debt Outstanding
Last Nine 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	\$ 9,499
2004	31,156,369	21,130,000	52,286,369	9,663
2005	32,187,306	20,655,000	52,842,306	10,004
2006	30,905,577	20,150,000	51,055,577	10,334
2007	28,013,865	23,743,610	51,757,475	10,823
2008	26,973,177	22,627,950	49,601,127	11,148
2009	25,036,364	22,627,950	47,664,314	11,224
2010	23,456,726	20,392,821	43,849,547	10,988
2011	31,407,995	70,053,359	101,461,354	11,941

Source: City of Lynwood

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Governmental Activities

Fiscal Year	Tax Allocation Bonds	HUD Loan Payable	Claims Payable	Revenue Bonds	Capital Leases Payable
2002	\$14,580,000	N/A	\$642,726	\$10,760,000	\$2,878,057
2003	14,365,000	7,000,000	668,914	10,505,000	2,566,301
2004	14,130,000	7,000,000	696,169	12,390,000	2,151,859
2005	13,880,000	6,775,000	2,876,572	11,920,000	1,753,372
2006	13,615,000	6,535,000	2,787,663	11,445,000	1,331,531
2007	13,325,000	6,280,000	3,503,418	10,965,000	946,716
2008	13,020,000	6,010,000	3,888,995	10,475,000	495,431
2009	12,690,000	5,725,000	3,567,839	9,975,000	170,956
2010	12,335,000	5,425,000	3,800,261	9,460,000	-
2011	35,594,210	5,105,000	3,715,973	13,890,560	-

Source: City of Lynwood

**City of Lynwood
Ratios by Outstanding Debt by Type
Last Ten Fiscal Years**

Business-type Activities

Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Debt Per Capita
\$9,494,799	\$38,355,582	5.72%	0.18%
9,354,932	44,460,147	6.47%	0.16%
15,918,341	52,286,369	7.47%	0.14%
15,637,362	52,842,306	7.26%	0.14%
15,341,383	51,055,577	6.80%	0.14%
15,035,404	50,055,538	6.36%	0.15%
14,709,425	48,598,851	6.01%	0.15%
14,369,425	46,498,220	5.70%	0.16%
20,984,291	52,004,552	6.49%	0.14%
20,679,097	78,984,840	9.02%	0.09%

City of Lynwood
Direct and Overlapping Governmental Activities Debt
June 30, 2011

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Direct Debt			
200.01 CEC Loan	\$305,271	100.000%	\$ 305,271
200.01 2003 Enterprise Revenue Bonds	10,290,116	100.000%	10,290,116
200.01 2009 Enterprise Revenue Bonds	9,524,651	100.000%	9,524,651
200.01 Public Finance Authority 1999 Lease Revenue Refund Bonds	7,336,118	100.000%	7,336,118
200.01 2008 Enterprise Revenue Bonds	17,835,374	100.000%	17,835,374
200.01 Public Finance Authority 2003 Lease Revenue Refund Bonds	7,005,176	100.000%	7,005,176
Total Direct Debt			\$ 52,296,706
Overlapping Debt			
*315.05 Metropolitan Water District	\$ 107,259,876	0.228%	\$ 245,012
793.50 Compton CCD DS 2002 Series A	35,500,000	16.796%	5,962,466
793.51 Compton CCD DS 2002 SER 2008A	14,355,000	16.796%	2,411,020
805.50 L.A. CCD DS 2001 SER-A	10,590,000	0.008%	856
805.52 L.A. CCD DS 2003 SER B	71,760,000	0.008%	5,783
805.55 L.A. CCD DS 2003 TAXABLE SER 2004B	17,935,000	0.008%	1,445
805.56 L.A. CCD DS 2001 TAXABLE SER 2004A	74,760,000	0.008%	6,025
805.57 LACC DS REF 2001 SERIES 2005 A	431,075,000	0.008%	34,741
805.58 LA CCD DS 2001, 2006 SERIES B	382,830,000	0.008%	30,853
805.59 LA CCD DS 2003, 2006 SERIES C	292,480,000	0.008%	23,571
805.60 LACC DS 2001, 2008 SER E-1	276,500,000	0.008%	22,284
805.61 LACC DS 2001, 2008 TAXABLE SER E-2	2,420,000	0.008%	195
805.62 LACC DS 2003, 2008 SER F-1	344,915,000	0.008%	27,797
805.63 LACC DS 2003, 2008 TAXABLE F-2	6,480,000	0.008%	522
805.64 LACC DS 2008, 2009 TAXABLE SER A	350,000,000	0.008%	28,207
805.65 LACC DS 2008, 2009 TAXABLE SER B	75,000,000	0.008%	6,044
805.66 LACC DEBT 2008, 2010 TAX SERIES D	175,000,000	0.008%	14,105
805.67 LACC DEBT 2010 TAX SER E (BABS)	900,000,000	0.008%	72,541
805.68 LACC DS 2008, 2010 SERIES C	125,000,000	0.008%	10,075
845.51 COMPTON USD 2002 SERIES A	2,480,000	0.701%	17,378
845.52 COMPTON USD 2002 SERIES 2004B	1,850,000	0.701%	12,963
845.53 COMPTON USD 2002 SERIES 2006C	19,999,970	0.701%	140,144
845.54 COMPTON USD 2006 REFUNDING BOND SERIES D	37,853,338	0.701%	265,246
887.50 LOS ANGELES UNIFIED DS 2010 (QSCBS)	290,195,000	0.010%	29,079
887.51 LOS ANGELES UNIFIED DS 1997 SERIES A	77,885,000	0.010%	7,785
887.53 LOS ANGELES U.S.D. DS 1997 SERIES D	318,800,000	0.010%	31,945
887.55 LOS ANGELES USD DS 1997 SERIES E	30,605,000	0.010%	3,059
887.56 LOS ANGELES USD DS 2002 REFUNDING BOND	244,115,000	0.010%	24,402
887.57 LOS ANGELES USD DS 1997 SERIES F	388,440,000	0.010%	38,829
887.58 LOS ANGELES USD DS 2002 SERIES A	267,465,000	0.010%	26,736
887.61 LOS ANGELES UNIFIED DS 2004 SERIES C 2004	41,835,000	0.010%	4,192
887.63 LOS ANGELES UNIFIED DS 2004 REFUNDING BONDS A-1	90,270,000	0.010%	9,023
887.64 LOS ANGELES UNIFIED DS 2004 REFUNDING BONDS A-2	127,315,000	0.010%	12,726
* This fund is a portion of a larger agency, and is responsible for debt in areas outside the city.			
This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city.			
887.65 LOS ANGELES UNIFIED DS 2004 SERIES E	329,680,000	0.010%	32,955
887.66 LOS ANGELES UNIFIED DS 2005 REFUNDING BONDS A-1	346,750,000	0.010%	34,661
887.67 LOS ANGELES DS 2005 REFUNDING BONDS A-2	120,925,000	0.010%	12,088
887.68 LA USD DS 2004 SERIES F	449,880,000	0.010%	44,970
887.69 LA USD DS 2006 REFUNDING SERIES A	132,325,000	0.010%	13,227
887.70 LA USD DS 2005 SERIES A (2006)	290,090,000	0.010%	28,998
887.71 LA USD DS 2005 SERIES B (2006)	344,175,000	0.010%	34,404
887.72 LA USD DS 2005 SERIES C (2006)	462,605,000	0.010%	46,242
887.73 LA USD DS 2005 SERIES D (2006)	906,905,000	0.010%	90,655
887.75 LOS ANGELES UNIF DS 2006 REF BDS SER B	559,585,000	0.010%	55,936
887.76 LOS ANGELES UNIF DS 2007 REF BDS SER A-1	1,136,865,000	0.010%	113,642
887.77 LOS ANGELES UNIF DS 2007 REF BDS SER A-2	136,055,000	0.010%	13,600
887.78 LOS ANGELES UNIF DS 2002 SER B (2007)	240,885,000	0.010%	24,079
887.79 LOS ANGELES UNIF DS 2007 REF BDS SER B	24,650,000	0.010%	2,464
887.80 LOS ANGELES UNIF DS 2002 SER C	531,245,000	0.010%	53,104
887.81 LOS ANGELES UNIF DS 2004 SER H	144,755,000	0.010%	14,470
887.82 LOS ANGELES UNIF DS 2005 SER E	36,995,000	0.010%	3,698
887.83 LOS ANGELES UNIF DS 2002 SER D	168,790,000	0.010%	16,872
887.84 LOS ANGELES UNIF DS 2004 SER I	5,615,000	0.010%	561
887.85 LOS ANGELES UNIF DS 2005 SER F	145,250,000	0.010%	14,519
887.86 LOS ANGELES UNIF DS 2002 SERIES E	157,165,000	0.010%	15,710
887.87 LOS ANGELES UNIF DS 2004 SERIES J	130,450,000	0.010%	13,040
887.88 LOS ANGELES UNIF DS 2005 SER G	3,795,000	0.010%	380
887.89 LOS ANGELES UNIF DS 2005 SER H	159,495,000	0.010%	15,943
887.90 LAUSD 2009 REFUNDING MEASURE R BONDS	20,930,000	0.010%	2,092
887.91 LAUSD MEASURE R SERIES 2009	39,000,000	0.010%	3,899
887.92 LAUSD MEASURE R 2009 SERIES KRY BABS	200,000,000	0.010%	19,995
887.93 LAUSD MEASURE Y 2009 SERIES KRY BABS	363,005,000	0.010%	36,292
887.94 LAUSD 2010 REFUNDING PROP BB BONDS	74,080,000	0.010%	7,406
887.98 LAUSD MEASURE R 2010 SERIES RY BABS	806,795,000	0.010%	80,660
887.99 LAUSD MEASURE Y 2010 SERIES RY BABS	1,250,585,000	0.010%	125,028
891.50 LYNWOOD USD DS SERIES A	17,969,801	98.175%	17,641,912
Total Overlapping Debt			\$ 28,140,557
Total Direct and Overlapping Debt			\$ 80,437,263

2010-11 Assessed Valuation: \$1,939,920,991 After Deducting \$724,759,854 Redevelopment Increment.

Debt To Assessed Valuation Ratios:

Direct Debt	2.70%
Overlapping Debt	1.45%
Total Debt	4.15%

Source: California Municipal Statistics

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	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Assessed Valuation	\$ 1,573,543,293	\$ 1,737,433,435	\$ 1,763,915,404	\$ 1,887,020,636
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 393,385,823.25	\$ 434,358,358.75	\$ 440,978,851.00	\$ 471,755,159.00
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 59,007,873.49	\$ 65,153,753.81	\$ 66,146,827.65	\$ 70,763,273.85
Total net debt applicable to the limit: General obligation bonds	-	-	-	-
Legal debt margin	\$ 59,007,873.49	\$ 65,153,753.81	\$ 66,146,827.65	\$ 70,763,273.85

Source: County of Los Angeles Auditor-Controller

**City of Lynwood
Legal Debt Margin Information
Last Ten Fiscal Years**

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 2,057,766,907	\$ 2,291,065,086	\$ 2,811,856,366	\$ 2,700,055,236	\$ 2,821,047,242	\$ 2,664,680,845
25%	25%	25%	25%	25%	25%
\$ 514,441,726.75	\$ 572,766,271.50	\$ 702,964,091.50	\$ 675,013,809.00	\$ 705,261,810.50	\$ 666,170,211.25
15%	15%	15%	15%	15%	15%
\$ 77,166,259.01	\$ 85,914,940.73	\$ 105,444,613.73	\$ 101,252,071.35	\$ 105,789,271.58	\$ 99,925,531.69
-	-	-	-	-	-
\$ 77,166,259.01	\$ 85,914,940.73	\$ 105,444,613.73	\$ 101,252,071.35	\$ 105,789,271.58	\$ 99,925,531.69

Water Revenue Bonds					
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service	
				Principal	Interest
2004	\$ 6,609,105	\$ 5,504,084	\$ 1,105,021	\$ 155,000	\$ 576,545
2005	6,739,350	5,355,881	1,383,469	285,000	871,564
2006	6,119,611	5,248,296	871,315	300,000	860,348
2007	7,508,363	5,431,047	2,077,316	310,000	848,297
2008	8,754,610	8,032,506	722,104	330,000	835,117
2009	10,183,958	7,716,303	2,467,655	340,000	820,454
2010	9,819,552	7,356,691	2,462,861	300,000	1,031,591
2011	11,803,343	10,219,367	1,583,976	350,000	1,009,893

Source: City of Lynwood

**City of Lynwood
Pledged-Revenue Coverage
Last Eight Fiscal Years**

Public Finance Authority Revenue Bonds		Tax Allocation Bonds		Other Debt	
Debt Service		Debt Service		Debt Service	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 270,000	\$ 615,538	\$ 235,000	\$ 886,870	\$ 414,442	\$ 497,754
470,000	565,678	250,000	869,997	623,487	473,144
475,000	556,195	265,000	852,012	661,841	444,608
480,000	545,490	290,000	832,242	702,821	410,967
490,000	533,775	305,000	810,664	721,285	378,481
500,000	519,910	330,000	787,552	621,678	412,400
515,000	504,162	355,000	762,576	484,502	380,160
555,000	698,763	415,000	2,329,587	374,805	289,045

**City of Lynwood
Demographic and Economic Statistics
Last Ten Calendar Years**

Calendar Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	School Enrollment	Unemployment Rate
2002	70,760	\$670,393	\$9,474	18,786	9.3%
2003	71,701	687,057	9,499	19,464	11.0%
2004	72,461	700,160	9,663	19,658	11.3%
2005	72,737	727,674	10,004	19,072	10.6%
2006	72,704	751,295	10,334	17,772	8.8%
2007	72,773	787,630	10,823	17,571	7.8%
2008	72,483	808,071	11,148	17,341	8.3%
2009	72,623	815,093	11,224	16,968	12.0%
2010	72,906	801,071	10,988	16,215	18.2%
2011	73,295	875,216	11,941	15,435	19.7%

Employer	2007		2008		2009		2010		2011	
	Employees	Rank								
Lynwood Unified School District									1,876	1
Los Angeles County Sheriff Department							1,777		302	2
Aaron Industries Inc.	140	2			150	3	320		250	3
Lynwood City Hall								229	226	4
Superior Warehouse Grocers Inc.	196	1			190	1			190	5
Jorgensen Earle M. Company					176	2			176	6
Pacer International / Conex Global									137	7
Country Villa Lynwood Health Care	85	9			120	4			120	8
St. Francis Medical Center	100	6							116	9
Marilinda Nursing Home					110	5			110	10
Michels & Company										
EMJ Metals								250		3
K and K Office Furniture								200		5
Universal Molding								175		6
Triumph Processing								175		7
Country Villa Lynwood Health Center								160		8
Jones Lumber								150		9
Airgas West	89	8						150		10
Universal Molding Co. Inc.	114	3								
Valu-Plus										
Marilinda West Nursing Homes										
Food 4 Less										
McDonalds	83	10								
Perfect Fit Industries										
La. Curacao										
West Tex Corporation	109	4								
DV Industries Inc.	103	5								
Elite Slides	90	7								
Midas Express (Los Angeles) Inc.										

Source: Business License

City of Lynwood
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
City Council	5	5	5	12	12	12	7	2.5	2.5	2.5
City Manager	12	12	12	9	11	11	11	7	6	5
City Clerk	3	4	4	4	4	3	3	3.5	3.5	3.5
City Treasurer	2	2	2	2	2	2	1.5	1.5	1.5	1.5
Finance & Administration	24	41	41	25	26	24	23.5	23.5	40	34
Human Resources	6	6	6	18	19	20	13.5	11.5	5	5
Public Works	96	102	102	62	72	68	68	55.5	80.5	71
Community Development	15	12	12	7	7	11	11	9	9	9
Development Services	16	23	23	19	20	23	21	17.5	17.5	18.5
Public Relations	0	0	0	40	40	40	39.5	38	5.5	5.5
Parks and Recreation	95	100	100	87	105	101	58	59.5	56	54.5

Source: City of Lynwood

City of Lynwood
Operating Indicators by Function/Program
Last Six Fiscal Years

	Fiscal Year					
	2006	2007	2008	2009	2010	2011
<u>Function / Program</u>						
General government						
Building permits issued	2,100	3,600	2,182	1,570	1,590	1,561
Building inspections conducted	6,300	1,560	5,325	3,794	5,200	4,160
Sheriff						
Physical arrests	2,251	2,397	3,782	4,344	3,738	3,503
Fire						
Emergency responses	4,716	3,062	3,654	3,458	4,655	4,622
Fires extinguished	273	200	168	157	138	143
Inspections	830	1,579	1,135	1,728	1,890	1,679
Refuse collection						
Refuse collected (tons per day)	228	153	75	63	72	73
Recyclables collected (tons per day)	94	56	65	41	66	60
Other public works						
Potholes repaired	73,000	12,000	15,800	5,800	7,200	7,400
Water						
Water main breaks	4	7	6	8	3	3
Average daily consumption (thousands of gallons)	5,660	5,500	5,640	5,600	5,250	5,190

Source: City of Lynwood

City of Lynwood
Capital Asset Statistics by Function/Program
Last Seven Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>						
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Sheriff							
Stations	1	1	1	1	1	1	1
Zone offices	0	0	0	0	0	0	0
Patrol units	0	0	17	23	24	24	24
Fire Stations	2	2	2	2	2	2	2
Other public works							
Streets (miles)	85	85	90	90	90	90	90
Streetlights	2,300	2,300	2,300	2,300	4,175	4,175	4175
Parks and recreation							
Acreage	35	35	35	37.9	37.9	37.9	37.9
Playgrounds	6	6	6	5	5	6	6
Baseball/softball diamonds	3	3	3	4	4	4	4
Soccer/football fields	2	2	2	3	3	3	3
Community Centers	2	2	3	3	3	4	4
Water							
Water mains (miles)	85	85	90	90	90	90	90
Fire hydrants	1,100	1,100	1,100	1,100	1,100	1,100	1100
Storage capacity (thousands of gallons)	3,000	3,000	3,000	3,000	3,000	3,000	3000
Wastewater							
Sanitary sewers (miles)	81	81	81	81	82	82	82
Storm sewers (miles)	2	2	2	2	2	2	2

Source: City of Lynwood