



CITY OF LYNWOOD

*A City Meeting Challenges*



**CAFR**

**• 2012-2013 •**

**COMPREHENSIVE ANNUAL**

**FINANCIAL**

**REPORT**



YEAR ENDING JUNE 30, 2013



**Comprehensive Annual Financial Report  
City of Lynwood, California  
Year ended June 30, 2013  
with Report of Independent Auditors**

***Prepared by: Finance Department***



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OFFICE OF THE  
CITY MANAGER

City of  
**LYNWOOD**  
Incorporated 1921  
11330 Bullis Road, Lynwood, CA 90262  
(310) 603-0220 x 200

February 24, 2014

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 2012-13. 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 Position. 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 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 object of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2013, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2013. 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.

### **Implementation of New Accounting Pronouncements**

During the fiscal year ended June 30, 2013, the City adopted the following new accounting pronouncements:

GASB Statement No. 61 (GASB 61), the Financial Reporting Entity: Omnibus, an amendment of GASB statement numbers 34 and 14, modifies certain requirements for inclusion of component units in the financial reporting entity. The City determined that the City and the component units blended with the City's financial statements comply with the new requirements noted in the amendments.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, amends the net asset reporting requirements in GASB Statement No. 34 by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position,

rather than net assets. As of June 30, 2013, the City's deferred outflows of resources represent unamortized losses on defeasance of debt which resulted from refunding of bonded debt in the prior years.

GASB Statement No. 65 Items Previously Reported as Assets and Liabilities, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Adoption of this statement resulted in restatement of the City's beginning net position balance because of the write-off of deferred bond issuance cost which was recognized as an asset in the prior years.

## **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. The Basic Financial Statements present information on the activities of the City and its component units.

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.

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 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 70,600 residents in the City of Lynwood.

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

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

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

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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

## **LOCAL ECONOMY**

The City of Lynwood, like many cities in California, has been challenged to contend with and recover from the historic economic recession over the past several years. During these difficult times, the City's major revenues of Property Tax, Sales Tax, and Users Utility Tax (UUT) all saw steep declines while costs to provide services continued to increase. The City utilized a combination of expenditure spending limits, budget cuts, hiring freezes, some increases in fees, and the prudent use of reserves to balance the budget every year.

Over the last few fiscal years, the City has been financially resilient, prudently managed its resources, and has persevered through this historic economic recession. The City continues to meet the needs of our community and provide quality core services (such as law enforcement, fire suppression, public works, and recreation services) to our residents. Property Tax and Sales Tax revenues have now stabilized and are returning back to pre-recession levels. UUT revenues are beginning to stabilize and are showing steady increases in recent years. The City has taken the necessary steps and is now on the road to economic recovery.

Despite these positive signs, the City continues to face economic challenges. Although revenues are relatively stable, operating costs continue to rise from year to year. Increases in Public Safety, health insurance premiums, retiree costs, and employee bargaining group agreements continue to adversely impact the General Fund. The City must also continue to abide by internal financial policies and maintain a sufficient reserve level in our General Fund. The City must continue to plan ahead in our road to financial stability.

The FY 15 Budget Process is now underway. Operational expenditures are expected to remain flat, while revenues are anticipated to increase by a modest 2%. The City will continue to exercise frugality, creativity, and innovation in our operations, while curbing and maintaining spending where possible. The Proposed FY 15 Budget will be a balanced budget and will aim to maintain a responsible reserve level in the General Fund while maintain quality core services and service levels the City provides to our residents. The City Manager will present the Proposed FY 15 Budget in late May or early June 2014.

## **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 City'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 21 cities, whose purpose is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurances or reinsurances, and to arrange for group-purchased insurance for property and other coverage.

The City participates in programs for worker's compensation and general liability coverage administered by ICRMA. The Worker's Comp limit is \$100,000,000 with the City's retention of \$500,000 for each occurrence. General liability coverage is \$30,000,000 with the City's retention set at \$200,000 for each occurrence. 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 \$125,000,000 with \$10,000 for each occurrence deductible. The property coverage limit is shared by 11 cities. 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**

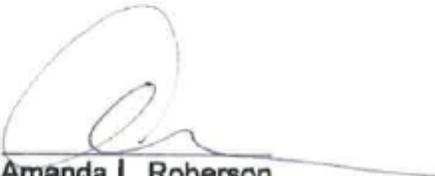
We would like to express our sincere appreciation to the entire staff of the Finance and Administration Department and most particularly the Accounting staff, for their professionalism, dedication, and efficiency in the preparation of this report. We also thank Vasquez & Company LLP, Certified Public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

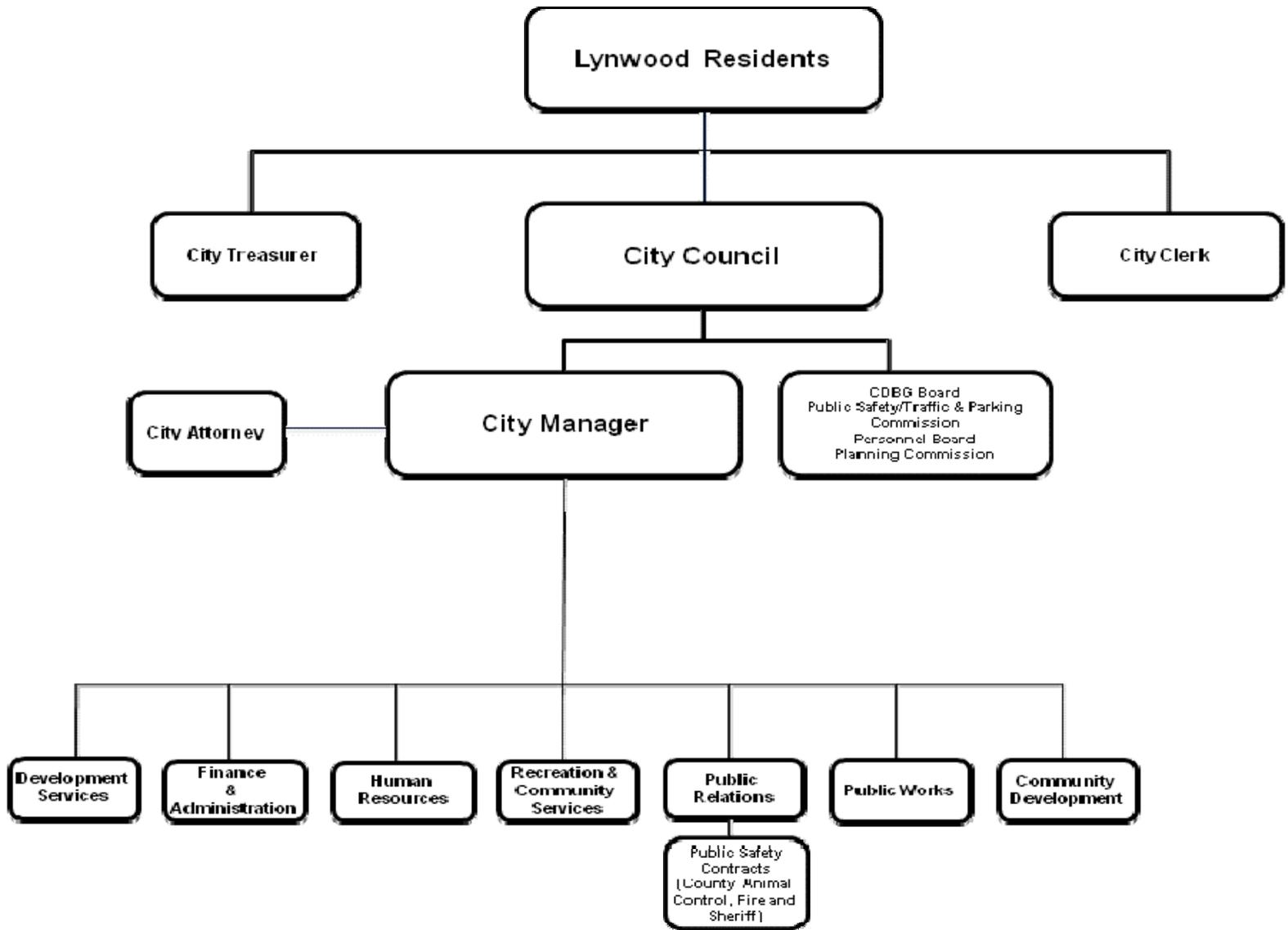


Sarah Magana-Withers  
City Manager



Amanda L. Roberson  
Director of Finance

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**CITY OF LYNWOOD  
ELECTED OFFICIALS**

**MAYOR ..... AIDE CASTRO**  
**MAYOR PRO-TEM ..... EDWIN HERNANDEZ**  
**COUNCILMEMBER ..... SALVADORE ALATORRE**  
**COUNCIL MEMBER ..... MARIA TERESA SANTILLAN-BEAS**  
**COUNCILMEMBER ..... JOSE LUIS SOLACHE**  
**CITY TREASURER ..... YOLANDA RODRIGUEZ GONZALEZ**  
**CITY CLERK ..... MARIA QUINONEZ**

**ADMINISTRATIVE STAFF**

**CITY MANAGER ..... SARAH MAGANA-WITHERS**  
**FINANCE DIRECTOR..... AMANDA ROBERSON**  
**POLICE CHIEF ..... CAPTAIN ERNIE CHAVEZ**  
**PUBLIC WORKS DIRECTOR ..... EMILIO M. MURGA**  
**DEVELOPMENT SERVICES DIRECTOR ..... JONATHAN COLIN**  
**COMMUNITY DEVELOPMENT DIRECTOR ..... SARAH MAGANA-WITHERS**  
**HUMAN RESOURCES DIRECTOR ..... HAYDEE M. SAINZ**  
**PUBLIC RELATIONS DIRECTOR ..... DEBORAH JACKSON**  
**RECREATION AND COMMUNITY SERVICES ..... MARK A. FLORES**



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Lynwood  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

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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**

### ***Report on the Financial Statements***

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 (the City), as of and for the year ended June 30, 2013, and the related notes to financial statements which collectively comprise the City's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinion***

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, as of June 30, 2013, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and budgetary comparison information and funded status of pension and other postemployment benefit plans on pages 71 through 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### ***Implementation of New Accounting Standards***

As disclosed in the Note 1 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement Nos. 61 and 63 and implemented GASB Statement No. 65 in advance during the fiscal year 2013. Among these new GASB Statements, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, has significant impact over the City's financial statements. Our opinion is not modified with respect to that matter.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Vargus + Company LLP*

**Los Angeles, California  
February 24, 2014**

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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, 2013. We encourage readers to consider information noted below in conjunction with the basic financial statements.

### **FINANCIAL HIGHLIGHTS**

- The City's total assets and deferred outflow of resources as of June 30, 2013 were \$205.7 million and total liabilities and deferred inflow of resources were \$65.7 million. The assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$140.2 million (net position).
- During the fiscal year, the City's general fund sources (including revenues and transfers in) exceeded uses (including expenditures and transfers out) by approximately \$900,000. The year-end fund balance for the General Fund was \$6.5 million of which \$494,522 was committed.
- Total revenues from all sources were \$55.3 million and total expenditures were \$55.4 million. Of the total revenues, program revenues were \$25.9 million and general revenues were \$29.4 million. Program revenues are broken into three categories: Charges for services at \$20.9 million; operating grants and contributions at \$4.5 million; and capital grants and contributions of \$562,000. General revenues comprised of property taxes in the amount of \$13.9 million, utility taxes in the amount of \$5.3 million, sales and use tax in the amount of \$6.5 million, franchise tax and business license tax in the amount of \$2.3 million.

### **ROAD MAP FOR THE FY 2012-2013 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 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 Position 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 Position 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 Position 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 deferred outflows of resources and liabilities and deferred inflows of resources 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 position and changes affecting it. The City's net position – the difference between the total assets & deferred outflows of resources and liabilities & deferred inflow of resources – are a way to measure the City's overall financial health, or financial position. Over time, increases or decreases in the City's net position 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 Position 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 and parks and recreation. 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 the Lynwood Public Financing Authority. Although legally separate, this "component unit" is important because the City is financially accountable for it. The Lynwood Utility Authority is included in the business-type activities in the Statement of Net Position 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 Position 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 Position 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 Fund**

The City maintains separate funds to report the activities of the Successor Agency to the Dissolved Redevelopment Agency. The Successor Agency is presented as a Private-purpose Trust Fund in the financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

**THE CITY AS A WHOLE**

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

**Table 1**  
**Summary of Net Position**

	Fiscal Year 2012-13 (CURRENT)			Fiscal Year 2011-12 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>						
Current Assets & Other Assets	\$ 41,448,404	\$ 23,342,315	\$ 64,790,719	\$ 33,430,758	\$ 23,445,375	\$ 56,876,133
Capital Assets	128,499,260	11,628,461	140,127,721	129,021,338	11,917,007	140,938,345
<b>Total assets</b>	<b><u>\$ 169,947,664</u></b>	<b><u>\$ 34,970,776</u></b>	<b><u>\$ 204,918,440</u></b>	<b><u>\$ 162,452,096</u></b>	<b><u>\$ 35,362,382</u></b>	<b><u>\$ 197,814,478</u></b>
<b>Deferred outflows of resources</b>						
Unamortized loss on defeasance of debt	569,593	223,966	793,559	661,929	240,426	902,355
<b>Total deferred outflows of resources</b>	<b><u>\$ 569,593</u></b>	<b><u>\$ 223,966</u></b>	<b><u>\$ 793,559</u></b>	<b><u>\$ 661,929</u></b>	<b><u>\$ 240,426</u></b>	<b><u>\$ 902,355</u></b>
<b>Liabilities:</b>						
Other Liabilities	8,173,881	1,252,699	9,426,580	7,442,234	843,496	8,285,730
Long-Term Debt Outstanding	36,087,534	20,206,009	56,293,543	29,753,035	20,614,877	50,367,912
<b>Total liabilities</b>	<b><u>\$ 44,261,415</u></b>	<b><u>\$ 21,458,708</u></b>	<b><u>\$ 65,720,123</u></b>	<b><u>\$ 37,195,269</u></b>	<b><u>\$ 21,458,373</u></b>	<b><u>\$ 58,653,642</u></b>
<b>Deferred inflows of resources</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Net Position</b>						
Net investment in capital assets	128,499,266	(2,740,381)	125,758,885	128,666,330	6,287,007	134,953,337
Restricted	28,658,109	4,637,967	33,296,076	23,375,245	4,668,469	28,043,714
Unrestricted	(30,901,533)	11,838,448	(19,063,085)	(26,122,820)	3,188,959	(22,933,861)
<b>Total net position</b>	<b><u>\$ 126,255,842</u></b>	<b><u>\$ 13,736,034</u></b>	<b><u>\$ 139,991,876</u></b>	<b><u>\$ 125,918,755</u></b>	<b><u>\$ 14,144,435</u></b>	<b><u>\$ 140,063,190</u></b>

The City's overall assets increased to \$204.9 million in FY 2012-13, and the overall liabilities increased to \$65.7 million over the same period. The net position decreased slightly from \$140.1 million to \$140.0 million.

**City of Lynwood  
Management's Discussion and Analysis  
June 30, 2013**

**Table 2  
Change in Net Position**

	Fiscal Year 2012-13 (CURRENT)			Fiscal Year 2011-12 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>REVENUES</b>						
<b>Program Revenues</b>						
Charges for services	\$ 10,464,643	\$ 10,417,014	\$ 20,881,657	\$ 11,062,503	\$ 10,301,520	\$ 21,364,023
Operating grants and contributions	4,503,248	8,541	4,511,789	6,065,095	-	6,065,095
Capital grants and contributions	561,984	-	561,984	561,984	-	561,984
Subtotal	<u>15,529,875</u>	<u>10,425,555</u>	<u>25,955,430</u>	<u>17,689,582</u>	<u>10,301,520</u>	<u>27,991,102</u>
<b>General Revenues</b>						
Property taxes	13,833,700	-	13,833,700	16,206,403	-	16,206,403
Utility users tax	5,326,570	-	5,326,570	5,356,537	-	5,356,537
Sales and use taxes	6,515,224	-	6,515,224	6,178,173	-	6,178,173
Franchise taxes	1,300,003	-	1,300,003	1,270,598	-	1,270,598
Business license taxes	1,055,541	-	1,055,541	593,911	-	593,911
Other taxes	245,822	-	245,822	123,496	-	123,496
Use of money and property	254,623	73,346	327,969	123,832	66,053	189,885
Miscellaneous	802,560	-	802,560	177,285	-	177,285
Transfers	1,083,285	(1,083,285)	-	632,419	(632,419)	-
Subtotal	<u>30,417,328</u>	<u>(1,009,939)</u>	<u>29,407,389</u>	<u>30,662,654</u>	<u>(566,366)</u>	<u>30,096,288</u>
<b>Total</b>	<b><u>45,947,203</u></b>	<b><u>9,415,616</u></b>	<b><u>55,362,819</u></b>	<b><u>48,352,236</u></b>	<b><u>9,735,154</u></b>	<b><u>58,087,390</u></b>
<b>EXPENSES</b>						
General government	14,264,425	-	14,264,425	13,596,071	-	13,596,071
Public safety	16,683,793	-	16,683,793	14,593,726	-	14,593,726
Public works	9,512,426	-	9,512,426	9,655,710	-	9,655,710
Community development	1,025,932	-	1,025,932	6,849,463	-	6,849,463
Parks and recreation	3,033,225	-	3,033,225	2,913,640	-	2,913,640
Interest and fiscal charges	1,090,315	-	1,090,315	2,926,081	-	2,926,081
Water and sewer	-	8,861,860	8,861,860	-	9,496,332	9,496,332
Transit	-	962,157	962,157	-	955,330	955,330
<b>Total</b>	<b><u>45,610,116</u></b>	<b><u>9,824,017</u></b>	<b><u>55,434,133</u></b>	<b><u>50,534,691</u></b>	<b><u>10,451,662</u></b>	<b><u>60,986,353</u></b>
Change in net position before extraordinary items	<u>337,087</u>	<u>(408,401)</u>	<u>(71,314)</u>	<u>(2,182,455)</u>	<u>(716,508)</u>	<u>(2,898,963)</u>
Extraordinary items:						
Redevelopment agency dissolution	-	-	-	787,159	-	-
Redevelopment agency receivable elimination	-	-	-	(891,712)	-	-
Total extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104,553)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>337,087</u>	<u>(408,401)</u>	<u>(71,314)</u>	<u>(2,287,008)</u>	<u>(716,508)</u>	<u>(3,003,516)</u>
Net position, beginning as restated	<u>125,918,755</u>	<u>14,144,435</u>	<u>140,063,190</u>	<u>128,205,763</u>	<u>14,860,943</u>	<u>143,066,706</u>
<b>Net position, ending</b>	<b><u>\$ 126,255,842</u></b>	<b><u>\$ 13,736,034</u></b>	<b><u>\$139,991,876</u></b>	<b><u>\$ 125,918,755</u></b>	<b><u>\$ 14,144,435</u></b>	<b><u>\$ 140,063,190</u></b>

The City's overall net position decreased since the beginning of the year, from \$140.1 million to \$140.0 million. There is a deficit between the actual revenues of \$55.3 million and the actual expenditures approximately over \$55.4 million. As reflected in the above table, the difference in revenue and expenditures is a net deficit of \$71,314. Governmental Activities resulted in a surplus of approximately \$337,000; and Business-Type Activities had a deficit of approximately \$408,000.

Compared to FY 2011-12, the City's overall revenues decreased from \$58.1 million to \$55.4 million. The decrease is revenue primarily related to the decrease in operating grants received during FY 2013. The overall expenditures decreased from \$61.0 million to \$55.2 million primarily due to the completion of major public works projects during FY 2013.

**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 2012-13 (CURRENT)			Fiscal Year 2011-12 (PRIOR)		
	Expenses	Program Revenues	Net (Expense) Revenue	Expenses*	Program Revenues	Net (Expense) Revenue
<b>FUNCTIONS/ PROGRAMS</b>						
General government	\$ 14,264,425	\$ 5,741,982	\$ (8,522,443)	\$13,596,071	\$ 5,295,201	\$ (8,300,870)
Public safety	16,683,793	1,849,201	(14,834,592)	14,593,726	2,532,883	(12,060,843)
Public works	9,512,426	4,004,633	(5,507,793)	9,655,710	4,601,948	(5,053,762)
Community development	1,025,932	3,412,610	2,386,678	6,849,463	4,333,378	(2,516,085)
Parks and recreation	3,033,225	521,449	(2,511,776)	2,913,640	926,172	(1,987,468)
Interest and fiscal charges	1,090,315	-	(1,090,315)	2,926,081	-	(2,926,081)
<b>Total</b>	<b>\$ 45,610,116</b>	<b>\$ 15,529,875</b>	<b>\$ (30,080,241)</b>	<b>\$50,534,691</b>	<b>\$ 17,689,582</b>	<b>\$ (32,845,109)</b>

The cost of the City's Governmental Activities decreased from \$50.5 million in FY 2011-12 to \$45.6 million in FY 2012-13 primarily due to decreased costs of public works and capital development contracts. The program revenue generated by these activities has decreased from \$17.7 million to \$15.5 million. The decrease was due to the decline in operating grants received in FY 2013. As a result of the respective changes in the revenues and expenditures, the net cost of the Government Activities was \$30.1 million in FY 2012-13, \$2.7 million less than the net cost of \$32.8 million recorded in FY 2011-12.

Overall, ***the cost of government in FY 2012-13 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 approximately \$600,000 in FY 2012-13, with the transit services having a net cost of below \$1 million, as opposed to the net revenue of more than \$1.6 million recorded in the water and sewer program.

Table 4  
Business-Type Activities  
Net Cost of Services

	Fiscal Year 2012-13 (CURRENT)			Fiscal Year 2011-12 (PRIOR)		
	Expenses	Program Revenues	Net (Expense) Revenue	Expenses	Program Revenues	Net (Expense) Revenue
<b>FUNCTIONS/PROGRAMS</b>						
Water & Sewer	\$ 8,861,860	\$10,417,014	\$ 1,555,154	\$ 9,496,332	\$ 10,292,343	\$ 796,011
Transit	962,157	8,541	(953,616)	955,330	9,177	(946,153)
<b>Total</b>	<b><u>\$ 9,824,017</u></b>	<b><u>\$10,425,555</u></b>	<b><u>\$ 601,538</u></b>	<b><u>\$10,451,662</u></b>	<b><u>\$ 10,301,520</u></b>	<b><u>\$ (150,142)</u></b>

The cost of the City's Business-Type Activities was \$9.8 million in FY 2012-13 and \$10.4 million in FY 2011-12. The program revenue generated by these activities was above \$10.4 million in FY 2012-13 and \$10.3 million in FY 2011-12. As a result, the net revenue of the Business-Type Activities in FY 2012-13 was slightly over \$600,000. 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 \$32.1 million, which is a \$7.1 million increase from the prior fiscal year. The increase is primarily due to the issuance of the Series 2012 Measure R Sales Tax Revenue Certificates during the current fiscal year. The General Fund had a net increase of approximately \$900,000 in its fund balance, from \$5.6 million to \$6.5 million. Of the \$6.5 million, \$494,522 is committed. The increase in fund balance was primarily due to an increase in tax revenue and fines received in fiscal year 2013.

**General Fund Budgetary Highlights**

The year-end actual revenues for the General Fund (including transfers in) were \$30.32 million; the actual expenditures (including transfers out) totaled \$29.43 million. The actual revenues including transfers, was \$69,405 above the final budget estimate, while the actual spending with transfers was \$560,253 below the final budget.

**Capital Assets**

At the end of Fiscal Year 2012-13, the City had \$140.1 million invested in capital assets. Of this amount, \$128.5 million is related to Governmental Activities and \$11.6 million to Business-type Activities. These amounts represent an overall decrease from the previous year (FY 2011-12), when the City's overall capital assets were \$140.9 million, including \$129.0 million in Governmental Activities and \$11.9 million in Business-type Activities.

**Table 5**  
**Capital Assets**

	Fiscal Year 2012-13 (CURRENT)			Fiscal Year 2011-12 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	\$ 73,487,092	\$ 36,341	\$ 73,523,433	\$ 92,843,188	\$ 36,341	\$ 92,879,529
Capital assets, net of accumulated depreciation	55,012,168	11,592,120	66,604,288	36,178,150	11,880,666	48,058,816
<b>Total</b>	<b>\$ 128,499,260</b>	<b>\$ 11,628,461</b>	<b>\$ 140,127,721</b>	<b>\$ 129,021,338</b>	<b>\$ 11,917,007</b>	<b>\$ 140,938,345</b>

Additional information on the City's Capital Assets can be found in the notes to the basic financial statements (Note 7).

**Long-Term Debt**

At fiscal year-end, the City's governmental activities accounted for approximately \$36.1 million in revenue bonds, a HUD loan, claims payable, compensated absences, and accrual for postemployment benefits. Another \$20.2 million in long term debt was outstanding for the business-type activities.

**Table 6**  
**Outstanding Long-Term Debt**

	Balance			Balance		Due Within One Year
	July 1, 2012	Additions	Repayments	June 30, 2013		
<b>Governmental Activities:</b>						
Compensated absences	\$ 1,517,933	\$ 1,091,123	\$ (1,138,450)	\$ 1,470,606	\$ 1,102,955	
Other postemployment benefits	6,851,861	1,869,000	(739,000)	7,981,861	-	
Claims payable	3,077,651	521,573	(871,032)	2,728,192	-	
HUD loan payable	4,765,000	-	(360,000)	4,405,000	380,000	
CEC loan	196,110	-	(36,217)	159,893	37,661	
Revenue bonds and certificates	13,344,480	6,572,502	(575,000)	19,341,982	770,000	
<b>Total</b>	<b>\$ 29,753,035</b>	<b>\$ 10,054,198</b>	<b>\$ (3,719,699)</b>	<b>\$ 36,087,534</b>	<b>\$ 2,290,616</b>	
<b>Business-type Activities:</b>						
Compensated absences	\$ 285,780	\$ 185,467	\$ (214,335)	\$ 256,912	\$ 192,684	
Revenue bonds	20,329,097	-	(380,000)	19,949,097	445,000	
<b>Total</b>	<b>\$ 20,614,877</b>	<b>\$ 185,467</b>	<b>\$ (594,335)</b>	<b>\$ 20,206,009</b>	<b>\$ 637,684</b>	

Additional information on the City's long-term debt can be found in the notes to the basic financial statements (Note 8).

### **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 has 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 \$16.7 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 has 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.

### **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 Position**  
**June 30, 2013**

	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 30,166,384	\$ 16,234,139	\$ 46,400,523
Receivables:			
Intergovernmental	945,021	-	945,021
Accounts	1,674,411	2,465,692	4,140,103
Interest	24,560	4,517	29,077
Notes and loans	2,420,898	-	2,420,898
Prepays and deposits	10,212		10,212
Internal balances	598,588	(598,588)	-
Restricted assets:			
Cash and investments	87,323	-	87,323
Cash and investments with fiscal agents	5,023,312	5,236,554	10,259,866
Advances to Successor Agency	-	-	-
Land held for resale	497,694	-	497,694
Capital assets not being depreciated	73,487,093	36,341	73,523,434
Capital assets, net of accumulated depreciation	55,012,167	11,592,120	66,604,287
<b>Total assets</b>	<b>169,947,663</b>	<b>34,970,775</b>	<b>204,918,438</b>
<b>Deferred outflows of resources</b>			
Unamortized loss on defeasance of debt	569,593	223,966	793,559
<b>Total deferred outflows of resources</b>	<b>569,593</b>	<b>223,966</b>	<b>793,559</b>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	5,359,572	1,095,906	6,455,478
Accrued interest payable	775,428	81,832	857,260
Due to Successor Agency	957,380	-	957,380
Unearned revenues	314,899	-	314,899
Deposits	766,602	74,960	841,562
Noncurrent liabilities:			
Due within one year	2,290,616	637,684	2,928,300
Due in more than one year	33,796,918	19,568,325	53,365,243
<b>Total liabilities</b>	<b>44,261,415</b>	<b>21,458,707</b>	<b>65,720,122</b>
<b>Deferred inflows of resources</b>	-	-	-
<b>Net position:</b>			
Net investment in capital asset	128,499,266	(2,740,381)	125,758,885
Restricted for:			
Community services	12,156,194	-	12,156,194
Public works projects	1,550,047	-	1,550,047
Debt service	13,819,745	4,637,967	18,457,712
Retirement	1,132,123		1,132,123
Unrestricted	(30,901,533)	11,838,448	(19,063,085)
<b>Total net position</b>	<b>\$ 126,255,842</b>	<b>\$ 13,736,034</b>	<b>\$ 139,991,876</b>

*See notes to financial statements.*

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 14,264,425	\$ 5,741,982	\$ -	\$ -
Public safety	16,683,793	29,187	1,820,014	-
Public works	9,512,426	3,236,640	207,609	560,384
Community development	1,025,932	936,985	2,475,625	-
Parks and recreation	3,033,225	519,849	-	1,600
Interest and fiscal charges	1,090,315	-	-	-
Total governmental activities	<u>45,610,116</u>	<u>10,464,643</u>	<u>4,503,248</u>	<u>561,984</u>
<b>Business-type activities:</b>				
Water and sewer	8,861,860	10,417,014	-	-
Transit	962,157	8,541	-	-
Total business-type activities	<u>9,824,017</u>	<u>10,425,555</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 55,434,133</u>	<u>\$ 20,890,198</u>	<u>\$ 4,503,248</u>	<u>\$ 561,984</u>

General revenues:

Taxes:

Property taxes

Utility users

Sales and use taxes

Franchise taxes

Business license taxes

Other taxes

Use of money and property

Legal settlements

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year as restated

Net position - end of year

See notes to financial statements.

**City of Lynwood  
Statement of Activities  
Year ended June 30, 2013**

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (8,522,443)	\$ -	\$ (8,522,443)
(14,834,592)	-	(14,834,592)
(5,507,793)	-	(5,507,793)
2,386,678	-	2,386,678
(2,511,776)	-	(2,511,776)
(1,090,315)	-	(1,090,315)
(30,080,241)	-	(30,080,241)
-	1,555,154	1,555,154
-	(953,616)	(953,616)
-	601,538	601,538
(30,080,241)	601,538	(29,478,703)
13,833,700	-	13,833,700
5,326,570	-	5,326,570
6,515,224	-	6,515,224
1,300,003	-	1,300,003
1,055,541	-	1,055,541
245,822	-	245,822
254,623	73,345	327,968
562,693	-	562,693
239,868	-	239,868
1,083,284	(1,083,284)	-
30,417,328	(1,009,939)	29,407,389
337,087	(408,401)	(71,314)
125,918,755	14,144,435	140,063,190
\$ 126,255,842	\$ 13,736,034	\$ 139,991,876

*See notes to financial statements.*

	<u>Special Revenue Fund</u>	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>General</u>	<u>HUD Home Program</u>
Cash and investments	\$ 3,885,921	\$ 30,513
Receivables:		
Intergovernmental	513,999	153,156
Accounts	1,207,895	-
Interest	2,390	-
Notes and loans	-	1,894,587
Prepays and deposits	10,212	-
Due from other funds	5,223,517	-
Restricted assets:		
Cash and investments	7,323	-
Cash and investments with fiscal agents	-	-
Advances to successor agency, net of allowance for uncollectible accounts of \$891,712	-	-
Land held for resale	-	497,694
<b>Total assets</b>	<b>\$ <u>10,851,257</u></b>	<b>\$ <u>2,575,950</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,118,972	\$ 88,489
Due to other funds	500,000	49,685
Unearned revenue	-	314,899
Deposits	766,602	-
Advances from successor agency	957,380	-
<b>Total liabilities</b>	<b><u>4,342,954</u></b>	<b><u>453,073</u></b>
<b>Deferred inflows of resources</b>		
Unavailable revenue	<u>26,667</u>	<u>1,637,808</u>
<b>Fund balances</b>		
Nonspendable:		
Land held for resale	-	497,694
Prepays and deposits	10,212	-
Restricted:		
Special revenue funds	-	-
Capital projects funds	-	-
Debt service funds	-	-
Committed	494,522	-
Unassigned	5,976,902	(12,625)
<b>Total fund balances</b>	<b><u>6,481,636</u></b>	<b><u>485,069</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ <u>10,851,257</u></b>	<b>\$ <u>2,575,950</u></b>

*See notes to financial statements.*

**City of Lynwood  
Governmental Funds  
Balance Sheet  
June 30, 2013**

<u>Capital Projects Fund</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Capital Improvement Projects			
\$ 27,980	\$	24,982,435	\$ 28,926,849
-		277,866	945,021
-		425,455	1,633,350
-		22,165	24,555
-		526,311	2,420,898
-		-	10,212
2,349,126		-	7,572,643
-		-	-
-		-	7,323
-		5,023,312	5,023,312
-		-	-
-		-	497,694
<u>2,377,106</u>	\$	<u>31,257,544</u>	\$ <u>47,061,857</u>
-		-	-
2,230,663	\$	582,019	\$ 5,020,143
-		5,163,962	5,713,647
-		-	314,899
-		-	766,602
-		-	957,380
<u>2,230,663</u>		<u>5,745,981</u>	<u>12,772,671</u>
-		527,501	2,191,976
-		-	497,694
-		-	10,212
-		-	-
-		13,288,317	13,288,317
146,443		13,673,302	13,819,745
-		1,550,047	1,550,047
-		-	494,522
-		(3,527,604)	2,436,673
<u>146,443</u>		<u>24,984,062</u>	<u>32,097,210</u>
\$ <u>2,377,106</u>	\$	\$ <u>31,257,544</u>	\$ <u>47,061,857</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 Position**  
**June 30, 2013**

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Total governmental fund balances	\$	32,097,210
<p>Amounts reported for governmental activities in the Statement of Net Position 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	\$	154,572,806
Less accumulated depreciation	<u>(26,928,391)</u>	127,644,415
<p>Governmental funds report the effect of 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>		
Loss on defeasance of debt (net of amortization of \$92,336)		569,593
<p>Unavailable revenues are not available to pay for current period expenditures and therefore are deferred in the funds but recognized as revenue in the Statement of Activities.</p>		
		2,191,976
<p>Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:</p>		
Compensated absences	(1,470,606)	
HUD loan payable	(4,405,000)	
CEC loan	(159,893)	
Claims payable	(849,482)	
Revenue bonds and certificates	(19,341,982)	
Other postemployment benefits	(7,981,861)	(34,208,824)
<p>Accrued interest payable due on long-term debt has not been reported in the governmental funds.</p>		
		(775,428)
<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 position</p>		
		<u>(1,263,100)</u>
Net position of governmental activities	\$	<u>126,255,842</u>

*See notes to financial statements.*

	<u>Special Revenue Fund</u>	
	<u>General</u>	<u>HUD Home Program</u>
<b>Revenues</b>		
Taxes and assessments	\$ 19,088,745	\$ -
Licenses and permits	1,416,737	-
Fines, forfeitures and penalties	1,731,441	-
Use of money and property	264,992	-
Intergovernmental	135,236	247,379
Charges for services	2,941,894	-
Administrative support	1,118,246	-
Program income	-	-
Miscellaneous	1,616,496	-
<b>Total revenues</b>	<u>28,313,787</u>	<u>247,379</u>
<b>Expenditures</b>		
Current:		
General government	4,196,386	-
Public safety	16,403,760	-
Public works	4,203,713	-
Community development	37,758	297,786
Parks and recreation	2,849,055	-
Capital outlay	-	-
Debt service:		
Principal payment	-	-
Interest and fiscal charges	-	-
<b>Total expenditures</b>	<u>27,690,672</u>	<u>297,786</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>623,115</u>	<u>(50,407)</u>
Other financing sources (uses)		
Transfers in	1,998,145	-
Transfers out	(1,741,289)	-
Proceeds from bond issuance	-	-
<b>Net other financing sources (uses)</b>	<u>256,856</u>	<u>-</u>
<b>Net change in fund balances</b>	879,971	(50,407)
<b>Fund balances - beginning of year</b>	<u>5,601,665</u>	<u>535,476</u>
<b>Fund balances - end of year</b>	<u>\$ 6,481,636</u>	<u>\$ 485,069</u>

*See notes to financial statements.*

City of Lynwood  
Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year ended June 30, 2013

<u>Capital Projects Fund</u>		
Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 7,857,837	\$ 26,946,582
-	166,061	1,582,798
-	89,326	1,820,767
-	128,664	393,656
-	4,947,118	5,329,733
-	445,883	3,387,777
-	-	1,118,246
-	29,450	29,450
-	-	1,616,496
-	13,664,339	42,225,505
5,281,891	1,159,567	10,637,844
-	263,823	16,667,583
-	4,295,813	8,499,526
-	687,363	1,022,907
-	-	2,849,055
632,062	10,241	642,303
-	971,217	971,217
-	1,047,136	1,047,136
5,913,953	8,435,160	42,337,571
(5,913,953)	5,229,179	(112,066)
5,835,632	3,742,033	11,575,810
-	(9,140,436)	(10,881,725)
-	6,563,582	6,563,582
5,835,632	1,165,179	7,257,667
(78,321)	6,394,358	7,145,601
224,764	18,589,704	24,951,609
\$ 146,443	\$ 24,984,062	\$ 32,097,210

See notes to financial statements.

**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, 2013**

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Net change in fund balances - governmental funds	\$	7,145,601
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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.</p>		
Capital outlay	\$ 642,303	
Depreciation expense	<u>(1,446,999)</u>	(804,696)
<p>Revenues that are measurable but not available. Amounts are recorded as deferred or unavailable revenue under the modified accrual basis of accounting</p>		
		(241,243)
<p>Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Position, the repayment reduces long-term liabilities. Neither transaction, however, has any effect on net position.</p>		
Principal retirement of CEC loan	36,217	
Principal repayment of HUD loan payable	360,000	
Principal repayment of revenue bonds	<u>575,000</u>	971,217
<p>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:</p>		
Interest on bonds and loan payable	49,163	
Net change in other postemployment benefits	(1,130,000)	
Net change in claims payable	401,017	
Net change in compensated absences	<u>47,327</u>	(632,493)
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position:</p>		
Proceeds from issuance of bonds		(6,563,582)
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes of the following balances:</p>		
Amortization of debt discount	(8,921)	
Amortization of deferred amount on refunding	<u>(92,336)</u>	
Combined adjustment		(101,257)
<p>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.</p>		
		<u>563,540</u>
Change in net position of governmental activities	\$	<u><u>337,087</u></u>

*See notes to financial statements.*

**City of Lynwood**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

	Business-type Activities - Enterprise Funds			Governmental
	Transit	Water and Sewer	Totals	Activities Internal Service Funds
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and investments	\$ 381,852	\$ 15,852,287	\$ 16,234,139	\$ 1,239,535
Receivables:				
Accounts	-	2,465,692	2,465,692	41,061
Interest	-	4,517	4,517	-
Due from other funds	-	-	-	500,000
<b>Total current assets</b>	<u>381,852</u>	<u>18,322,496</u>	<u>18,704,348</u>	<u>1,780,596</u>
<b>Noncurrent assets</b>				
Restricted assets:				
Deposits in trust	-	-	-	80,000
Cash and investments with fiscal agents	-	5,236,554	5,236,554	-
Capital assets, not depreciated	-	36,341	36,341	-
Capital assets, depreciated, net	-	11,592,120	11,592,120	854,850
<b>Total noncurrent assets</b>	<u>-</u>	<u>16,865,015</u>	<u>16,865,015</u>	<u>934,850</u>
<b>Total assets</b>	<u>381,852</u>	<u>35,187,511</u>	<u>35,569,363</u>	<u>2,715,446</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized loss on defeasance of debt	-	223,966	223,966	-
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>223,966</u>	<u>223,966</u>	<u>-</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	381,852	714,055	1,095,907	339,427
Accrued interest payable	-	81,832	81,832	-
Deposits	-	74,960	74,960	-
Due to other funds	-	598,587	598,587	1,760,410
Current portion of long-term debt	-	637,684	637,684	-
<b>Total current liabilities</b>	<u>381,852</u>	<u>2,107,118</u>	<u>2,488,970</u>	<u>2,099,837</u>
<b>Noncurrent liabilities</b>				
Noncurrent portion of long-term debt:				
Compensated absences	-	64,228	64,228	-
Claims payable	-	-	-	1,878,709
Revenue bonds payable	-	19,504,097	19,504,097	-
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>19,568,325</u>	<u>19,568,325</u>	<u>1,878,709</u>
<b>Total liabilities</b>	<u>381,852</u>	<u>21,675,443</u>	<u>22,057,295</u>	<u>3,978,546</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	-	-	-	-
<b>NET POSITION</b>				
Net investment in capital assets	-	(2,740,381)	(2,740,381)	854,850
Restricted for debt service	-	4,637,967	4,637,967	-
Unrestricted	-	11,838,448	11,838,448	(2,117,950)
<b>Total net position</b>	<u>\$ -</u>	<u>\$ 13,736,034</u>	<u>\$ 13,736,034</u>	<u>\$ (1,263,100)</u>

See notes to financial statements.

**City of Lynwood**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year ended June 30, 2013**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and		Totals	Internal
	Transit	Sewer		Service Funds
<b>Operating revenues</b>				
Sales and service charges	\$ 8,541	\$ 10,417,014	\$ 10,425,555	\$ 2,879,650
<b>Total operating revenues</b>	<u>8,541</u>	<u>10,417,014</u>	<u>10,425,555</u>	<u>2,879,650</u>
<b>Operating expenses</b>				
Administration	-	1,087,333	1,087,333	-
Insurance	-	-	-	786,052
Claims	-	-	-	1,528,181
Water utility	-	5,632,018	5,632,018	-
Sewer utility	-	744,726	744,726	-
Garage	-	-	-	259,754
Transit	962,157	-	962,157	-
Depreciation	-	384,847	384,847	131,323
<b>Total operating expenses</b>	<u>962,157</u>	<u>7,848,924</u>	<u>8,811,081</u>	<u>2,705,310</u>
<b>Operating income (loss)</b>	<u>(953,616)</u>	<u>2,568,090</u>	<u>1,614,474</u>	<u>174,340</u>
<b>Nonoperating revenues (expenses)</b>				
Use of money and property	-	73,345	73,345	-
Interest expense	-	(1,012,936)	(1,012,936)	-
<b>Net nonoperating revenues (expenses)</b>	<u>-</u>	<u>(939,591)</u>	<u>(939,591)</u>	<u>-</u>
Income (loss) before transfers	(953,616)	1,628,499	674,883	174,340
<b>Transfers</b>				
Transfers in	953,616	-	953,616	389,200
Transfers out	-	(2,036,900)	(2,036,900)	-
<b>Change in net position</b>	<u>-</u>	<u>(408,401)</u>	<u>(408,401)</u>	<u>563,540</u>
<b>Net position - beginning as restated</b>	<u>-</u>	<u>14,144,435</u>	<u>14,144,435</u>	<u>(1,826,640)</u>
<b>Net position - ending \$</b>	<u>-</u>	<u>\$ 13,736,034</u>	<u>\$ 13,736,034</u>	<u>\$ (1,263,100)</u>

See notes to financial statements.

**City of Lynwood**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year ended June 30, 2013**

	Business-type Activities - Enterprise Funds			Governmental
	Water and		Totals	Activities
	Transit	Sewer		Internal Service Funds
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 8,541	\$ 10,370,558	\$ 10,379,099	\$ 3,050,264
Payments to suppliers	(730,727)	(7,862,937)	(8,593,664)	(998,743)
Payments for claims	-	-	-	(1,725,160)
<b>Net cash provided by (used in) operating activities</b>	<u>(722,186)</u>	<u>2,507,621</u>	<u>1,785,435</u>	<u>326,361</u>
<b>Cash flows from noncapital financing activities</b>				
Received from other funds	953,616	-	953,616	389,200
Transferred to other funds	-	(2,036,900)	(2,036,900)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>953,616</u>	<u>(2,036,900)</u>	<u>(1,083,284)</u>	<u>389,200</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets, net	-	(121,805)	(121,805)	(413,940)
Principal payments on long-term debt	-	(380,000)	(380,000)	-
Interest paid on long-term debt	-	(995,159)	(995,159)	-
<b>Net cash used in capital and related financing activities</b>	<u>-</u>	<u>(1,496,964)</u>	<u>(1,496,964)</u>	<u>(413,940)</u>
<b>Cash flows from investing activities</b>				
Decrease in cash and investments with fiscal agents	-	1,324,960	1,324,960	-
Interest received	-	70,346	70,346	-
<b>Net cash provided by investing activities</b>	<u>-</u>	<u>1,395,306</u>	<u>1,395,306</u>	<u>-</u>
<b>Net change in cash and investments</b>	231,430	369,063	600,493	301,621
<b>Cash and investments - beginning of year</b>	150,422	15,483,224	15,633,646	937,914
<b>Cash and investments - end of year</b>	<u>\$ 381,852</u>	<u>\$ 15,852,287</u>	<u>\$ 16,234,139</u>	<u>\$ 1,239,535</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (953,616)	\$ 2,568,090	\$ 1,614,474	\$ 174,340
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	384,847	384,847	131,323
Changes in operating assets and liabilities:				
Increase in accounts receivables	-	(46,456)	(46,456)	(29,386)
(Increase) decrease in due from other funds	-	-	-	200,000
Increase in accounts payable	231,430	166,467	397,897	47,063
Decrease in claims payable	-	-	-	51,557
Increase in deposits	-	12,623	12,623	-
Increase (decrease) in due to other funds	-	(577,950)	(577,950)	(248,536)
Total adjustments	<u>231,430</u>	<u>(60,469)</u>	<u>170,961</u>	<u>152,021</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (722,186)</u>	<u>\$ 2,507,621</u>	<u>\$ 1,785,435</u>	<u>\$ 326,361</u>

See notes to financial statements.

**City of Lynwood**  
**Statement of Fiduciary Net Position**  
**June 30, 2013**

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		Successor Agency to the Dissolved Redevelopment Agency Private Purpose Trust Fund
<b>Assets</b>		
Cash and investments	\$	6,678,743
Cash and investments with fiscal agents		19,338,908
Accounts receivable, net		134,669
Notes and loans receivables		1,209,988
Due from City of Lynwood		957,380
Capital assets - land held for development		388,996
Property held for resale, net		1,998,602
<b>Total assets</b>		<u>30,707,286</u>
 <b>Liabilities</b>		
Accounts payable		941,423
Interest payable		1,328,108
Advances from City of Lynwood		891,712
Deposits payable		44,700
Long-term liabilities:		
Due within one year		595,000
Due in more than one year		33,676,450
Loans payable		-
<b>Total liabilities</b>		<u>37,477,393</u>
 <b>Fiduciary Net Position</b>		
Unrestricted Net Position	\$	<u>(6,770,107)</u>

*See notes to financial statements.*

**City of Lynwood**  
**Statement of Changes in Fiduciary Net Position**  
**Year ended June 30, 2013**

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		Successor Agency to the Dissolved Redevelopment Agency Private Purpose Trust Fund
<b>Additions:</b>		
Taxes	\$	4,497,227
Use of money and property		4,388
<b>Total revenues</b>		<u>4,501,615</u>
 <b>Deductions:</b>		
Community development		1,492,450
Debt service:		
Interest and fiscal charges		2,341,700
<b>Total expenditures</b>		<u>3,834,150</u>
 <b>Excess (deficiency) of revenues over expenditures</b>		<u>667,465</u>
 <b>Net position held in trust - beginning, as restated</b>		<u>(7,437,572)</u>
 <b>Net position held in trust - ending</b>	\$	<u><u>(6,770,107)</u></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's reporting entity includes the Lynwood Public Financing Authority and the Lynwood Utility Authority.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component unit, 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.

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

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 former Lynwood Redevelopment Agency. It was created to acquire and finance the acquisition of public capital improvements necessary or convenient for the operation of the City or Agency.

Lynwood Utility Authority

The Lynwood Utility Authority was formed in 2003, by a joint powers agreement between the City of Lynwood and the former Lynwood Redevelopment Agency. It was created to acquire, operate and maintain the utility system. The Lynwood Utility Authority is included in the business-type activities in the City's Statement of Net Position and Activities.

**Implementation of New Accounting Pronouncements**

During the fiscal year ended June 30, 2013, the City adopted the following Governmental Accounting Standards Board (GASB) statements which impacted the City's financial statements:

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB statement nos. 34 and 14*. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. The City determined that the City and the component units blended with the City's financial statements comply with the new requirements noted in the amendments.
- *GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement amends the net asset reporting requirements in GASB Statement No. 34 by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. As of June 30, 2013, the City's deferred outflows of resources represent unamortized loss on defeasance of debt which resulted from refunding of bonded debt in the prior years.
- *GASB Statement No. 65 Items Previously Reported as Assets and Liabilities*. The statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Adoption of this statement resulted in restatement of the City's beginning net position balance because of the write-off of deferred bond issuance cost which was recognized as an asset in the prior years.

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position 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.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property taxes, sales 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.

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.

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 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.

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The City reports the following fiduciary fund:

Successor Agency Private-purpose Trust Fund - This is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities and activities of the Successor Agency to the Dissolved Lynwood Redevelopment Agency. Unlike the limited reporting typically utilized for Agency Fund, the Private-purpose Trust Fund reports a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

In accordance with GASB Statement No. 62, Codification of Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA pronouncements, 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 applies all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they contradict or conflict with GASB pronouncements.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and of the Internal Service 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.

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Reporting**

Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* 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. All special revenue funds are classified as restricted.

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. The City Council, as the City's highest level of decision-making authority, may commit, through a resolution, fund balance for specific purposes pursuant to constraints imposed by such formal actions taken. Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action taken to establish the commitment. As of June 30, 2013, the City has committed \$494,522 of its fund balances for future economic uncertainties.

Assigned fund balance consists of funds that are set aside for specific purposes by the City'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.

The City Council delegates the authority to assign fund balance to the City Manager for purposes of reporting in the annual financial report.

The City considers the restricted fund balances to have been spent when expenditure is incurred for purposes for which both unrestricted and restricted fund balance is available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City to reduce the committed amounts first, followed by assigned amounts, and then unassigned amounts.

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position 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. 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.

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.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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 position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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, 2013.

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

<b>Assets</b>	<b>Years</b>
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

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement Nos. 63 and 65, the City recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. Refer to Note 15 for the list of deferred outflows and deferred inflows of resources the City has recognized as of June 30, 2013.

Claims and Judgments

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

Compensated Absences

In accordance with GASB Statement No. 16, an employee benefits 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.

Other Postemployment Benefits

The liability for accrued other postemployment benefits related to governmental activities is primarily liquidated from the general fund while the liability for business-type activities is liquidated from the enterprise funds. Refer to Note 10 for disclosures regarding other postemployment benefits.

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective Interest method. Bonds payable are reported net of applicable bond premium or discount. In accordance with GASB Statement No. 65, bond issuance costs are reported as expenditures during the year they were incurred and paid.

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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 Position

The following funds contained a deficit fund balance/net position as of June 30, 2013:

Internal Service Fund:	
Self-insurance	\$     2,838,430
Nonmajor Governmental Funds:	
Special Revenue Funds	
Traffic Safety	332,348
Lighting Maintenance	564,819
Landscape Maintenance	72,502
TEA/ISEA Grant	249,919
Justice Assistance	156
Prop 84 Park Grant	94,614
Capital Projects Fund:	
Park Replacement	2,213,246

The above deficit fund balances/net position has occurred because of the spending of funds prior to the receipt of revenues. In fiscal year 2012, the City implemented a ten year plan to restore the deficit fund balances/net position.

Excess of Expenditures Over Appropriations

The following funds contained excess of expenditures over budget as of June 30, 2013:

Fund	Final Appropriations	Expenditures	Excess
<u>Major Governmental Funds:</u>			
General Fund:			
General government:			
City council	\$     200,254	\$     205,932	\$     5,678
City treasurer	162,105	190,869	28,764
City manager	756,498	761,769	5,272
Human resources	524,187	553,969	29,782
Parks and recreation	2,805,981	2,849,055	43,074

**NOTE 2      STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

Fund	Final Appropriations	Expenditures	Excess
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Lighting Maintenance			
Public works	667,876	856,270	188,394
Landscape Maintenance			
Public works	1,150,017	1,203,690	53,673
Prop 1B			
Transfer out	345,725	346,459	734
Justice Assistance			
Public safety	74,601	82,895	8,294

**NOTE 3      CASH AND INVESTMENTS**

Cash and investments at June 30, 2013, are classified in the accompanying financial statements as follows:

	Government-wide Statement of Net Position	Statement of Fiduciary Net Position	Totals
Cash and investments	\$ 46,400,523	\$ 6,678,743	\$ 53,079,266
Restricted cash and investments:			
Cash and investments	87,323	-	87,323
Cash and investments with fiscal agents	10,259,866	19,338,908	29,598,774
	\$ 56,747,712	\$ 26,017,651	\$ 82,765,363

Cash and investments at June 30, 2013 consisted of the following:

Petty cash	\$ 4,040
Deposits with financial institutions	11,823,833
Investments	70,937,490
	\$ 82,765,363

**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	\$ 17,440,106	\$ 17,440,106	\$ -	\$ -	\$ -
Money market funds	5,755,309	5,755,309	-	-	-
Federal Agency Securities	5,493,865	497,020	2,497,792	1,999,203	499,850
Corporate Note	4,555,668	1,230,000	2,190,668	1,135,000	-
Held by bond trustees:	-	-	-	-	-
State investment pool	3,527,719	3,527,719	-	-	-
Money market funds	34,164,823	34,164,823	-	-	-
Totals	<u>\$ 70,937,490</u>	<u>\$ 62,614,977</u>	<u>\$ 4,688,460</u>	<u>\$ 3,134,203</u>	<u>\$ 499,850</u>

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

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

**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 by Standard and Poor's required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type:

Investment Type	Totals	Minimum Legal Rating	AAA	AA	A	Not Rated
State investment pool	\$ 17,440,106	N/A	-	-	-	\$ 17,440,106
Money market funds	5,755,309	N/A	-	-	-	5,755,309
Federal Agency Securities	5,493,865	AAA	5,493,865	-	-	-
Corporate Notes	4,555,668	A	-	-	4,555,668	-
Held by bond trustees:	-					
State investment pool	3,527,719	N/A	-	-	-	3,527,719
Money market funds	34,164,823	N/A	-	-	-	34,164,823
Totals	<u>\$ 70,937,490</u>		<u>\$ 5,493,865</u>	<u>\$ -</u>	<u>\$ 4,555,668</u>	<u>\$ 60,887,957</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, 2013, 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. At June 30, 2013, the City's deposits (bank balances) were fully insured by the Federal Deposit Insurance Corporation (FDIC).

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

h. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the portion in the investment pool is the same as the value of the pool shares.

**NOTE 4 NOTES AND LOANS RECEIVABLE**

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. Also, 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 circumstance, an allowance account is established to reduce the balance of loans receivable. As of June 30, 2013, the long-term receivables balance, net of allowance for the future amount expected to be forgiven of \$3,226,496, was \$2,420,898.

**NOTE 5 ACCOUNTS RECEIVABLE**

The following is a list of accounts receivable at June 30, 2013:

	Receivable	Allowance	Net
Governmental Activities:			
Intergovernmental	\$ 945,021	\$ -	\$ 945,021
Accounts (including taxes)	1,674,411	-	1,674,411
Interest	24,560	-	24,560
	\$ 2,643,992	\$ -	\$ 2,643,992
Business-type Activities:			
Accounts	\$ 2,822,232	\$ 356,540	\$ 2,465,692
Interest	4,517	-	4,517
	\$ 2,826,749	\$ 356,540	\$ 2,470,209

**NOTE 6 INTERFUND ACTIVITY**

The following represents the City's interfund activity for the fiscal year ended June 30, 2013.

**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 year. The following is a summary of current interfund balances as of June 30, 2013:

Receivable Fund	Amount	Payable Fund	Amount
Major Funds:		Major Funds:	
General	\$ 5,223,517	General	\$ 500,000
Capital Improvement Projects	2,349,126	HUD HOME Program	49,685
		Nonmajor Funds:	
		Traffic Safety	298,555
		Lighting Maintenance	526,152
		Landscape Maintenance	9,615
		Housing Community Development	33,012
		TEA/ISTEA Grant	249,919
		Justice Assistance	7,100
		Prop 84 Park Grant	94,614
		Park Replacement	2,213,246
		2012 Measure R Bond Proceeds	1,731,748
		Proprietary Fund:	
		Water and Sewer	598,587
Internal Service Fund:		Internal Service Fund:	
Self-insurance	500,000	Self-insurance	1,760,410
Totals	\$ 8,072,643		\$ 8,072,643

**Interfund Advances**

Advances from Successor Agency

Noncurrent Advances from the Successor Agency to the City (General Fund) at June 30 were as follows:

Receivable Fund	Payable Fund	Amount
Successor Agency Private Purpose Trust Fund	General	\$ <u>957,380</u>

**NOTE 6 INTERFUND ACTIVITY (CONTINUED)**

Advances to Successor Agency

In prior years, the City's General Fund advanced \$891,712 to the former Lynwood Redevelopment Agency (RDA) for various redevelopment projects. In June 2011, Assembly Bill 26 (1st extraordinary session) dissolved the former RDA, effective (after some litigation on the matter) February 1, 2012. As part of the dissolution process set forth in that bill and a later bill clarifying and modifying the terms of the dissolution (Assembly Bill 1484, adopted in June 2012), the loan from the City to the former Redevelopment Agency as considered by the Department of Finance to be unenforceable. The successor agency to the former RDA has sought reconsideration by the Department of Finance as to the enforceability of the loan. Because of the uncertainty of collection by the General Fund, full loan amount of \$891,712 has been reserved as potentially uncollectible as of June 30, 2013.

**Transfers**

With Council approval, resources may be transferred from one City fund to another. Interfund transfers were principally used to set aside tax increment revenues, to transfer monies to make debt service payments on outstanding bonds and to transfer monies to reimburse the General Fund and other non-major governmental funds for public works and improvement project costs.

Funds	Transfer in	Transfer out
<b>Major Governmental Funds:</b>		
General	\$ 1,998,145	\$ 1,741,289
Capital Improvement Projects	5,835,632	-
<b>Nonmajor Governmental Funds:</b>		
Retirement	-	1,758,828
Traffic Safety	1,674,723	-
Gas Tax	-	1,743,998
SB 821	-	4,917
Prop A	-	666,462
Prop C	-	783,506
Measure R	-	549,760
Air Quality Improvement	-	90,000
Lighting Maintenance	58,315	295,350
Landscape Maintenance	307,889	237,934
Impact Fees	-	16,927
Public Art	-	1,781
Litter Abatement	23,401	75,000
Housing Community Development (HUD)	-	520,990
LA County Park Maintenance Grant	-	13,182
Other Grants	-	178,067
TEA/ISTEA Grant	30,473	-
Prop 1B	-	346,459
Prop 84 Park Grant	-	94,614
City of Lynwood	1,351,214	10,033
Public Finance Authority	9,328	-
Park Replacement	276,656	-
2010 Lease Revenue Bonds Series A	10,033	-
2012 Measure R Bond Proceeds	-	1,752,628
<b>Internal Service Fund:</b>		
Self-insurance	389,200	-
<b>Major Enterprise Fund:</b>		
Transit	953,616	-
Water and Sewer	-	2,036,900
<b>Totals</b>	<b>\$ 12,918,625</b>	<b>\$ 12,918,625</b>

**NOTE 7 CAPITAL ASSETS**

**Governmental Activities**

Capital asset governmental activity for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012 (as restated)	Additions	Deletions	Balance June 30, 2013
<b>Governmental Activities</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 48,039,074	\$ -	\$ -	\$ 48,039,074
Rights of way	22,904,315	-	-	22,904,315
Trees	287,627	-	-	287,627
Construction in progress	3,484,541	-	(1,228,464)	2,256,077
Total capital assets not being depreciated	<u>74,715,557</u>	<u>-</u>	<u>(1,228,464)</u>	<u>73,487,093</u>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	11,086,295	-	-	11,086,295
Machinery and equipment	3,446,150	642,303	-	4,088,453
Infrastructure				
Roadways, curbs and gutters	53,812,775	1,228,464	-	55,041,239
Sidewalks and medians	6,112,918	-	-	6,112,918
Other street appurtenances	4,756,803	-	-	4,756,803
Total capital assets being depreciated	<u>79,214,941</u>	<u>1,870,767</u>	<u>-</u>	<u>81,085,708</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,426,399)	(194,066)	-	(5,620,465)
Machinery and equipment	(2,534,353)	(331,253)	-	(2,865,606)
Infrastructure				
Roadways, curbs and gutters	(12,352,398)	(689,136)	-	(13,041,534)
Sidewalks and medians	(2,782,220)	(127,756)	-	(2,909,976)
Other street appurtenances	(2,386,022)	(104,788)	-	(2,490,810)
Total accumulated depreciation	<u>(25,481,392)</u>	<u>(1,446,999)</u>	<u>-</u>	<u>(26,928,391)</u>
Capital assets being depreciated, net	<u>53,733,549</u>	<u>423,768</u>	<u>-</u>	<u>54,157,317</u>
Governmental activities capital assets, net	<u>\$ 128,449,106</u>	<u>\$ 423,768</u>	<u>\$ (1,228,464)</u>	<u>\$ 127,644,410</u>

**Internal Service Fund (Allocated to Governmental Activities)**

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>Capital assets being depreciated:</b>				
Machinery and equipment	\$ 1,749,299	\$ 413,940	\$ -	\$ 2,163,239
Total capital assets being depreciated	<u>1,749,299</u>	<u>413,940</u>	<u>-</u>	<u>2,163,239</u>
Less accumulated depreciation for:				
Machinery and equipment	(1,177,066)	(131,323)	-	(1,308,389)
Total accumulated depreciation	<u>(1,177,066)</u>	<u>(131,323)</u>	<u>-</u>	<u>(1,308,389)</u>
Capital assets being depreciated, net	<u>\$ 572,233</u>	<u>\$ 282,617</u>	<u>\$ -</u>	<u>\$ 854,850</u>

**NOTE 7      CAPITAL ASSETS (CONTINUED)**

Total Governmental Activities

	Balance July 1, 2012 (as restated)	Additions	Deletions	Balance June 30, 2013
<b>Governmental Activities</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 48,039,074	\$ -	\$ -	\$ 48,039,074
Rights of way	22,904,315	-	-	22,904,315
Trees	287,627	-	-	287,627
Construction in progress	3,484,541	-	(1,228,464)	2,256,077
Total capital assets not being depreciated	<u>74,715,557</u>	<u>-</u>	<u>(1,228,464)</u>	<u>73,487,093</u>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	11,086,295	-	-	11,086,295
Machinery and equipment	5,195,449	1,056,244	-	6,251,693
Infrastructure				
Roadways, curbs and gutters	53,812,775	1,228,464	-	55,041,239
Sidewalks and medians	6,112,918	-	-	6,112,918
Other street appurtenances	4,756,803	-	-	4,756,803
Total capital assets being depreciated	<u>80,964,240</u>	<u>2,284,708</u>	<u>-</u>	<u>83,248,948</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,426,399)	(194,067)	-	(5,620,466)
Machinery and equipment	(3,711,419)	(462,576)	-	(4,173,995)
Infrastructure				
Roadways, curbs and gutters	(12,352,398)	(689,136)	-	(13,041,534)
Sidewalks and medians	(2,782,220)	(127,756)	-	(2,909,976)
Other street appurtenances	(2,386,023)	(104,787)	-	(2,490,810)
Total accumulated depreciation	<u>(26,658,459)</u>	<u>(1,578,322)</u>	<u>-</u>	<u>(28,236,781)</u>
Capital assets being depreciated, net	<u>54,305,781</u>	<u>706,386</u>	<u>-</u>	<u>55,012,167</u>
Governmental activities capital assets, net	<u>\$ 129,021,338</u>	<u>\$ 706,386</u>	<u>\$ (1,228,464)</u>	<u>\$ 128,499,260</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	\$ 230,695	\$ -	\$ 230,695
Public safety	16,211	-	16,211
Public works	1,012,899	131,323	1,144,222
Community development	3,025	-	3,025
Parks and recreation	184,169	-	184,169
	<u>\$ 1,446,999</u>	<u>\$ 131,323</u>	<u>\$ 1,578,322</u>

**NOTE 7      CAPITAL ASSETS (CONTINUED)**

**Business-type Activities**

Capital asset business-type activity (Water activity) for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>Water Activity:</b>				
<b>Capital assets not being depreciated</b>				
Land	\$ 36,341	\$ -	\$ -	\$ 36,341
Total capital assets not being depreciated	<u>36,341</u>	<u>-</u>	<u>-</u>	<u>36,341</u>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	35,499	-	-	35,499
Machinery and equipment	482,640	203,798	-	686,438
Infrastructure	<u>17,960,777</u>	<u>1,054,332</u>	<u>(1,640,167)</u>	<u>17,374,942</u>
Total capital assets being depreciated	<u>18,478,916</u>	<u>1,258,130</u>	<u>(1,640,167)</u>	<u>18,096,879</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,071)	(710)	-	(12,781)
Machinery and equipment	(57,646)	(48,026)	-	(105,672)
Infrastructure	<u>(6,528,533)</u>	<u>(336,111)</u>	<u>478,338</u>	<u>(6,386,306)</u>
Total accumulated depreciation	<u>(6,598,250)</u>	<u>(384,847)</u>	<u>478,338</u>	<u>(6,504,759)</u>
Capital assets being depreciated, net	<u>11,880,666</u>	<u>873,283</u>	<u>(1,161,829)</u>	<u>11,592,120</u>
Water capital assets, net	<u>\$ 11,917,007</u>	<u>\$ 873,283</u>	<u>\$ (1,161,829)</u>	<u>\$ 11,628,461</u>

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

Business-type Activities:	
Water	\$384,847

During the year, the City corrected the beginning balance of the government-wide capital assets. The City booked capital asset additions in the amount of \$355,015 which were not recognized in prior years.

**NOTE 8      LONG-TERM LIABILITIES**

The following is a summary of changes in the City's long-term liabilities for the year ended June 30, 2013:

	Balance			Balance	Due Within
	July 1, 2012	Additions	Repayments	June 30, 2013	One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 1,517,933	\$ 1,091,123	\$ (1,138,450)	\$ 1,470,606	\$ 1,102,955
Other postemployment benefits	6,851,861	1,869,000	(739,000)	7,981,861	-
Claims payable	3,077,651	521,573	(871,032)	2,728,192	-
HUD loan payable	4,765,000	-	(360,000)	4,405,000	380,000
CEC loan	196,110	-	(36,217)	159,893	37,661
Revenue bonds and certificates	13,344,480	6,572,502	(575,000)	19,341,982	770,000
Total	<u>\$ 29,753,035</u>	<u>\$ 10,054,198</u>	<u>\$ (3,719,699)</u>	<u>\$ 36,087,534</u>	<u>\$ 2,290,616</u>
<b>Business-type Activities:</b>					
Compensated absences	\$ 285,780	\$ 185,467	\$ (214,335)	\$ 256,912	\$ 192,684
Revenue bonds	20,329,097	-	(380,000)	19,949,097	445,000
Total	<u>\$ 20,614,877</u>	<u>\$ 185,467</u>	<u>\$ (594,335)</u>	<u>\$ 20,206,009</u>	<u>\$ 637,684</u>

Debt service payments for governmental activities are made from Debt Service Funds. The other postemployment benefits obligation is primarily liquidated from the General Fund. Governmental activities long-term debt at June 30, 2013 consisted of the following:

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, 2013 is \$2,728,192.

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, 2013 was \$4,405,000.

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 is 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. The balance of the loan outstanding at June 30, 2013 was \$159,893.

**NOTE 8      LONG-TERM LIABILITIES (CONTINUED)**

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 were 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.

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 were 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, 2013 was \$4,035,000.

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 were 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 principal balance outstanding at June 30, 2013 including unamortized discount of \$241,600 was \$8,743,400.

City of Lynwood Measure R Sales Tax Revenue Certificates, Series 2012

On December 5, 2012, the City issued \$6,850,000, of Measure R Sales Tax Revenue Certificates, Series 2012. The proceeds were used to finance the costs of the acquisition, construction, installation and equipping of certain public capital improvements for the City, fund a reserve account and pay cost of issuance of the bonds. Interest on the bonds is payable semi-annually each June 1 and December 1, beginning June 1, 2013. Principal matures each June 1 beginning 2014 and maturing in 2039. Interest rates on the bonds vary between 1.75% and 4.00%. The principal balance outstanding at June 30, 2013 was \$6,563,582.

**NOTE 8      LONG-TERM LIABILITIES (CONTINUED)**

Business-type long-term debt at June 30, 2013 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, 2013 including unamortized premium of \$25,492 was \$5,505,492.

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 of 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. 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 8      LONG-TERM LIABILITIES (CONTINUED)**

The principal balance outstanding at June 30, 2013 including unamortized discount of \$41,650 was \$8,863,350

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. 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 principal balance outstanding at June 30, 2013 including unamortized discount of \$79,745 was \$5,580,255.

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, 2013 including interest are as follows:

**NOTE 8      LONG-TERM LIABILITIES (CONTINUED)**

Governmental Long-term Debt Amortization (continued)

Total Long-term Debt			
Year ending June 30,	Principal	Interest	Total
2014	\$ 1,187,661	\$ 1,124,029	\$ 2,311,690
2015	1,244,163	1,069,958	2,314,121
2016	1,300,719	1,008,530	2,309,249
2017	1,377,350	941,328	2,318,678
2018	1,400,000	870,311	2,270,311
2019-2023	5,735,000	3,391,943	9,126,943
2024-2028	3,380,000	2,477,212	5,857,212
2029-2033	3,380,000	1,712,537	5,092,537
2034-2038	3,683,582	923,731	4,607,313
2039	1,460,000	102,750	1,562,750
Less - discount	(241,600)	-	(241,600)
Totals	\$ 23,906,875	\$ 13,622,329	\$ 37,529,204

HUD Section 108 Loan			
Year ending June 30,	Principal	Interest	Total
2014	\$ 380,000	\$ 243,980	\$ 623,980
2015	405,000	224,933	629,933
2016	430,000	199,983	629,983
2017	460,000	174,988	634,988
2018	485,000	147,955	632,955
2019-2022	2,245,000	278,456	2,523,456
Totals	\$ 4,405,000	\$ 1,270,295	\$ 5,675,295

Public Financing Authority 2003 Lease Revenue Refunding Bonds			
Year ending June 30,	Principal	Interest	Total
2014	\$ 600,000	\$ 180,594	\$ 780,594
2015	625,000	154,172	779,172
2016	650,000	124,250	774,250
2017	685,000	90,875	775,875
2018	720,000	55,750	775,750
2019	755,000	18,875	773,875
Totals	\$ 4,035,000	\$ 624,516	\$ 4,659,516

**NOTE 8      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
2014	\$ -	\$ 470,600	\$ 470,600
2015	-	470,600	470,600
2016	-	470,600	470,600
2017	-	470,600	470,600
2018	-	470,600	470,600
2019-2023	1,645,000	2,219,331	3,864,331
2024-2028	2,110,000	1,780,731	3,890,731
2029-2033	1,905,000	1,216,256	3,121,256
2034-2038	2,245,000	680,900	2,925,900
2039-2040	1,080,000	89,925	1,169,925
Less - discount	(241,600)	-	(241,600)
Totals	\$ 8,743,400	\$ 8,340,143	\$ 17,083,543

City of Lynwood 2012 Series Measure R Sales Tax Revenue Certificates			
Year ending June 30,	Principal	Interest	Total
2014	\$ 170,000	\$ 222,906	\$ 392,906
2015	175,000	217,806	392,806
2016	180,000	210,806	390,806
2017	190,000	203,606	393,606
2018	195,000	196,006	391,006
2019-2023	1,090,000	875,281	1,965,281
2024-2028	1,270,000	696,481	1,966,481
2029-2033	1,475,000	496,281	1,971,281
2034-2038	1,438,582	242,831	1,681,413
2039	380,000	12,825	392,825
Totals	\$ 6,563,582	\$ 3,374,829	\$ 9,938,411

CEC Loan			
Year ending June 30,	Principal	Interest	Total
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	\$ 159,893	\$ 14,547	\$ 174,440

**NOTE 8      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, 2013 including interest are as follows:

Total Long-term Debt			
Year ending June 30,	Principal	Interest	Total
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	510,000	919,069	1,429,069
2018	535,000	894,669	1,429,669
2019-2023	3,810,000	4,062,994	7,872,994
2024-2028	6,070,000	2,916,569	8,986,569
2029-2033	4,580,000	1,482,013	6,062,013
2034-2038	3,140,000	476,588	3,616,588
Less - discount	(95,903)	-	(95,903)
Totals	\$ 19,949,097	\$ 13,637,769	\$ 33,586,866

2003 Enterprise Revenue Bonds			
Year ending June 30,	Principal	Interest	Total
2014	\$ 155,000	\$ 274,000	\$ 429,000
2015	160,000	266,250	426,250
2016	170,000	258,250	428,250
2017	180,000	249,750	429,750
2018	185,000	240,750	425,750
2019-2023	1,080,000	1,055,000	2,135,000
2024-2028	1,380,000	756,500	2,136,500
2029-2033	1,765,000	374,750	2,139,750
2034	405,000	20,250	425,250
Plus - premium	25,492	-	25,492
Totals	\$ 5,505,492	\$ 3,495,500	\$ 9,000,992

**NOTE 8      LONG-TERM LIABILITIES (CONTINUED)**

Business-type Long-term Debt Amortization

2008 Enterprise Revenue Bonds			
Year ending June 30,	Principal	Interest	Total
2014	\$ 190,000	\$ 446,331	\$ 636,331
2015	205,000	436,831	641,831
2016	210,000	428,631	638,631
2017	220,000	418,131	638,131
2018	235,000	407,131	642,131
2019-2023	1,325,000	1,864,869	3,189,869
2024-2028	1,665,000	1,527,794	3,192,794
2029-2033	2,120,000	1,072,513	3,192,513
2034-2038	2,735,000	456,338	3,191,338
Less - discount	(41,650)	-	(41,650)
Totals	\$ 8,863,350	\$ 7,058,569	\$ 15,921,919

2009 Enterprise Revenue Bonds			
Year ending June 30,	Principal	Interest	Total
2014	\$ 100,000	\$ 261,650	\$ 361,650
2015	105,000	258,800	363,800
2016	105,000	255,125	360,125
2017	110,000	251,188	361,188
2018	115,000	246,788	361,788
2019-2023	1,405,000	1,143,125	2,548,125
2024-2028	3,025,000	632,275	3,657,275
2029	695,000	34,750	729,750
Less - discount	(79,745)	-	(79,745)
Totals	\$ 5,580,255	\$ 3,083,700	\$ 8,663,955

**NOTE 9      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 9      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 2012/13 was 22.877% 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, 2013, the City's annual pension cost of \$2,150,752 and \$902,078 for PERS' miscellaneous and safety plan, respectively, were equal to the City's required and actual contributions. The required contribution was determined by actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.5% 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 2.75% 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 9      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
6/30/2011	\$ 1,884,712	100%	\$ -
6/30/2012	2,142,256	100%	-
6/30/2013	2,150,752	100%	-

Three-Year Trend Information - Safety Plan

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC contributed	Net Pension Obligation
6/30/2011	\$ 775,018	100%	\$ -
6/30/2012	898,742	100%	-
6/30/2013	902,078	100%	-

**Funded Status and Funding Progress (Unaudited)**

Miscellaneous Plan

As of June 30, 2011, the most recent actuarial valuation date, the plan was 79.3% funded. The actuarial accrued liability for benefits was \$69,114,327 and the actuarial value of assets was \$54,837,981 resulting in an unfunded actuarial accrued liability (UAAL) of \$14,276,346. The covered payroll (annual payroll of active employees covered by the plan) was \$8,730,766 and the ratio of the UAAL to the covered payroll was 163.5%.

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, 2012, the most recent actuarial valuation date, the risk pool was 69.9% funded. The actuarial accrued liability for benefits was \$839,968,292 and the actuarial value of assets was \$743,174,027 resulting in an unfunded actuarial accrued liability (UAAL) of \$96,794,265. 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 10      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, 2013, 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	91
Active/full-time employees	<u>181</u>
	<u>272</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, 2013, those costs totaled \$561,000. 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 \$739,000.

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 contribution and benefits and/or insurance premiums actually paid and the City's Net OPEB obligation as of June 30, 2013:

	Amount
Annual required contribution	\$ 2,131,000
Interest on net OPEB obligation	338,000
Adjustment to annual required contribution	<u>(600,000)</u>
Annual OPEB cost (expense)	1,869,000
Annual contribution made	<u>(739,000)</u>
Increase in net OPEB obligation	1,130,000
Net OPEB obligation - beginning of year	<u>6,851,861</u>
Net OPEB obligation - end of year	<u>\$ 7,981,861</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 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

In the June 30, 2011 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 4.55% 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.

Trend information for annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation is as follows:

Three-Year Trend Information - OPEB

Fiscal Year Ended	Annual Pension Cost (APC)	Annual Contribution	Percentage of APC contributed	Net Pension Obligation
6/30/2011	\$ 2,614,456	\$ 449,092	17%	\$ 5,721,861
6/30/2012	2,144,960	570,034	27%	6,581,861
6/30/2013	1,869,000	739,000	40%	7,981,861

The funded status of the plan as of June 30, 2011, the plan's most recent actuarial valuation date, was:

Actuarial accrued liability (AAL)	\$ 18,979,000
Less Actuarial value of plan assets	<u>506,000</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 18,473,000</u>
Funded ratio (actuarial value of plan assets AAL)	3%
Covered Payroll	<u>\$ 9,245,000</u>
UAAL as a percentage of covered payroll	<u>200%</u>
Normal cost	<u>\$ 917,000</u>

Actual 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 11 FUND BALANCES AND NET POSITION**

**Fund Balances**

Fund balances at June 30, 2013, consisted of the following:

	General	HUD Home Program Special Revenue	Capital Improvement Projects Capital Projects	Other Governmental Funds	Total
<b>Nonspendable</b>					
Land held for resale	\$ -	\$ 497,694	\$ -	\$ -	\$ 497,694
Prepays and deposits	10,212	-	-	-	10,212
	<u>10,212</u>	<u>497,694</u>	<u>-</u>	<u>-</u>	<u>507,906</u>
<b>Restricted</b>					
Community services	-	-	-	12,156,194	12,156,194
Retirement	-	-	-	1,132,123	1,132,123
Public works projects	-	-	146,443	13,673,302	13,819,745
Debt service	-	-	-	1,550,047	1,550,047
Subtotal	<u>-</u>	<u>-</u>	<u>146,443</u>	<u>28,511,666</u>	<u>28,658,109</u>
<b>Committed</b>					
Economic uncertainties	<u>494,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 494,522</u>
<b>Unassigned</b>					
	<u>5,976,902</u>	<u>(12,625)</u>	<u>-</u>	<u>(3,527,604)</u>	<u>\$ 2,436,673</u>
Total fund balances	<u>\$ 6,481,636</u>	<u>\$ 485,069</u>	<u>\$ 146,443</u>	<u>\$ 24,984,062</u>	<u>\$ 32,097,210</u>

**Net Position**

*Net investment in capital assets* - This represents the City's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

*Restricted net position* - Restricted net position include resources in which the City is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties or by enabling legislation adopted by the City.

Included in restricted net position are those which are restricted due to enabling legislation. The total amount of restricted net position due to enabling retirement legislation is \$1,132,123.

*Unrestricted net position* - Unrestricted net position represents resources available to be used for transactions relating to the general operations of the City, and may be used at the discretion of the governing board, as designated, to meet current expenses for specific future purposes.

**NOTE 12      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.

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:

- o risk premium - to fund losses as estimated by ICRMA's independent actuary and to fund the cost of reinsurance
- o 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.

**NOTE 12      RISK MANAGEMENT (CONTINUED)**

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.

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, 2013 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, 2013:

	Workers' Compensation	General Liability	Total
Claims and judgments at July 1, 2012	\$ 1,827,152	\$ 1,250,499	\$ 3,077,651
Claims incurred and changes in estimates	295,491	226,082	521,573
Claims payment	(243,934)	(627,098)	(871,032)
Claims and judgments at June 30, 2013	\$ 1,878,709	\$ 849,483	\$ 2,728,192

As of June 30, 2013 the unpaid workers' compensation claims in the amount of \$1,878,709 was reported in the self-insurance fund. The unpaid general liability claims in the amount of \$849,483 was reported as long-term debt in the City's general long term debt account group.

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 12      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 13      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 14      COMMITMENTS AND CONTINGENCIES**

Set forth below are commitments and contingencies pertaining to the former Lynwood Redevelopment Agency, which have been assumed by the Successor Agency.

**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 former Lynwood Redevelopment Agency, the Successor Agency is obligated with respect to this development as follows:

- 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 14      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 park place 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.

**Others**

In prior years, a trial court ordered the former 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, 2014, the case is still pending. The Lynwood Redevelopment Agency recorded a liability of approximately \$600,000 as of June 30, 2013 since the claim was denied by the Lynwood Redevelopment Agency's insurance carrier.

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

**NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

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 is a defendant in certain legal claims and actions arising from the normal course of operations. In the opinion of management and legal counsel, such claims and actions will not have a material adverse effect on the City's financial position.

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, 2013.

**NOTE 15 DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the City recognized deferred outflows of resources in the City's financial statements. The deferred outflow of resources pertains to the unamortized loss on defeasance of debt. Previous financial reporting standards require this amount to be presented as part of the City's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

	Governmental Activities Balance at June 30, 2013	Business-type Activities Balance at June 30, 2013
Deferred outflow of resources:		
Unamortized loss on defeasance of debt	\$ <u>569,593</u>	\$ <u>223,966</u>

The deferred inflow of resources pertains to unavailable revenues which represent receivables that were not received within the availability period.

	Governmental Activities Balance at June 30, 2013
Deferred inflow of resources:	
Unavailable Revenue - Receivables that were not received within the availability period and were not recognized as revenues	\$ <u>2,191,976</u>

**NOTE 16 CHANGE IN ACCOUNTING PRINCIPLE**

Pursuant to GASB Statement Number 65, “*Items Previously Reported as Assets and Liabilities*,” the City no longer amortizes the cost of debt issuance. These amounts should be expensed in the year they are incurred. The City made adjustments for these items as a cumulative effect of change in accounting principle in the current fiscal year. This resulted in the beginning Net Position for governmental activities and business-type activities being reduced by \$115,100 and \$716,508, respectively. Total impact to Net Position was a decrease of \$831,608.

**NOTE 17 SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY**

The accompanying financial statements also include the Private-purpose Trust Fund for the Successor Agency to the City’s former Redevelopment Agency (Successor Agency). The City, as the Successor Agency, serves in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency. Its assets are held in trust for the benefit of the taxing entities within the former Redevelopment Agency’s boundaries and as such, are not available for the use of the City.

Disclosures related to the certain assets and long-term liabilities of the Successor Agency are as follows:

**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. The Successor Agency also extended rehabilitation loans to property owners for the rehabilitation and improvements of commercial buildings. As of June 30, 2013, the long-term receivables balance was \$1,209,988.

Outstanding  
Balance  
June 30,  
2013

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In June 2002, the former Lynwood Redevelopment 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 expected to be forgiven.

\$ 33,421

**NOTE 17      SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY**

In March 2002, the former Lynwood Redevelopment 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. \$            9,748

The former Lynwood Redevelopment 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. 30,126

The former Lynwood Redevelopment 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. 2,905

In February 2009, the former Lynwood Redevelopment 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. 437,491

In July 2009, the former Lynwood Redevelopment 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

**NOTE 17      SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY (CONTINUED)**

In April 2009, the former Lynwood Redevelopment 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
Notes and loans receivables	\$ 1,209,988

**Disclosure of Successor Agency Debts**

Details of the Successor Agency's long-term debt as of June 30, 2013 follow:

	Balance July 1, 2012	Additions	Repayments	Balance June 30, 2013	Due Within One Year
1999 Tax Allocation Bonds Series A	\$ 10,235,000	\$ -	\$ -	\$ 10,235,000	\$ -
1999 Tax Allocation Bonds Series B	395,000	-	(395,000)	-	-
1999 Tax Allocation Bonds Alameda	915,000	-	(45,000)	870,000	50,000
2011 Tax Allocation Bonds Series A	18,480,000	-	(305,000)	18,175,000	420,000
2011 Tax Allocation Bonds Series B	5,660,000	-	(200,000)	5,460,000	125,000
Discount on bonds	(487,170)	18,620	-	(468,550)	-
Total	\$ 35,197,830	\$ 18,620	\$ (945,000)	\$ 34,271,450	\$ 595,000

**1999 Tax Allocation Bonds**

On October 1, 1999, the former Lynwood Redevelopment 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. The principal balance outstanding as of June 30, 2013, is \$11,105,000. As of June 30, 2013 future debt service principal and interest payments on the 1999 Tax Allocation Bonds are as follows:

**NOTE 17      SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY (CONTINUED)**

1999 Tax Allocation Bonds Series A			
Year ending June 30,	Principal	Interest	Total
2014	\$ 395,000	\$ 590,929	\$ 985,929
2015	420,000	567,090	987,090
2016	445,000	541,789	986,789
2017	475,000	514,878	989,878
2018	500,000	486,360	986,360
2019-2023	3,005,000	1,937,870	4,942,870
2024-2028	4,035,000	905,798	4,940,798
2029	960,000	28,320	988,320
Totals	\$ 10,235,000	\$ 5,573,034	\$ 15,808,034

1999 Tax Allocation Bonds Alameda			
Year ending June 30,	Principal	Interest	Total
2014	\$ 50,000	\$ 53,235	\$ 103,235
2015	55,000	49,928	104,928
2016	55,000	46,462	101,462
2017	60,000	42,840	102,840
2018	65,000	38,903	103,903
2019-2023	390,000	125,685	515,685
2024-2025	195,000	12,443	207,443
Totals	\$ 870,000	\$ 369,496	\$ 1,239,496

2011 Taxable Tax Allocation Bonds

On March 7, 2011, the former Lynwood Redevelopment 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, 2013, including unamortized discount of \$468,550, is \$23,166,450. Future debt service principal and interest payments on the 2011 Tax Allocation Bonds are as follows:

**NOTE 17      SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY (CONTINUED)**

2011 Tax Allocation Bonds Series A			
Year ending June 30,	Principal	Interest	Total
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	465,000	1,119,650	1,584,650
2018	490,000	1,095,775	1,585,775
2019-2023	2,935,000	5,021,306	7,956,306
2024-2028	4,050,000	3,857,144	7,907,144
2029-2033	6,380,000	1,999,088	8,379,088
2034-2038	2,045,000	574,381	2,619,381
2039	505,000	18,306	523,306
Less - discount	(296,303)	-	(296,303)
Totals	\$ 17,878,697	\$ 17,162,500	\$ 35,041,197

2011 Tax Allocation Bonds Series B			
Year ending June 30,	Principal	Interest	Total
2014	\$ 125,000	\$ 464,450	\$ 589,450
2015	130,000	458,700	588,700
2016	140,000	451,425	591,425
2017	145,000	442,869	587,869
2018	155,000	433,106	588,106
2019-2023	955,000	1,968,294	2,923,294
2024-2028	1,320,000	1,458,038	2,778,038
2029-2033	1,675,000	765,419	2,440,419
2034-2038	645,000	237,738	882,738
2039	170,000	16,150	186,150
Less - discount	(172,247)	-	(172,247)
Totals	\$ 5,287,753	\$ 6,696,188	\$ 11,983,941

**NOTE 18      SUBSEQUENT EVENTS**

The City has evaluated events subsequent to June 30, 2013 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through February 24, 2014, 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**City of Lynwood**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance –**  
**Budget and Actual**  
**General Fund**  
**Year ended June 30, 2013**

	Budgeted Amounts		Actual	Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes and assessments	\$ 19,464,051	\$ 19,039,051	\$ 19,088,745	\$ 49,694
Licenses and permits	446,200	1,259,500	1,416,737	157,237
Fines, forfeitures and penalties	1,604,000	1,598,000	1,731,441	133,441
Use of money and property	341,000	306,000	264,992	(41,008)
Intergovernmental	2,097,109	126,275	135,236	8,961
Charges for services	3,301,453	2,913,100	2,941,894	28,794
Administrative support	1,118,246	1,118,246	1,118,246	-
Miscellaneous	507,575	516,000	1,616,496	1,100,496
<b>Total revenues</b>	<u>28,879,634</u>	<u>26,876,172</u>	<u>28,313,787</u>	<u>1,437,615</u>
<b>Expenditures</b>				
Current:				
<b>General government</b>				
City council	200,254	200,254	205,932	(5,678)
City clerk	322,533	620,264	612,389	7,875
City treasurer	137,105	162,105	190,869	(28,764)
City manager	784,497	756,498	761,769	(5,272)
Finance & administration	1,484,708	1,481,455	1,360,595	120,860
Human resources	524,187	524,187	553,969	(29,782)
Development services	539,823	535,153	510,863	24,290
Total general government	<u>3,993,107</u>	<u>4,279,916</u>	<u>4,196,386</u>	<u>83,529</u>
<b>Public safety</b>				
Police and fire	14,413,314	14,431,754	14,174,226	257,528
Development Services	553,107	543,679	543,158	521
Public relations	611,003	1,766,055	1,686,376	79,679
Total public safety	<u>15,577,424</u>	<u>16,741,488</u>	<u>16,403,760</u>	<u>337,728</u>
<b>Public works</b>				
Water and sanitation	3,716,405	3,752,634	3,685,486	67,148
Development services	401,449	628,212	518,227	109,985
Total public works	<u>4,117,854</u>	<u>4,380,846</u>	<u>4,203,713</u>	<u>177,133</u>
<b>Community development</b>				
	-	40,000	37,758	2,242
<b>Parks and recreation</b>				
	<u>2,689,231</u>	<u>2,805,981</u>	<u>2,849,055</u>	<u>(43,074)</u>
<b>Total expenditures</b>	<u>26,377,616</u>	<u>28,248,231</u>	<u>27,690,672</u>	<u>557,558</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>2,502,018</u>	<u>(1,372,059)</u>	<u>623,115</u>	<u>1,995,173</u>

**City of Lynwood**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance –**  
**Budget and Actual**  
**General Fund (Continued)**  
**Year ended June 30, 2013**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Other financing sources (uses)</b>				
Transfers in	2,097,109	2,248,109	1,998,145	(249,964)
Transfers out	<u>(1,733,984)</u>	<u>(1,743,984)</u>	<u>(1,741,289)</u>	<u>2,695</u>
<b>Net other financing sources (uses)</b>	<u>363,125</u>	<u>504,125</u>	<u>256,856</u>	<u>(247,269)</u>
<b>Change in fund balance</b>	2,865,143	(867,934)	879,971	1,747,904
<b>Fund balances - beginning of year</b>	<u>5,601,665</u>	<u>5,601,665</u>	<u>5,601,665</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 8,466,808</u>	<u>\$ 4,733,731</u>	<u>\$ 6,481,636</u>	<u>1,747,904</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, 2013**

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	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 652,292	\$ 408,077	\$ 247,379	\$ (160,698)
<b>Total revenues</b>	<u>652,292</u>	<u>408,077</u>	<u>247,379</u>	<u>(160,698)</u>
<b>Expenditures</b>				
Current:				
Community development	652,264	652,264	297,786	354,478
<b>Total expenditures</b>	<u>652,264</u>	<u>652,264</u>	<u>297,786</u>	<u>354,478</u>
<b>Excess (deficiency) of revenues over expenditures</b>	28	(244,187)	(50,407)	193,780
<b>Fund balances - beginning of year</b>	535,476	535,476	535,476	-
<b>Fund balances - end of year</b>	<u>\$ 535,504</u>	<u>\$ 291,289</u>	<u>\$ 485,069</u>	<u>\$ 193,780</u>

**City of Lynwood  
California Public Retirement System  
Schedules of Funding Progress  
June 30, 2013**

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, 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%
June 30, 2011	69,114,327	54,837,981	14,276,346	79.3%	8,730,766	163.5%

**Safety 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, 2010	\$ 509,198,137	\$ 466,195,860	\$ 43,002,277	91.6%	-	0.0%
June 30, 2011	677,648,972	608,911,358	68,737,614	89.9%	-	0.0%
June 30, 2012	839,968,292	743,174,027	96,794,265	88.5%	-	0.0%

**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**  
**Capital Improvement Projects Capital Projects Fund**  
**Year ended June 30, 2013**

	Final Budget	Actual	Variance Final Budget Positive (Negative)
<b>Revenues</b>			
<b>Total revenues</b>	-	-	-
<b>Expenditures</b>			
Current:			
General government	32,245,399	5,913,953	26,331,446
<b>Total expenditures</b>	32,245,399	5,913,953	26,331,446
<b>Excess (deficiency) of revenues over expenditures</b>	(32,245,399)	(5,913,953)	26,331,446
<b>Other financing uses</b>			
Transfers in	31,898,181	5,835,632	(26,062,549)
<b>Net other financing sources (uses)</b>	31,898,181	5,835,632	(26,062,549)
<b>Change in fund balance</b>	(347,218)	(78,321)	268,897
<b>Fund balances - beginning of year</b>	224,764	224,764	-
<b>Fund balances - end of year</b>	\$ (122,454)	\$ 146,443	\$ 268,897

## **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.

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.

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.

**City of Lynwood**  
**Description of Nonmajor Governmental Funds**  
**Year ended June 30, 2013**

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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.

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

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.

Prop 84 Park Grant – This fund accounts for grant funds to be used for the development of community center and public parks.

Enterprise Zone Program – This fund accounts for funds to be used for economic development and to promote job creation and significant private investment that will assist economically distressed areas of the City.

**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.

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.

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.

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 – Accounts for proceeds which are used to fund certain projects within the City (Civic Center improvement project).

2012 Measure R Bond Proceeds – Accounts for proceeds which are used to fund certain projects within the City (Street Improvements).

				Special Revenue Funds		
				Retirement	Traffic Safety	Gas Tax
<b>ASSETS</b>						
Cash and investments	\$	1,189,584	\$	15,867	\$	382,837
Receivables:						
Intergovernmental		-		-		142,003
Accounts		-		-		-
Interest		-		-		268
<b>Total assets</b>	<b>\$</b>	<b>1,189,584</b>	<b>\$</b>	<b>15,867</b>	<b>\$</b>	<b>525,108</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$	57,461	\$	49,660	\$	-
Due to other funds		-		298,555		-
<b>Total liabilities</b>		<b>57,461</b>		<b>348,215</b>		<b>-</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue		-		-		-
<b>Fund balances (deficits)</b>						
Restricted						
Special revenue funds		1,132,123		-		525,108
Capital projects funds		-		-		-
Debt service funds		-		-		-
Unassigned		-		(332,348)		-
<b>Total fund balances (deficits)</b>		<b>1,132,123</b>		<b>(332,348)</b>		<b>525,108</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$</b>	<b>1,189,584</b>	<b>\$</b>	<b>15,867</b>	<b>\$</b>	<b>525,108</b>

**City of Lynwood  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013**

Special Revenue Funds

<u>SB 821</u>	<u>Prop A</u>	<u>Prop C</u>	<u>Measure R</u>	<u>Air Quality Improvement</u>	<u>State COPS Program</u>
\$ 7,008	\$ 3,183,099	\$ 3,613,563	\$ 1,815,996	\$ 24,864	\$ 24,099
-	-	-	-	-	5,997
-	67,881	195,900	-	-	-
11,895	952	1,094	531	13	19
<u>\$ 18,903</u>	<u>\$ 3,251,932</u>	<u>\$ 3,810,557</u>	<u>\$ 1,816,527</u>	<u>\$ 24,877</u>	<u>\$ 30,115</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,108
-	-	-	-	-	-
-	-	-	-	-	20,108
-	-	-	-	-	-
18,903	3,251,932	3,810,557	1,816,527	24,877	10,007
-	-	-	-	-	-
-	-	-	-	-	-
<u>18,903</u>	<u>3,251,932</u>	<u>3,810,557</u>	<u>1,816,527</u>	<u>24,877</u>	<u>10,007</u>
<u>\$ 18,903</u>	<u>\$ 3,251,932</u>	<u>\$ 3,810,557</u>	<u>\$ 1,816,527</u>	<u>\$ 24,877</u>	<u>\$ 30,115</u>

		Special Revenue Funds			
		Sheriff Drug Seizure	Lighting Maintenance	Landscape Maintenance	Impact Fees
<b>ASSETS</b>					
Cash and investments	\$	97,980	\$ -	\$ -	\$ 671,680
Receivables:					
Intergovernmental		-	22,589	21,241	-
Accounts		-	-	-	-
Interest		25	-	-	189
Notes and loans		-	-	-	-
<b>Total assets</b>	<b>\$</b>	<b><u>98,005</u></b>	<b>\$ <u>22,589</u></b>	<b>\$ <u>21,241</u></b>	<b>\$ <u>671,869</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$	120	\$ 61,255	\$ 84,128	\$ -
Due to other funds		-	526,153	9,615	-
<b>Total liabilities</b>		<b><u>120</u></b>	<b><u>587,408</u></b>	<b><u>93,743</u></b>	<b><u>-</u></b>
<b>Deferred inflows of resources</b>					
Unavailable revenue		-	-	-	-
<b>Fund balances (deficits)</b>					
Restricted					
Special revenue funds		97,885	-	-	671,869
Capital projects funds		-	-	-	-
Debt service funds		-	-	-	-
Unassigned		-	(564,819)	(72,502)	-
<b>Total fund balances (deficits)</b>		<b><u>97,885</u></b>	<b><u>(564,819)</u></b>	<b><u>(72,502)</u></b>	<b><u>671,869</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$</b>	<b><u>98,005</u></b>	<b>\$ <u>22,589</u></b>	<b>\$ <u>21,241</u></b>	<b>\$ <u>671,869</u></b>

**City of Lynwood  
Combining Balance Sheet  
Nonmajor Governmental Funds (continued)  
June 30, 2013**

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
\$ 431,271	\$ 148,352	\$ 170,049	\$ 47,755	\$ 394,932	\$ 130,366	\$ 365,302
-	-	-	78,531	-	-	-
-	69,266	-	-	-	18,958	-
121	37	-	-	108	36	62
-	-	-	526,311	-	-	-
<u>\$ 431,392</u>	<u>\$ 217,655</u>	<u>\$ 170,049</u>	<u>\$ 652,597</u>	<u>\$ 395,040</u>	<u>\$ 149,360</u>	<u>\$ 365,364</u>
\$ -	\$ 83,696	\$ -	\$ 47,444	\$ 342	\$ 942	\$ -
-	-	-	33,012	-	-	-
-	83,696	-	80,456	342	942	-
-	-	-	527,501	-	-	-
431,392	133,959	170,049	44,640	394,698	148,418	365,364
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>431,392</u>	<u>133,959</u>	<u>170,049</u>	<u>44,640</u>	<u>394,698</u>	<u>148,418</u>	<u>365,364</u>
<u>\$ 431,392</u>	<u>\$ 217,655</u>	<u>\$ 170,049</u>	<u>\$ 652,597</u>	<u>\$ 395,040</u>	<u>\$ 149,360</u>	<u>\$ 365,364</u>

		Special Revenue Funds		
		Other Grants	Used Oil Recycling Grant	TEA/ ISTEA Grant
<b>ASSETS</b>				
Cash and investments	\$	151,780	\$ 48,059	\$ -
Receivables:				
Intergovernmental		-	-	-
Accounts		73,450	-	-
Interest		-	11	-
Notes and loans		-	-	-
Land held for resale		-	-	-
<b>Total assets</b>	<b>\$</b>	<b><u>225,230</u></b>	<b><u>\$ 48,070</u></b>	<b><u>\$ -</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$	159,670	\$ 15,019	\$ -
Due to other funds		-	-	249,919
<b>Total liabilities</b>		<b><u>159,670</u></b>	<b><u>15,019</u></b>	<b><u>249,919</u></b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue		-	-	-
<b>Fund balances (deficits)</b>				
Nonspendable		-	-	-
Restricted				
Special revenue funds		65,560	33,051	-
Capital projects funds		-	-	-
Debt service funds		-	-	-
Unassigned		-	-	(249,919)
<b>Total fund balances (deficits)</b>		<b><u>65,560</u></b>	<b><u>33,051</u></b>	<b><u>(249,919)</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$</b>	<b><u>225,230</u></b>	<b><u>\$ 48,070</u></b>	<b><u>\$ -</u></b>

**City of Lynwood**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (continued)**  
**June 30, 2013**

Special Revenue Funds					
DuPont Lead Safety Grant	Prop 1B	Justice Assistance	Prop 84 Park Grant	Enterprise Zone Program	
\$ 105,504	\$ -	\$ -	\$ -	\$ 29,675	
-	-	7,505	-	-	
-	-	-	-	-	
29	-	-	-	6,775	
-	-	-	-	-	
-	-	-	-	-	
<u>\$ 105,533</u>	<u>\$ -</u>	<u>\$ 7,505</u>	<u>\$ -</u>	<u>\$ 36,450</u>	
\$ -	\$ -	\$ 561	\$ -	\$ 585	
-	-	7,100	94,614	-	
-	-	7,661	94,614	585	
-	-	-	-	-	
-	-	-	-	-	
105,533	-	-	-	35,865	
-	-	-	-	-	
-	-	-	-	-	
-	-	(156)	(94,614)	-	
<u>105,533</u>	<u>-</u>	<u>(156)</u>	<u>(94,614)</u>	<u>35,865</u>	
<u>\$ 105,533</u>	<u>\$ -</u>	<u>\$ 7,505</u>	<u>\$ -</u>	<u>\$ 36,450</u>	

		Debt Service Funds	
		City of Lynwood	Public Financing Authority
<b>ASSETS</b>			
Cash and investments		\$ 1,550,047	\$ -
Receivables:			
Intergovernmental		-	-
Accounts		-	-
Interest		-	-
Notes and loans		-	-
Due from other funds		-	-
Restricted assets:			
Cash and investments with fiscal agents		-	-
Land held for resale		-	-
	<b>Total assets</b>	<b>\$ 1,550,047</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities		\$ -	\$ -
Due to other funds		-	-
	<b>Total liabilities</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue		-	-
<b>Fund balances (deficits)</b>			
Nonspendable		-	-
Restricted			
Special revenue funds		-	-
Capital projects funds		-	-
Debt service funds		1,550,047	-
Unassigned			
	<b>Total fund balances (deficits)</b>	<b>1,550,047</b>	<b>-</b>
	<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,550,047</b>	<b>\$ -</b>

**City of Lynwood  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013**

Capital Projects Funds						
2002 HUD Section 108 Loan	Park Replacement	CIP Loan Proceeds	2003 Lease Revenue Refunding	2010 Lease Revenue Bonds Series A	2012 Measure R Bond Proceeds	Total Nonmajor Governmental Funds
\$ 3,839,036	\$ -	\$ -	\$ -	\$ -	\$ 6,543,730	\$ 24,982,435
-	-	-	-	-	-	277,866
-	-	-	-	-	-	425,455
-	-	-	-	-	-	22,165
-	-	-	-	-	-	526,311
-	-	-	-	-	-	-
-	-	136,485	670,164	4,216,663	-	5,023,312
-	-	-	-	-	-	-
<u>\$ 3,839,036</u>	<u>\$ -</u>	<u>\$ 136,485</u>	<u>\$ 670,164</u>	<u>\$ 4,216,663</u>	<u>\$ 6,543,730</u>	<u>\$ 31,257,544</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,028	\$ 582,019
-	2,213,246	-	-	-	1,731,748	5,163,962
-	2,213,246	-	-	-	1,732,776	5,745,981
-	-	-	-	-	-	527,501
-	-	-	-	-	-	-
-	-	-	-	-	-	13,288,317
3,839,036	-	136,485	670,164	4,216,663	4,810,954	13,673,302
-	-	-	-	-	-	1,550,047
-	(2,213,246)	-	-	-	-	(3,527,604)
<u>3,839,036</u>	<u>(2,213,246)</u>	<u>136,485</u>	<u>670,164</u>	<u>4,216,663</u>	<u>4,810,954</u>	<u>24,984,062</u>
<u>\$ 3,839,036</u>	<u>\$ -</u>	<u>\$ 136,485</u>	<u>\$ 670,164</u>	<u>\$ 4,216,663</u>	<u>\$ 6,543,730</u>	<u>\$ 31,257,544</u>

		Special Revenue Funds		
		Retirement	Traffic Safety	Gas Tax
<b>Revenues</b>				
Taxes and assessments		\$ 2,618,681	\$ -	\$ -
Use of money and property		-	-	2,555
Intergovernmental		-	-	1,645,109
<b>Total revenues</b>		<u>2,618,681</u>	<u>-</u>	<u>1,647,664</u>
<b>Expenditures</b>				
Current:				
General government		902,078	-	-
Public safety		-	-	-
Public works		-	1,578,689	-
Debt service:				
Principal payment		-	36,217	-
Interest and fiscal charges		-	7,393	-
<b>Total expenditures</b>		<u>902,078</u>	<u>1,622,299</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>1,716,603</u>	<u>(1,622,299)</u>	<u>1,647,664</u>
<b>Other financing sources (uses)</b>				
Transfers in		-	1,674,723	-
Transfers out		<u>(1,758,828)</u>	<u>-</u>	<u>(1,743,998)</u>
<b>Net other financing sources (uses)</b>		<u>(1,758,828)</u>	<u>1,674,723</u>	<u>(1,743,998)</u>
<b>Net Change in fund balances</b>		(42,225)	52,424	(96,334)
<b>Fund balances (deficits) - beginning of year</b>		<u>1,174,348</u>	<u>(384,772)</u>	<u>621,442</u>
<b>Fund balances (deficits) - end of year</b>		<u>\$ 1,132,123</u>	<u>\$ (332,348)</u>	<u>\$ 525,108</u>

**City of Lynwood**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Year ended June 30, 2013**

Special Revenue Funds					
SB 821	Prop A	Prop C	Measure R	Air Quality Improvement	State COPS Program
\$ -	\$ 1,200,469	\$ 1,137,986	\$ 703,744	\$ -	\$ -
38	10,960	13,232	6,469	177	354
11,894	-	-	-	83,906	111,957
<u>11,932</u>	<u>1,211,429</u>	<u>1,151,218</u>	<u>710,213</u>	<u>84,083</u>	<u>112,311</u>
-	-	-	-	-	-
-	-	-	-	-	180,928
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,928</u>
11,932	1,211,429	1,151,218	710,213	84,083	(68,617)
-	-	-	-	-	-
<u>(4,917)</u>	<u>(666,462)</u>	<u>(783,506)</u>	<u>(549,760)</u>	<u>(90,000)</u>	<u>-</u>
(4,917)	(666,462)	(783,506)	(549,760)	(90,000)	-
7,015	544,967	367,712	160,453	(5,917)	(68,617)
11,888	2,706,965	3,442,845	1,656,074	30,794	78,624
<u>\$ 18,903</u>	<u>\$ 3,251,932</u>	<u>\$ 3,810,557</u>	<u>\$ 1,816,527</u>	<u>\$ 24,877</u>	<u>\$ 10,007</u>

	Special Revenue Funds			
	Sheriff Drug Seizure	Lighting Maintenance	Landscape Maintenance	Impact Fees
<b>Revenues</b>				
Taxes and assessments	\$ -	\$ 1,049,177	\$ 1,079,242	\$ 68,538
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	89,326	-	-	-
Use of money and property	143	32,668	25,717	2,261
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Program income	-	-	-	-
<b>Total revenues</b>	<u>89,469</u>	<u>1,081,845</u>	<u>1,104,959</u>	<u>70,799</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public works	-	856,270	1,203,690	-
Community development	-	-	-	-
Capital outlay	-	-	10,241	-
Debt service:				
Principal payment	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>856,270</u>	<u>1,213,931</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>89,469</u>	<u>225,575</u>	<u>(108,972)</u>	<u>70,799</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	58,315	307,889	-
Transfers out	-	(295,350)	(237,934)	(16,927)
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>(237,035)</u>	<u>69,955</u>	<u>(16,927)</u>
<b>Net change in fund balances</b>	89,469	(11,460)	(39,017)	53,872
<b>Fund balances (deficits) - beginning of year</b>	8,416	(553,359)	(33,485)	617,997
<b>Fund balances (deficits) - end of year</b>	<u>\$ 97,885</u>	<u>\$ (564,819)</u>	<u>\$ (72,502)</u>	<u>\$ 671,869</u>

**City of Lynwood**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds (continued)**  
**Year ended June 30, 2013**

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	166,061	-	-
-	-	-	-	-	-	-
1,514	430	-	17,531	1,113	453	141
-	-	-	1,778,783	-	18,958	418,634
7,125	402,893	-	-	-	-	-
-	-	-	29,450	-	-	-
<u>8,639</u>	<u>403,323</u>	<u>-</u>	<u>1,825,764</u>	<u>167,174</u>	<u>19,411</u>	<u>418,775</u>
-	-	-	248,160	-	-	-
-	327,202	-	299,288	-	-	-
-	-	-	92,751	55,365	939	-
-	-	-	-	-	-	-
-	-	-	360,000	-	-	-
-	-	-	263,013	-	-	-
<u>-</u>	<u>327,202</u>	<u>-</u>	<u>1,263,212</u>	<u>55,365</u>	<u>939</u>	<u>-</u>
<u>8,639</u>	<u>76,121</u>	<u>-</u>	<u>562,552</u>	<u>111,809</u>	<u>18,472</u>	<u>418,775</u>
-	23,401	-	-	-	-	-
(1,781)	(75,000)	-	(520,990)	-	-	(13,182)
<u>(1,781)</u>	<u>(51,599)</u>	<u>-</u>	<u>(520,990)</u>	<u>-</u>	<u>-</u>	<u>(13,182)</u>
6,858	24,522	-	41,562	111,809	18,472	405,593
<u>424,534</u>	<u>109,437</u>	<u>170,049</u>	<u>3,078</u>	<u>282,889</u>	<u>129,946</u>	<u>(40,229)</u>
<u>\$ 431,392</u>	<u>\$ 133,959</u>	<u>\$ 170,049</u>	<u>\$ 44,640</u>	<u>\$ 394,698</u>	<u>\$ 148,418</u>	<u>\$ 365,364</u>

	Special Revenue Funds		
	Other Grants	Used Oil Recycling Grant	TEA/ ISTEA Grant
<b>Revenues</b>			
Taxes and assessments	\$ -	\$ -	\$ -
Use of money and property	-	124	-
Intergovernmental	785,182	29,746	-
Charges for services	-	-	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>785,182</u>	<u>29,870</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
Public works	-	30,674	-
Community development	538,308	-	-
<b>Total expenditures</b>	<u>538,308</u>	<u>30,674</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>246,874</u>	<u>(804)</u>	<u>-</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	30,473
Transfers out	(178,067)	-	-
<b>Net other financing sources (uses)</b>	<u>(178,067)</u>	<u>-</u>	<u>30,473</u>
<b>Net change in fund balances</b>	68,807	(804)	30,473
<b>Fund balances (deficits) - beginning of year</b>	<u>(3,247)</u>	<u>33,855</u>	<u>(280,392)</u>
<b>Fund balances (deficits) - end of year</b>	<u>\$ 65,560</u>	<u>\$ 33,051</u>	<u>\$ (249,919)</u>

**City of Lynwood**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds (continued)**  
**Year ended June 30, 2013**

Special Revenue Funds				
DuPont Lead Safety Grant	Prop 1B	Justice Assistance	Prop 84 Park Grant	Enterprise Zone Program
\$ -	\$ -	\$ -	\$ -	\$ -
366	734	29	-	-
-	-	62,949	-	-
-	-	-	-	35,865
-	-	-	-	-
<u>366</u>	<u>734</u>	<u>62,978</u>	<u>-</u>	<u>35,865</u>
-	-	82,895	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>82,895</u>	<u>-</u>	<u>-</u>
<u>366</u>	<u>734</u>	<u>(19,917)</u>	<u>-</u>	<u>35,865</u>
-	-	-	-	-
<u>-</u>	<u>(346,459)</u>	<u>-</u>	<u>(94,614)</u>	<u>-</u>
-	(346,459)	-	(94,614)	-
366	(345,725)	(19,917)	(94,614)	35,865
<u>105,167</u>	<u>345,725</u>	<u>19,761</u>	<u>-</u>	<u>-</u>
<u>\$ 105,533</u>	<u>\$ -</u>	<u>\$ (156)</u>	<u>\$ (94,614)</u>	<u>\$ 35,865</u>

	Debt Service Funds	
	City of Lynwood	Public Financing Authority
<b>Revenues</b>		
Taxes and assessments	\$ -	\$ -
Licenses and permits	-	-
Fines, forfeitures and penalties	-	-
Use of money and property	322	-
Intergovernmental	-	-
Charges for services	-	-
Program income	-	-
Miscellaneous	-	-
<b>Total revenues</b>	<u>322</u>	<u>-</u>
<b>Expenditures</b>		
Current:		
General government	-	9,329
Public safety	-	-
Public works	-	-
Community development	-	-
Capital outlay	-	-
Debt service:		
Principal payment	575,000	-
Interest and fiscal charges	776,730	-
<b>Total expenditures</b>	<u>1,351,730</u>	<u>9,329</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,351,408)</u>	<u>(9,329)</u>
<b>Other financing sources (uses)</b>		
Transfers in	1,351,214	9,329
Transfers out	(10,033)	-
Proceeds from bond issuance	-	-
<b>Net other financing sources (uses)</b>	<u>1,341,181</u>	<u>9,329</u>
<b>Net change in fund balances</b>	<u>(10,227)</u>	<u>-</u>
<b>Fund balances (deficits) - beginning of year</b>	<u>1,560,274</u>	<u>-</u>
<b>Fund balances (deficits) - end of year</b>	<u>\$ 1,550,047</u>	<u>\$ -</u>

**City of Lynwood**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds (continued)**  
**Year ended June 30, 2013**

Capital Projects Funds						
2002 HUD Section 108 Loan	Park Replacement	CIP Loan Proceeds	2003 Lease Revenue Refunding	2010 Lease Revenue Bonds Series A	2012 Measure R Bond Proceeds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,857,837
-	-	-	-	-	-	166,061
-	-	-	-	-	-	89,326
9,596	-	54	-	1,683	-	128,664
-	-	-	-	-	-	4,947,118
-	-	-	-	-	-	445,883
-	-	-	-	-	-	29,450
-	-	-	-	-	-	-
<u>9,596</u>	<u>-</u>	<u>54</u>	<u>-</u>	<u>1,683</u>	<u>-</u>	<u>13,664,339</u>
-	-	-	-	-	-	1,159,567
-	-	-	-	-	-	263,823
-	-	-	-	-	-	4,295,813
-	-	-	-	-	-	687,363
-	-	-	-	-	-	10,241
-	-	-	-	-	-	-
-	-	-	-	-	-	971,217
-	-	-	-	-	-	1,047,136
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,435,160</u>
<u>9,596</u>	<u>-</u>	<u>54</u>	<u>-</u>	<u>1,683</u>	<u>-</u>	<u>5,229,179</u>
-	276,656	-	-	10,033	-	3,742,033
-	-	-	-	-	(1,752,628)	(9,140,436)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,563,582</u>	<u>6,563,582</u>
<u>-</u>	<u>276,656</u>	<u>-</u>	<u>-</u>	<u>10,033</u>	<u>4,810,954</u>	<u>1,165,179</u>
<u>9,596</u>	<u>276,656</u>	<u>54</u>	<u>-</u>	<u>11,716</u>	<u>4,810,954</u>	<u>6,394,358</u>
<u>3,829,440</u>	<u>(2,489,902)</u>	<u>136,431</u>	<u>670,164</u>	<u>4,204,947</u>	<u>-</u>	<u>18,589,704</u>
<u>\$ 3,839,036</u>	<u>\$ (2,213,246)</u>	<u>\$ 136,485</u>	<u>\$ 670,164</u>	<u>\$ 4,216,663</u>	<u>\$ 4,810,954</u>	<u>\$ 24,984,062</u>

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Retirement Special Revenue Fund**  
**Year ended June 30, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Taxes and assessments	\$ 2,610,900	\$ 2,618,681	\$ 7,781
<b>Total revenues</b>	<u>2,610,900</u>	<u>2,618,681</u>	<u>7,781</u>
<b>Expenditures</b>			
Current:			
General government	902,078	902,078	-
<b>Total expenditures</b>	<u>902,078</u>	<u>902,078</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	1,708,822	1,716,603	7,781
<b>Other financing uses</b>			
Transfers out	<u>(1,972,238)</u>	<u>(1,758,828)</u>	213,410
<b>Change in fund balance</b>	(263,416)	(42,225)	221,191
<b>Fund balances - beginning of year</b>	1,174,348	1,174,348	-
<b>Fund balances - end of year</b>	<u>\$ 910,932</u>	<u>\$ 1,132,123</u>	<u>\$ 221,191</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, 2013**

	<u>Final</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues</b>			
Taxes and assessments	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Public works	\$ 1,689,823	\$ 1,578,689	\$ 111,134
Debt service:			
Principal payment	36,217	36,217	-
Interest and fiscal charges	7,393	7,393	-
<b>Total expenditures</b>	<u>1,733,433</u>	<u>1,622,299</u>	<u>111,134</u>
<b>Excess of revenues over expenditures</b>	(1,733,433)	(1,622,299)	111,134
<b>Other financing sources</b>			
Transfers in	<u>1,843,116</u>	<u>1,674,723</u>	<u>(168,393)</u>
<b>Change in fund balance</b>	109,683	52,424	(57,259)
<b>Fund balances - beginning of year</b>	<u>(384,772)</u>	<u>(384,772)</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u><u>\$ (275,089)</u></u>	<u><u>\$ (332,348)</u></u>	<u><u>\$ (57,259)</u></u>

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Gas Tax Fund Special Revenue Fund**  
**Year ended June 30, 2013**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Use of money and property	\$ 663	\$ 2,555	\$ 1,892
Intergovernmental	<u>1,907,533</u>	<u>1,645,109</u>	<u>(262,424)</u>
<b>Total revenues</b>	<u>1,908,196</u>	<u>1,647,664</u>	<u>(260,532)</u>
<b>Expenditures</b>			
Current:			
General government	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	1,908,196	1,647,664	(260,532)
<b>Other financing uses</b>			
Transfers out	<u>(1,912,391)</u>	<u>(1,743,998)</u>	<u>168,393</u>
<b>Net other financing sources (uses)</b>	<u>(1,912,391)</u>	<u>(1,743,998)</u>	<u>168,393</u>
<b>Change in fund balance</b>	(4,195)	(96,334)	(92,139)
<b>Fund balances - beginning of year</b>	<u>621,442</u>	<u>621,442</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 617,247</u>	<u>\$ 525,108</u>	<u>\$ (92,139)</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, 2013**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 11,894	\$ 11,894
Use of investment earnings	-	38	38
<b>Total revenues</b>	<u>-</u>	<u>11,932</u>	<u>11,932</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	-	11,932	11,932
<b>Other financing sources (uses)</b>			
Transfers out	<u>(15,669)</u>	<u>(4,917)</u>	<u>10,752</u>
<b>Change in fund balance</b>	(15,669)	7,015	22,684
<b>Fund balances - beginning of year</b>	11,888	11,888	-
<b>Fund balances - end of year</b>	<u>\$ (3,781)</u>	<u>\$ 18,903</u>	<u>\$ 22,684</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, 2013**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes and assessments	\$ 1,049,231	\$ 1,200,469	\$ 151,238
Use of money and property	4,000	10,960	6,960
<b>Total revenues</b>	<u>1,053,231</u>	<u>1,211,429</u>	<u>158,198</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	1,053,231	1,211,429	158,198
<b>Other financing sources (uses)</b>			
Transfers out	<u>(1,101,081)</u>	<u>(666,462)</u>	<u>434,619</u>
<b>Change in fund balance</b>	(47,850)	544,967	592,817
<b>Fund balances - beginning of year</b>	<u>2,706,965</u>	<u>2,706,965</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 2,659,115</u>	<u>\$ 3,251,932</u>	<u>\$ 592,817</u>

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Prop C Special Revenue Fund**  
**Year ended June 30, 2013**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes and assessments	\$ 1,022,820	\$ 1,137,986	\$ 115,166
Use of money and property	-	13,232	13,232
<b>Total revenues</b>	1,022,820	1,151,218	128,398
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	-	-	-
<b>Excess of revenues over expenditures</b>	1,022,820	1,151,218	128,398
<b>Other financing sources (uses)</b>			
Transfers out	(3,355,269)	(783,506)	2,571,763
<b>Change in fund balance</b>	(2,332,449)	367,712	2,700,161
<b>Fund balances - beginning of year</b>	3,442,845	3,442,845	-
<b>Fund balances - end of year</b>	\$ 1,110,396	\$ 3,810,557	\$ 2,700,161

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Measure R Special Revenue Fund**  
**Year ended June 30, 2013**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes and assessments	\$ 613,000	\$ 703,744	\$ 90,744
Use of money and property	1,500	6,469	4,969
<b>Total revenues</b>	<u>614,500</u>	<u>710,213</u>	<u>95,713</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over (under) expenditures</b>	614,500	710,213	95,713
<b>Other financing sources (uses)</b>			
Transfers out	<u>(1,382,441)</u>	<u>(549,760)</u>	<u>832,681</u>
<b>Net other financing sources (uses)</b>	<u>(1,382,441)</u>	<u>(549,760)</u>	<u>832,681</u>
<b>Change in fund balance</b>	(767,941)	160,453	928,394
<b>Fund balances - beginning of year</b>	<u>1,656,074</u>	<u>1,656,074</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 888,133</u>	<u>\$ 1,816,527</u>	<u>\$ 928,394</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, 2013**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Use of money and property	\$ 257	\$ 177	\$ (80)
Intergovernmental	60,000	83,906	23,906
<b>Total revenues</b>	60,257	84,083	23,826
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	-	-	-
<b>Excess of revenues over expenditures</b>	60,257	84,083	23,826
<b>Other financing sources (uses)</b>			
Transfers out	(90,000)	(90,000)	-
<b>Change in fund balance</b>	(29,743)	(5,917)	23,826
<b>Fund balances - beginning of year</b>	30,794	30,794	-
<b>Fund balances - end of year</b>	\$ 1,051	\$ 24,877	\$ 23,826

**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, 2013**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Use of money and property	\$ -	\$ 354	354
Intergovernmental	180,928	111,957	\$ (68,971)
<b>Total revenues</b>	180,928	112,311	(68,617)
<b>Expenditures</b>			
Current:			
Public safety	180,928	180,928	-
<b>Total expenditures</b>	180,928	180,928	-
<b>Change in fund balance</b>	-	(68,617)	(68,617)
<b>Fund balances - beginning of year</b>	78,624	78,624	-
<b>Fund balances - end of year</b>	\$ 78,624	\$ 10,007	\$ (68,617)

**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, 2013**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Use of money and property	\$ -	\$ 143	\$ 143
Fines, forfeitures and penalties	-	89,326	89,326
<b>Total revenues</b>	-	89,469	89,469
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
<b>Total expenditures</b>	-	-	-
<b>Change in fund balance</b>	-	89,469	89,469
<b>Fund balances - beginning of year</b>	8,416	8,416	-
<b>Fund balances - end of year</b>	\$ 8,416	\$ 97,885	\$ 89,469

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Lighting Maintenance Special Revenue Fund**  
**Year ended June 30, 2013**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes and assessments	\$ 1,025,740	\$ 1,049,177	\$ 23,437
Use of money and property	17,000	32,668	15,668
<b>Total revenues</b>	<u>1,042,740</u>	<u>1,081,845</u>	<u>39,105</u>
<b>Expenditures</b>			
Current:			
Public works	667,876	856,270	(188,394)
<b>Total expenditures</b>	<u>667,876</u>	<u>856,270</u>	<u>(188,394)</u>
<b>Excess of revenues over expenditures</b>	374,864	225,575	(149,289)
<b>Other financing sources (uses)</b>			
Transfers in	74,315	58,315	(16,000)
Transfers out	(295,350)	(295,350)	-
<b>Net other financing sources (uses)</b>	<u>(221,035)</u>	<u>(237,035)</u>	<u>(16,000)</u>
<b>Change in fund balance</b>	153,829	(11,460)	(165,289)
<b>Fund balances - beginning of year</b>	<u>(553,359)</u>	<u>(553,359)</u>	-
<b>Fund balances - end of year</b>	<u>\$ (399,530)</u>	<u>\$ (564,819)</u>	<u>\$ (165,289)</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, 2013**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes and assessments	\$ 1,062,000	\$ 1,079,242	\$ 17,242
Use of money and property	13,000	25,717	12,717
<b>Total revenues</b>	<u>1,075,000</u>	<u>1,104,959</u>	<u>29,959</u>
<b>Expenditures</b>			
Current:			
Public works	1,150,017	1,203,690	(53,673)
Capital outlay	10,241	10,241	-
<b>Total expenditures</b>	<u>1,160,258</u>	<u>1,213,931</u>	<u>(53,673)</u>
<b>Excess of revenues over expenditures</b>	(85,258)	(108,972)	(23,714)
<b>Other financing sources (uses)</b>			
Transfers in	307,889	307,889	-
Transfers out	(238,450)	(237,934)	516
<b>Net other financing sources (uses)</b>	<u>69,439</u>	<u>69,955</u>	<u>516</u>
<b>Change in fund balance</b>	(15,819)	(39,017)	(23,198)
<b>Fund balances - beginning of year</b>	(33,485)	(33,485)	-
<b>Fund balances - end of year</b>	<u>\$ (49,304)</u>	<u>\$ (72,502)</u>	<u>\$ (23,198)</u>

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Impact Fees Special Revenue Fund**  
**Year ended June 30, 2013**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes and assessments	\$ 143,530	\$ 68,538	\$ (74,992)
Use of money and property	300	2,261	1,961
<b>Total revenues</b>	<u>143,830</u>	<u>70,799</u>	<u>(73,031)</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	143,830	70,799	(73,031)
<b>Other financing uses</b>			
Transfers out	(25,121)	(16,927)	8,194
<b>Net other financing sources (uses)</b>	<u>(25,121)</u>	<u>(16,927)</u>	<u>8,194</u>
<b>Change in fund balance</b>	118,709	53,872	(64,837)
<b>Fund balances - beginning of year</b>	617,997	617,997	-
<b>Fund balances - end of year</b>	<u>\$ 736,706</u>	<u>\$ 671,869</u>	<u>\$ (64,837)</u>

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Public Art Special Revenue Fund**  
**Year ended June 30, 2013**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Use of money and property	\$ 500	\$ 1,514	\$ 1,014
Charges for services	75,000	7,125	(67,875)
<b>Total revenues</b>	75,500	8,639	(66,861)
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	-	-	-
<b>Excess of revenues over expenditures</b>	75,500	8,639	(66,861)
<b>Other financing uses</b>			
Transfers out	(18,750)	(1,781)	16,969
<b>Net other financing sources (uses)</b>	(18,750)	(1,781)	16,969
<b>Change in fund balance</b>	56,750	6,858	(49,892)
<b>Fund balances - beginning of year</b>	424,534	424,534	-
<b>Fund balances - end of year</b>	\$ 481,284	\$ 431,392	\$ (49,892)

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Litter Abatement Special Revenue Fund**  
**Year ended June 30, 2013**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Use of money and property	\$ 500	\$ 430	\$ (70)
Charges for services	388,400	402,893	14,493
<b>Total revenues</b>	388,900	403,323	14,423
<b>Expenditures</b>			
Current:			
Public works	384,105	327,201	56,904
<b>Total expenditures</b>	384,105	327,201	56,904
<b>Excess of revenues over expenditures</b>	4,795	76,122	71,327
<b>Other financing uses</b>			
Transfers in	23,400	23,400	-
Transfers out	(75,000)	(75,000)	-
<b>Net other financing sources (uses)</b>	(51,600)	(51,600)	-
<b>Change in fund balance</b>	(46,805)	24,522	71,327
<b>Fund balances - beginning of year</b>	109,437	109,437	-
<b>Fund balances - end of year</b>	\$ 62,632	\$ 133,959	\$ 71,327

**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, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Use of money and property	\$ 80	\$ -	\$ (80)
<b>Total revenues</b>	<u>80</u>	<u>-</u>	<u>(80)</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in fund balance</b>	80	-	(80)
<b>Fund balances - beginning of year</b>	<u>170,049</u>	<u>170,049</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 170,129</u>	<u>\$ 170,049</u>	<u>\$ (80)</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, 2013**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Use of money and property	\$ -	\$ 17,531	\$ 17,531
Intergovernmental	1,204,039	1,778,783	574,744
Program income	-	29,450	29,450
<b>Total revenues</b>	<u>1,204,039</u>	<u>1,825,764</u>	<u>621,725</u>
<b>Expenditures</b>			
Current:			
General government	473,066	248,160	224,906
Public works	306,222	299,288	6,934
Community development	201,532	92,751	108,781
Debt service:			
Principal payment	360,000	360,000	-
Interest and fiscal charges	263,013	263,013	-
<b>Total expenditures</b>	<u>1,603,833</u>	<u>1,263,212</u>	<u>340,621</u>
<b>Excess of revenues over expenditures</b>	(399,794)	562,552	962,346
<b>Other financing sources (uses)</b>			
Transfers out	(615,944)	(520,990)	94,954
<b>Change in fund balance</b>	(1,015,738)	41,562	1,057,300
<b>Fund balances - beginning of year</b>	3,078	3,078	-
<b>Fund balances - end of year</b>	<u>\$ (1,012,660)</u>	<u>\$ 44,640</u>	<u>\$ 1,057,300</u>

**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, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Licenses and permits	\$ 135,000	\$ 166,061	\$ 31,061
Use of money and property	230	1,113	883
<b>Total revenues</b>	<u>135,230</u>	<u>167,174</u>	<u>31,944</u>
<b>Expenditures</b>			
Current:			
Community development	311,000	55,365	255,635
<b>Total expenditures</b>	<u>311,000</u>	<u>55,365</u>	<u>255,635</u>
<b>Change in fund balance</b>	(175,770)	111,809	287,579
<b>Fund balances - beginning of year</b>	<u>282,889</u>	<u>282,889</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 107,119</u>	<u>\$ 394,698</u>	<u>\$ 287,579</u>

**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, 2013**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Use of money and property	\$ 210	\$ 453	\$ 243
Intergovernmental	-	18,958	18,958
<b>Total revenues</b>	210	19,411	19,201
<b>Expenditures</b>			
Current:			
Community development	18,000	939	17,061
<b>Total expenditures</b>	18,000	939	17,061
<b>Change in fund balance</b>	(17,790)	18,472	36,262
<b>Fund balances - beginning of year</b>	129,946	129,946	-
<b>Fund balances - end of year</b>	\$ 112,156	\$ 148,418	\$ 36,262

**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, 2013**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Use of money and property	\$ -	\$ 141	\$ 141
Intergovernmental	-	418,634	418,634
<b>Total revenues</b>	<u>-</u>	<u>418,775</u>	<u>418,775</u>
<b>Expenditures</b>			
Current:			
Parks and recreation	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	-	418,775	418,775
<b>Other financing sources (uses)</b>			
Transfers out	(22,797)	(13,182)	9,615
<b>Net other financing sources (uses)</b>	<u>(22,797)</u>	<u>(13,182)</u>	<u>9,615</u>
<b>Change in fund balance</b>	(22,797)	405,593	428,390
<b>Fund balances - beginning of year</b>	(40,229)	(40,229)	-
<b>Fund balances - end of year</b>	<u>\$ (63,026)</u>	<u>\$ 365,364</u>	<u>\$ 428,390</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, 2013**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ 901,562	\$ 785,182	\$ (116,380)
<b>Total revenues</b>	<u>901,562</u>	<u>785,182</u>	<u>(116,380)</u>
<b>Expenditures</b>			
Current:			
Community development	578,916	538,308	40,608
<b>Total expenditures</b>	<u>578,916</u>	<u>538,308</u>	<u>40,608</u>
<b>Excess of revenues over expenditures</b>	322,646	246,874	(75,772)
<b>Other financing sources (uses)</b>			
Transfers out	<u>(223,726)</u>	<u>(178,067)</u>	<u>45,659</u>
<b>Net other financing sources (uses)</b>	<u>(223,726)</u>	<u>(178,067)</u>	<u>45,659</u>
<b>Change in fund balance</b>	98,920	68,807	(30,113)
<b>Fund balances - beginning of year</b>	<u>(3,247)</u>	<u>(3,247)</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 95,673</u>	<u>\$ 65,560</u>	<u>\$ (30,113)</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, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Use of money and property	\$ -	\$ 124	\$ 124
Intergovernmental	<u>20,000</u>	<u>29,746</u>	<u>9,746</u>
<b>Total revenues</b>	<u>20,000</u>	<u>29,870</u>	<u>9,870</u>
 <b>Expenditures</b>			
Current:			
Public works	<u>35,000</u>	<u>30,674</u>	<u>4,326</u>
<b>Total expenditures</b>	<u>35,000</u>	<u>30,674</u>	<u>4,326</u>
<b>Change in fund balance</b>	(15,000)	(804)	14,196
 <b>Fund balances - beginning of year</b>			
	<u>33,855</u>	<u>33,855</u>	-
<b>Fund balances - end of year</b>	<u>\$ 18,855</u>	<u>\$ 33,051</u>	<u>\$ 14,196</u>

**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, 2013**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ 2,159,627	\$ -	\$ (2,159,627)
<b>Total revenues</b>	<u>2,159,627</u>	<u>-</u>	<u>(2,159,627)</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	2,159,627	-	(2,159,627)
<b>Other financing sources (uses)</b>			
Transfers in	30,473	30,473	-
Transfers out	<u>(2,159,627)</u>	<u>-</u>	<u>2,159,627</u>
<b>Net other financing sources (uses)</b>	<u>(2,129,154)</u>	<u>30,473</u>	<u>2,159,627</u>
<b>Change in fund balance</b>	30,473	30,473	-
<b>Fund balances - beginning of year</b>	<u>(280,392)</u>	<u>(280,392)</u>	-
<b>Fund balances - end of year</b>	<u>\$ (249,919)</u>	<u>\$ (249,919)</u>	<u>-</u>

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**DuPont Lead Safety Grant Special Revenue Fund**  
**Year ended June 30, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Use of money and property	\$ 123	\$ 366	\$ 243
<b>Total revenues</b>	<u>123</u>	<u>366</u>	<u>243</u>
<b>Expenditures</b>			
Current:			
Community development			-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	123	366	243
<b>Other financing sources (uses)</b>			
Transfers out	<u>(92,424)</u>	<u>-</u>	<u>92,424</u>
<b>Net other financing sources (uses)</b>	<u>(92,424)</u>	<u>-</u>	<u>92,424</u>
<b>Change in fund balance</b>	(92,301)	366	92,667
<b>Fund balances - beginning of year</b>	<u>105,167</u>	<u>105,167</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 12,866</u>	<u>\$ 105,533</u>	<u>\$ 92,667</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, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Use of money and property	\$ -	\$ 734	\$ 734
<b>Total revenues</b>	<u>-</u>	<u>734</u>	<u>734</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	-	734	734
<b>Other financing sources (uses)</b>			
Transfers out	<u>(345,725)</u>	<u>(346,459)</u>	<u>(734)</u>
<b>Change in fund balance</b>	(345,725)	(345,725)	-
<b>Fund balances - beginning of year</b>	<u>345,725</u>	<u>345,725</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Use of money and property	\$ -	\$ 29	\$ 29
Intergovernmental	<u>74,601</u>	<u>62,949</u>	<u>(11,652)</u>
<b>Total revenues</b>	<u>74,601</u>	<u>62,978</u>	<u>(11,623)</u>
<b>Expenditures</b>			
Current:			
Public safety	<u>74,601</u>	<u>82,895</u>	<u>(8,294)</u>
<b>Total expenditures</b>	<u>74,601</u>	<u>82,895</u>	<u>(8,294)</u>
<b>Change in fund balance</b>	-	(19,917)	(19,917)
<b>Fund balances - beginning of year</b>	<u>19,761</u>	<u>19,761</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 19,761</u>	<u>\$ (156)</u>	<u>\$ (19,917)</u>

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Prop 84 Park Grant Special Revenue Fund**  
**Year ended June 30, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ 9,949,957	\$ -	\$ (9,949,957)
<b>Total revenues</b>	<u>9,949,957</u>	<u>-</u>	<u>(9,949,957)</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	9,949,957	-	(9,949,957)
<b>Other financing sources (uses)</b>			
Transfers out	<u>(9,949,957)</u>	<u>(94,614)</u>	<u>9,855,343</u>
<b>Net other financing sources (uses)</b>	<u>(9,949,957)</u>	<u>(94,614)</u>	<u>9,855,343</u>
<b>Change in fund balance</b>	-	(94,614)	(94,614)
<b>Fund balances - beginning of year</b>	-	-	-
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ (94,614)</u>	<u>\$ (94,614)</u>

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Enterprise Zone Program Special Revenue Fund**  
**Year ended June 30, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Charges for services	\$ 18,960	\$ 35,865	\$ 16,905
<b>Total revenues</b>	<u>18,960</u>	<u>35,865</u>	<u>16,905</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	18,960	35,865	16,905
<b>Other financing uses</b>			
Transfers out	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in fund balance</b>	18,960	35,865	16,905
<b>Fund balances - beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 18,960</u>	<u>\$ 35,865</u>	<u>\$ 16,905</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, 2013**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Use of money and property	\$ 500	\$ 322	\$ (178)
<b>Total revenues</b>	<u>500</u>	<u>322</u>	<u>(178)</u>
 <b>Expenditures</b>			
Debt service:			
Principal payment	575,000	575,000	-
Interest and fiscal charges	776,803	776,730	73
<b>Total expenditures</b>	<u>1,351,803</u>	<u>1,351,730</u>	<u>73</u>
<b>Excess of revenues over expenditures</b>	(1,351,303)	(1,351,408)	(105)
 <b>Other financing sources (uses)</b>			
Transfers in	1,250,803	1,351,214	100,411
Transfers out	-	(10,033)	(10,033)
<b>Net other financing sources (uses)</b>	<u>1,250,803</u>	<u>1,341,181</u>	<u>90,378</u>
<b>Change in fund balance</b>	(100,500)	(10,227)	90,273
 <b>Fund balances - beginning of year</b>	<u>1,560,274</u>	<u>1,560,274</u>	-
<b>Fund balances - end of year</b>	<u>\$ 1,459,774</u>	<u>\$ 1,550,047</u>	<u>\$ 90,273</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, 2013**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes and assessments	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
General government	16,823	9,329	7,494
<b>Total expenditures</b>	<u>16,823</u>	<u>9,329</u>	<u>7,494</u>
<b>Excess of revenues over expenditures</b>	(16,823)	(9,329)	7,494
<b>Other financing uses</b>			
Transfers in	12,023	9,329	(2,694)
<b>Change in fund balance</b>	(4,800)	-	4,800
<b>Fund balances - beginning of year</b>	-	-	-
<b>Fund balances - end of year</b>	<u><u>\$(4,800)</u></u>	<u><u>\$-</u></u>	<u><u>\$4,800</u></u>

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**2002 HUD Section 108 Capital Projects Fund**  
**Year ended June 30, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Use of money and property	\$ 2,700	\$ 9,596	\$ 6,896
<b>Total revenues</b>	<u>2,700</u>	<u>9,596</u>	<u>6,896</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	2,700	9,596	6,896
<b>Other financing uses</b>			
Transfers out	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in fund balance</b>	2,700	9,596	6,896
<b>Fund balances - beginning of year</b>	<u>3,829,440</u>	<u>3,829,440</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 3,832,140</u>	<u>\$ 3,839,036</u>	<u>\$ 6,896</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, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Public works	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	-	-	-
<b>Other financing sources (uses)</b>			
Transfers in	\$ 276,656	\$ 276,656	-
<b>Net other financing sources (uses)</b>	<u>276,656</u>	<u>276,656</u>	<u>-</u>
<b>Change in fund balance</b>	276,656	276,656	-
<b>Fund balances - beginning of year</b>	<u>(2,489,902)</u>	<u>(2,489,902)</u>	-
<b>Fund balances - end of year</b>	<u>\$ (2,213,246)</u>	<u>\$ (2,213,246)</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, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Use of money and property	\$ -	\$ 54	\$ 54
<b>Total revenues</b>	<u>-</u>	<u>54</u>	<u>54</u>
<b>Expenditures</b>			
Current:			
Public works	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in fund balance</b>	-	54	54
<b>Fund balances - beginning of year</b>	136,431	136,431	-
<b>Fund balances - end of year</b>	<u>\$ 136,431</u>	<u>\$ 136,485</u>	<u>\$ 54</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, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Taxes and assessments	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Public works	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances - beginning of year</b>	\$ 670,164	\$ 670,164	-
<b>Fund balances - end of year</b>	<u>\$ 670,164</u>	<u>\$ 670,164</u>	<u>-</u>

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**2010 Lease Revenue Bonds Series A**  
**Year ended June 30, 2013**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Use of money and property	\$ -	\$ 1,683	\$ 1,683
<b>Total revenues</b>	<u>-</u>	<u>1,683</u>	<u>1,683</u>
<b>Expenditures</b>			
Current:			
Public works	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	-	1,683	1,683
<b>Other financing sources (uses)</b>			
Transfers in	-	10,033	10,033
Transfers out	<u>(4,200,000)</u>	<u>-</u>	<u>4,200,000</u>
<b>Net other financing sources (uses)</b>	<u>(4,200,000)</u>	<u>10,033</u>	<u>4,210,033</u>
<b>Change in fund balance</b>	(4,200,000)	11,716	4,211,716
<b>Fund balances - beginning of year</b>	<u>4,204,947</u>	<u>4,204,947</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 4,947</u>	<u>\$ 4,216,663</u>	<u>\$ 4,211,716</u>

**City of Lynwood**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**2012 Measure R Bond Proceeds**  
**Year ended June 30, 2013**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Taxes and assessments	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Public works	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	-	-	-
<b>Other financing sources (uses)</b>			
Transfers out	(2,761,250)	(1,752,628)	1,008,622
Proceeds from bond issuance	<u>6,136,386</u>	<u>6,563,582</u>	<u>427,196</u>
<b>Change in fund balance</b>	3,375,136	4,810,954	1,435,818
<b>Fund balances - beginning of year</b>	-	-	-
<b>Fund balances - end of year</b>	<u>\$ 3,375,136</u>	<u>\$ 4,810,954</u>	<u>\$ 1,435,818</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.

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.

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

**City of Lynwood**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2013**

	Internal Service Fund			
	Garage	Information Technology	Self-Insurance	Totals
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and investments	\$ 325,352	\$ 80,102	\$ 834,081	\$ 1,239,535
Receivables:				
Accounts	-	-	41,061	41,061
Due from other funds	500,000	-	-	500,000
<b>Total current assets</b>	<u>825,352</u>	<u>80,102</u>	<u>875,142</u>	<u>1,780,596</u>
<b>Noncurrent assets</b>				
Restricted assets:				
Deposit in trust	-	-	80,000	80,000
Capital assets, depreciated, net	566,852	287,998	-	854,850
<b>Total noncurrent assets</b>	<u>566,852</u>	<u>287,998</u>	<u>80,000</u>	<u>934,850</u>
<b>Total assets</b>	<u>1,392,204</u>	<u>368,100</u>	<u>955,142</u>	<u>2,715,446</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	184,974	-	154,453	339,427
Due to other funds	-	-	1,760,410	1,760,410
<b>Total current liabilities</b>	<u>184,974</u>	<u>-</u>	<u>1,914,863</u>	<u>2,099,837</u>
<b>Noncurrent liabilities</b>				
Noncurrent portion of long-term debt:				
Claims payable	-	-	1,878,709	1,878,709
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>-</u>	<u>1,878,709</u>	<u>1,878,709</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	566,852	287,998	-	854,850
Unrestricted	640,378	80,102	(2,838,430)	(2,117,950)
<b>Total net position</b>	<u>\$ 1,207,230</u>	<u>\$ 368,100</u>	<u>\$ (2,838,430)</u>	<u>\$ (1,263,100)</u>

**City of Lynwood**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**Year ended June 30, 2013**

	Internal Service Fund			
	Garage	Information Technology	Self-Insurance	Total
<b>Operating revenues</b>				
Sales and service charges	\$ 315,397	\$ -	\$ 2,564,253	\$ 2,879,650
<b>Total operating revenues</b>	<u>315,397</u>	<u>-</u>	<u>2,564,253</u>	<u>2,879,650</u>
<b>Operating expenses</b>				
Insurance	-	-	786,052	786,052
Claims	-	-	1,528,181	1,528,181
Garage	259,754	-	-	259,754
Depreciation	131,323	-	-	131,323
<b>Total operating expenses</b>	<u>391,077</u>	<u>-</u>	<u>2,314,233</u>	<u>2,705,310</u>
Income (loss) before transfers	(75,680)	-	250,020	174,340
<b>Transfers</b>				
Transfers in	-	-	389,200	389,200
Transfers out	-	-	-	-
<b>Change in net position</b>	(75,680)	-	639,220	563,540
<b>Net position - beginning</b>	<u>1,282,910</u>	<u>368,100</u>	<u>(3,477,650)</u>	<u>(1,826,640)</u>
<b>Net position - ending</b>	<u>\$ 1,207,230</u>	<u>\$ 368,100</u>	<u>\$ (2,838,430)</u>	<u>\$ (1,263,100)</u>

**City of Lynwood**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year ended June 30, 2013**

	Internal Service Fund			
	Garage	Information Technology	Self-Insurance	Total
<b>Cash flows from operating activities:</b>				
Receipts from customers and users	\$ 527,072	\$ -	\$ 2,523,192	\$ 3,050,264
Payments to suppliers	(200,666)	-	(798,077)	(998,743)
Payments for claims	-	-	(1,725,160)	(1,725,160)
<b>Net cash provided by (used in) operating activities</b>	<u>326,406</u>	<u>-</u>	<u>(45)</u>	<u>326,361</u>
<b>Cash flows from noncapital financing activities:</b>				
Received from other funds	-	-	389,200	389,200
<b>Net cash provided by noncapital financing activities</b>	<u>-</u>	<u>-</u>	<u>389,200</u>	<u>389,200</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(413,940)	-	-	(413,940)
<b>Net cash used in capital and related financing activities</b>	<u>(413,940)</u>	<u>-</u>	<u>-</u>	<u>(413,940)</u>
<b>Net increase (decrease) in cash and investments</b>	(87,534)	-	389,155	301,621
<b>Cash and investments - beginning of year</b>	412,886	80,102	444,926	937,914
<b>Cash and investments - end of year</b>	<u>\$ 325,352</u>	<u>\$ 80,102</u>	<u>\$ 834,081</u>	<u>\$ 1,239,535</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	(75,680)	\$ -	\$ 250,020	\$ 174,340
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	131,323	-	-	131,323
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivables	11,675	-	(41,061)	(29,386)
(Increase) decrease in due from other funds	200,000	-	-	200,000
Increase (decrease) in accounts payable	59,088	-	(12,025)	47,063
Increase (decrease) in claims payable	-	-	51,557	51,557
Increase (decrease) in due to other funds	-	-	(248,536)	(248,536)
Total adjustments	<u>402,086</u>	<u>-</u>	<u>(250,065)</u>	<u>152,021</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 326,406</u>	<u>\$ -</u>	<u>\$ (45)</u>	<u>\$ 326,361</u>

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**STATISTICAL SECTION**

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<b>Debt Capacity</b> 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.	158-163
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<b>Operating Information</b> 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.	167-169

**City of Lynwood  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$36,637,087	\$36,453,679	\$71,070,677	\$79,540,927	\$85,074,079	\$88,707,464	\$111,837,946	\$125,081,373	\$128,666,330	\$128,499,266
Restricted	57,487,760	57,339,342	34,546,018	33,396,865	34,777,084	19,520,953	14,825,579	48,274,202	23,135,330	28,658,109
Unrestricted	1,230,937	1,002,841	24,793	4,340,631	3,283,514	16,293,599	3,009,212	(44,265,718)	(26,122,820)	(30,901,533)
Total governmental activities net position	<u>95,355,784</u>	<u>94,795,862</u>	<u>105,641,488</u>	<u>117,278,423</u>	<u>123,134,677</u>	<u>124,522,016</u>	<u>129,672,737</u>	<u>129,089,857</u>	<u>125,678,840</u>	<u>126,255,842</u>
Business-type activities										
Net investment in capital assets	4,824,744	3,960,818	2,247,256	(2,167,357)	(3,167,553)	(7,686,833)	1,716,371	4,313,256	6,287,007	(2,740,381)
Restricted	12,896,690	11,961,502	9,707,252	4,891,486	988,286	1,900,804	6,454,343	6,608,583	5,384,977	4,637,967
Unrestricted	(4,685,335)	(5,719,044)	(3,107,059)	1,610,454	9,258,275	14,791,755	1,850,332	2,240,168	3,188,959	11,838,448
Total business-type activities net position	<u>13,036,099</u>	<u>10,203,276</u>	<u>8,847,449</u>	<u>4,334,583</u>	<u>7,079,008</u>	<u>9,005,726</u>	<u>10,021,046</u>	<u>13,162,007</u>	<u>14,860,943</u>	<u>13,736,034</u>
Primary government										
Net investment in capital assets	41,461,831	40,414,497	73,317,933	77,373,570	81,906,526	81,020,631	113,554,317	129,394,629	134,953,337	125,758,885
Restricted	70,384,450	69,300,844	44,253,270	38,288,351	35,765,370	21,421,757	21,279,922	54,882,785	28,520,307	33,296,076
Unrestricted	(3,454,398)	(4,716,203)	(3,082,266)	5,951,085	12,541,789	31,085,354	4,859,544	(42,025,550)	(22,933,861)	(19,063,085)
Total primary government net position	<u>108,391,883</u>	<u>104,999,138</u>	<u>114,488,937</u>	<u>121,613,006</u>	<u>130,213,685</u>	<u>133,527,742</u>	<u>139,693,783</u>	<u>142,251,864</u>	<u>140,539,783</u>	<u>139,991,876</u>

Lynwood Redevelopment Agency was dissolved on 1/31/2012. The Successor Agency is reported as a fiduciary fund.

Source: City of Lynwood

**City of Lynwood**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$7,942,266	\$6,936,325	\$6,213,553	\$8,117,721	\$9,942,569	\$12,089,347	\$14,177,616	\$13,419,540	\$13,596,071	\$14,264,425
Public safety	\$13,533,160	\$13,182,693	\$13,922,118	\$15,505,809	\$15,696,589	\$17,461,248	\$17,331,341	\$14,853,808	\$14,593,726	\$16,683,793
Public works	\$5,333,050	\$5,791,864	\$5,363,619	\$5,294,634	\$7,344,547	\$8,213,775	\$8,374,895	\$10,021,833	\$9,655,710	\$9,512,426
Community Development	\$3,048,594	\$7,550,558	\$4,694,655	\$6,390,638	\$5,406,955	\$3,028,869	\$4,269,655	\$7,859,391	\$6,849,463	\$1,025,932
Parks and recreation	\$2,671,467	\$2,761,444	\$2,840,996	\$3,312,944	\$3,160,255	\$3,620,892	\$3,462,998	\$3,147,286	\$2,913,640	\$3,033,225
Interest on long-term debt	\$2,329,344	\$2,235,271	\$2,377,448	\$1,984,742	\$1,941,003	\$1,728,377	\$1,527,767	\$3,108,815	\$2,926,081	\$1,090,315
Unallocated Depreciation	\$725,591	\$0	\$0	\$1,025,821	\$1,048,750	\$0*	\$0	\$0	\$0	\$0
<b>Total governmental activities expenses</b>	<b>\$35,583,472</b>	<b>\$38,458,155</b>	<b>\$35,412,389</b>	<b>\$41,632,309</b>	<b>\$44,540,668</b>	<b>\$46,142,508</b>	<b>\$49,144,272</b>	<b>\$52,410,673</b>	<b>\$50,534,691</b>	<b>\$45,610,116</b>
Business-type activities:										
Water	\$6,111,741	\$6,517,910	\$6,168,104	\$6,544,735	\$6,485,599	\$7,717,008	\$7,356,688	\$7,429,755	\$8,204,897	8,861,860
Transit	\$1,352,061	\$1,320,016	\$1,227,619	\$1,144,485	\$1,040,822	\$1,081,676	\$1,023,916	\$995,267	\$955,330	962,157
<b>Total business-type activities expenses</b>	<b>\$7,463,802</b>	<b>\$7,837,926</b>	<b>\$7,395,723</b>	<b>\$7,689,220</b>	<b>\$7,526,421</b>	<b>\$8,798,684</b>	<b>\$8,380,604</b>	<b>\$8,425,022</b>	<b>\$9,160,227</b>	<b>\$9,824,017</b>
<b>Total primary government expenses</b>	<b>\$43,047,274</b>	<b>\$46,296,081</b>	<b>\$42,808,112</b>	<b>\$49,321,529</b>	<b>\$52,067,089</b>	<b>\$54,941,192</b>	<b>\$57,524,876</b>	<b>\$60,835,695</b>	<b>\$59,694,918</b>	<b>\$55,434,133</b>
<b>Program Revenues (see Schedule 3)</b>										
Governmental activities:										
Charges for services:										
General government	\$0	\$369,070	\$693,390	\$1,652,328	\$352,691	\$1,667,834	\$4,131,395	\$5,301,748	\$5,295,201	\$5,741,982
Public safety	\$796,674	\$829,237	\$1,024,589	\$514,552	\$1,682,637	\$1,587,339	\$1,276,036	\$50,932	\$44,141	\$29,187
Public works	\$6,186,410	\$7,202,653	\$4,607,579	\$3,853,232	\$3,281,415	\$2,436,899	\$2,959,776	\$3,389,626	\$3,237,952	\$3,236,640
Community development	\$31,892	\$5,564	\$284,119	\$3,161	\$0	\$0	\$1,104,052	\$1,379,549	\$1,560,637	\$936,985
Parks and recreation	\$272,792	\$283,326	\$317,006	\$364,681	\$500,951	\$434,508	\$414,406	\$560,235	\$924,572	\$519,849
Operating grants and contributions	\$7,269,731	\$7,714,006	\$7,368,051	\$5,178,618	\$10,674,374	\$5,612,899	\$4,369,982	\$4,813,086	\$6,065,095	\$4,503,248
Capital grants and contributions	\$32,559,483	\$575,179	\$1,648,244	\$1,703,546	\$186,401	\$1,432,067	\$3,774,852	\$6,163,896	\$561,984	\$561,984
<b>Total governmental activities program revenues</b>	<b>\$47,116,982</b>	<b>\$16,979,035</b>	<b>\$15,942,978</b>	<b>\$13,270,118</b>	<b>\$16,678,469</b>	<b>\$13,171,546</b>	<b>\$18,030,499</b>	<b>\$21,659,072</b>	<b>\$17,689,582</b>	<b>\$15,529,875</b>
Business-type activities:										
Charges for services:										
Water	\$6,614,089	\$6,503,052	\$5,833,964	\$7,861,420	\$9,759,112	\$10,014,463	\$9,764,490	\$9,783,605	\$10,292,343	10,417,014
Transit	\$4,617	\$23,956	\$11,663	\$20,073	\$5,427	\$13,208	\$6,296	\$9,648	\$9,177	8,541
Operating grants and contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital grants and contributions	\$0	\$0	\$422,767	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total business-type activities program revenues</b>	<b>\$6,618,706</b>	<b>\$6,527,008</b>	<b>\$6,268,394</b>	<b>\$7,881,493</b>	<b>\$9,764,539</b>	<b>\$10,027,671</b>	<b>\$9,770,786</b>	<b>\$9,793,253</b>	<b>\$10,301,520</b>	<b>\$10,425,555</b>
<b>Total primary government program revenues</b>	<b>\$53,735,688</b>	<b>\$23,506,043</b>	<b>\$22,211,372</b>	<b>\$21,151,611</b>	<b>\$26,443,008</b>	<b>\$23,199,217</b>	<b>\$27,801,285</b>	<b>\$31,452,325</b>	<b>\$27,991,102</b>	<b>\$25,955,430</b>

Lynwood Redevelopment Agency was dissolved on 1/31/2012. The Successor Agency is reported as a fiduciary fund.

Source: City of Lynwood

**City of Lynwood**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities	\$ 11,533,510	\$ (21,479,120)	\$(19,469,411)	\$(28,362,191)	\$(27,862,199)	\$(32,970,962)	\$ (31,113,773)	\$(30,751,601)	\$(32,845,109)	\$(30,080,241)
Business-type activities	(845,096)	(1,310,918)	(1,127,329)	192,273	2,238,118	1,228,987	1,390,182	1,368,231	1,141,293	601,538
Total primary government net expense	10,688,414	(22,790,038)	(20,596,740)	(28,169,918)	(25,624,081)	(31,741,975)	(29,723,591)	(29,383,370)	(31,703,816)	(29,478,703)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	7,696,553	10,205,679	13,831,194	18,209,991	17,801,044	19,303,986	18,711,265	18,352,556	16,206,403	13,833,700
Utility users tax	5,077,227	5,533,166	5,810,278	6,193,590	6,576,250	5,949,307	5,878,709	5,591,230	5,356,537	5,326,570
Franchise taxes	2,027,649	1,278,192	1,332,113	1,257,149	1,302,678	1,305,288	1,232,463	1,185,455	1,270,598	1,300,003
Sales taxes	3,075,281	3,198,615	3,247,091	3,688,238	5,401,170	4,391,476	5,304,325	5,873,372	6,178,173	6,515,224
Business license taxes	384,645	394,083	262,305	407,714	471,907	434,513	420,200	536,812	593,911	1,055,541
Other taxes	103,270	150,623	93,142	1,327,499	1,433,893	1,600,134	152,742	64,266	123,496	245,822
Payments in lieu of taxes	3,315,792	474,591	1,738,552	540,103	361,087	-	-	-	-	-
Investment earnings	671,926	1,354,489	1,897,716	2,176,869	1,402,738	638,296	402,786	175,705	123,832	254,623
Miscellaneous	591,230	219,998	488,886	1,118,246	239,172	1,250,614	870,321	57,051	177,285	802,561
Transfers	(718,944)	1,709,871	780,106	5,312,643	(346,792)	(515,313)	475,854	(9,037)	632,419	1,083,284
Total governmental activities	22,224,629	24,519,307	29,481,383	40,232,042	34,643,147	34,358,301	33,448,665	31,827,410	30,662,654	30,417,328
Business-type activities										
Investment earnings	112,551	313,212	551,608	607,504	159,515	182,418	100,992	107,207	66,053	73,346
Miscellaneous	3,566	3,363	-	-	-	-	-	-	-	-
Transfers	718,944	(1,709,871)	(780,106)	(5,312,643)	346,792	515,313	(475,854)	9,037	(632,419)	(1,083,284)
Total business-type activities	835,061	(1,393,296)	(228,498)	(4,705,139)	506,307	697,731	(374,862)	116,244	(566,366)	(1,009,938)
Total primary government	\$ 23,059,690	\$ 23,126,011	\$ 29,252,885	\$ 35,526,903	\$ 35,149,454	\$ 35,056,032	\$ 33,073,803	\$ 31,943,654	\$ 30,096,288	\$ 29,407,390
<b>Change in Net Position</b>										
Governmental activities	33,758,139	3,040,187	10,011,972	12,703,331	6,780,948	2,443,121	2,334,892	1,075,809	(2,287,008)	337,087
Business-type activities	(10,035)	(2,704,214)	(1,355,827)	(4,512,866)	2,744,425	1,269,827	1,040,796	1,484,475	574,927	(408,401)
Total primary government	\$ 33,748,104	\$ 335,973	\$ 8,656,145	\$ 8,190,465	\$ 9,525,373	\$ 3,712,948	\$ 3,375,688	\$ 2,560,284	\$ (1,712,081)	\$ (71,314)

Lynwood Redevelopment Agency was dissolved on 1/31/2012. The Successor Agency is reported as a fiduciary fund. GASB 34 was implemented for the fiscal year ended June 30, 2003.

Source: City of Lynwood

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	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>General Fund</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-
Unassigned	-	-	-	-
Reserved	1,962,864	1,628,825	1,000,340	1,412,294
Unreserved	<u>10,399,462</u>	<u>11,691,290</u>	<u>15,512,533</u>	<u>14,891,975</u>
Total general fund	<u>12,362,326</u>	<u>13,320,115</u>	<u>16,512,873</u>	<u>16,304,269</u>
<b>All Other Governmental Funds</b>				
Reserved	54,423,105	54,245,733	26,536,539	26,798,572
Nonspendable	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Restricted:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Unreserved, reported in:				
Special revenue funds	1,368,974	1,616,959	1,867,118	1,641,242
Capital projects funds	(584,387)	225,465	1,005,908	(11,113)
Debt service funds	(195,031)	-	-	-
Total all other governmental funds	<u>\$ 55,012,661</u>	<u>\$ 56,088,157</u>	<u>\$ 29,409,565</u>	<u>\$ 28,428,701</u>

The Lynwood Redevelopment Agency was dissolved as 1/31/12. The Successor Agency is reported as a Fiduciary Fund  
GASB 54 was implemented as of June 30,2011.

Source: City of Lynwood

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

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ -	\$ -	\$ -	\$ 891,712	\$ -	\$ 10,212
-	-	-	526,096	326,900	494,522
-	-	-	5,115,452	5,274,765	5,976,902
1,450,866	164,456	4,874,307	-	-	-
9,626,275	9,547,949	3,107,949	-	-	-
<u>11,077,141</u>	<u>9,712,405</u>	<u>7,982,256</u>	<u>6,533,260</u>	<u>5,601,665</u>	<u>6,481,636</u>
17,632,454	24,765,113	24,589,471	-	-	-
-	-	-	9,969,438	209,078	497,694
-	-	-	-	-	-
-	-	-	(4,176,916)	(3,994,464)	(3,540,229)
-	-	-	9,456,030	12,509,310	13,288,317
-	-	-	33,139,153	9,065,746	13,819,745
-	-	-	5,679,019	1,560,274	1,550,047
(388,455)	4,899,496	4,219,342	-	-	-
(37,030)	(1,570,414)	(2,642,076)	-	-	-
-	-	-	-	-	-
<u>\$ 17,206,969</u>	<u>\$ 28,094,195</u>	<u>\$ 26,166,737</u>	<u>\$ 54,066,724</u>	<u>\$ 19,349,944</u>	<u>\$ 25,615,574</u>

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Revenues</b>				
Taxes (see Schedule 6)	\$22,954,611	\$26,978,169	\$ 29,252,885	\$ 31,084,181
Licenses, fees, and permits	502,598	607,075	639,142	646,340
Fines and penalties	796,674	893,895	1,007,352	1,175,169
Use of money and property	639,696	3,347,760	2,137,438	2,176,869
Intergovernmental	40,526,204	6,322,206	7,299,319	6,247,098
Charges for services	3,732,973	3,106,996	3,338,468	4,285,276
Administrative support	2,416,859	1,476,834	3,228,043	3,060,251
Program Income	-	-	-	267,585
Other revenues	278,324	451,571	135,177	1,456,338
Total revenues	<u>71,847,939</u>	<u>43,184,506</u>	<u>47,037,824</u>	<u>51,232,587</u>
<b>Expenditures</b>				
General government	6,671,970	5,897,451	6,615,223	7,527,419
Public safety	13,522,180	12,763,219	13,900,407	15,505,809
Public works	5,688,359	4,394,322	5,124,278	6,042,820
Community development	4,852,042	7,487,623	6,393,455	7,935,098
Parks and recreation	2,588,372	2,601,140	2,785,317	3,312,944
Pass Through To Other Agencies	-	-	-	-
Capital outlay	4,390,038	6,050,387	34,153,313	13,311,825
Debt service				
Interest	1,934,549	2,017,357	2,207,102	1,174,979
Principal	440,438	1,122,553	975,682	1,826,207
Bond issue costs	351,369	-	-	-
Total expenditures	<u>40,439,317</u>	<u>42,334,052</u>	<u>72,154,777</u>	<u>56,637,101</u>
<b>Excess of revenues over (under) expenditures</b>	<u>31,408,622</u>	<u>850,454</u>	<u>(25,116,953)</u>	<u>(5,404,514)</u>
<b>Other Financing Sources (Uses)</b>				
Bonds proceeds	-	8,630,000	-	-
Premium on bond issuance	-	74,214	-	-
Payments to escrow agent	-	(7,067,541)	-	-
Bond Discount	-	-	-	-
Transfers in	13,777,876	11,272,762	13,085,974	41,023,249
Transfers out	<u>(14,954,778)</u>	<u>(13,173,740)</u>	<u>(11,903,143)</u>	<u>(40,493,902)</u>
Total other financing sources (uses)	<u>(1,176,902)</u>	<u>(264,305)</u>	<u>1,182,831</u>	<u>529,347</u>
Extraordinary items	-	-	-	-
Net change in fund balances	<u>\$ 30,231,720</u>	<u>\$ 586,149</u>	<u>\$ (23,934,122)</u>	<u>\$ (4,875,167)</u>
Debt service as a percentage of noncapital expenditures	6.74%	7.42%	4.41%	5.30%

Source: City of Lynwood

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

2008	2009	2010	2011	2012	2013
\$ 32,765,398	\$ 32,425,069	\$ 31,950,394	\$ 31,518,348	\$ 29,808,823	26,946,582
354,853	915,469	887,559	941,632	1,014,069	1,582,798
1,187,753	1,160,199	1,276,583	1,508,346	1,921,768	1,820,767
1,481,300	638,296	402,786	362,185	340,637	393,656
9,401,941	6,925,831	8,173,257	11,085,979	7,107,176	5,329,733
3,840,333	3,712,006	3,740,730	3,795,430	4,063,798	3,387,777
1,310,366	1,208,409	1,151,040	1,118,246	1,118,246	1,118,246
49,273	45,966	95,477	4,850	-	29,450
660,694	769,658	1,470,894	675,919	487,722	1,616,496
<u>51,051,911</u>	<u>47,800,903</u>	<u>49,148,720</u>	<u>51,010,935</u>	<u>45,862,239</u>	<u>42,225,505</u>
8,328,291	7,406,008	8,612,274	9,771,596	10,018,745	10,637,844
15,696,589	17,453,355	17,323,198	14,844,253	14,574,856	16,667,583
7,344,547	7,273,396	7,487,773	9,139,463	8,476,626	8,499,526
5,552,608	4,856,699	5,512,018	5,696,998	6,523,478	1,022,907
3,160,255	3,535,156	3,374,547	3,043,494	2,699,254	2,849,055
-	552,052	250,021	8,914	-	-
5,983,029	6,145,649	8,136,405	6,387,861	2,130,165	642,303
1,335,594	1,596,989	1,531,443	1,830,643	2,744,245	971,217
1,768,237	2,079,713	1,054,502	5,613,437	929,800	1,047,136
-	-	-	559,620	-	-
<u>49,169,150</u>	<u>50,899,017</u>	<u>53,282,181</u>	<u>56,896,279</u>	<u>48,097,169</u>	<u>42,337,571</u>
<u>1,882,761</u>	<u>(3,098,114)</u>	<u>(4,133,461)</u>	<u>(5,885,344)</u>	<u>(2,234,930)</u>	<u>(112,066)</u>
-	-	-	33,125,000	-	6,563,582
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(779,628)	-	-
26,879,932	15,795,814	17,061,122	14,178,639	10,711,200	11,575,810
(22,078,219)	(20,565,918)	(16,585,268)	(14,187,676)	(10,628,781)	(10,881,725)
<u>4,801,713</u>	<u>(4,770,104)</u>	<u>475,854</u>	<u>32,336,335</u>	<u>82,419</u>	<u>7,257,667</u>
-	-	-	-	(33,495,864)	-
<u>\$ 6,684,474</u>	<u>\$ (7,868,218)</u>	<u>\$ (3,657,607)</u>	<u>\$ 26,450,991</u>	<u>\$ (35,648,375)</u>	<u>\$ 7,145,601</u>
6.31%	7.22%	4.85%	14.07%	7.64%	4.77%

**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
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
2012	16,206,403	5,356,537	6,178,173	1,270,598	123,832	123,496	29,259,039
2013	13,833,700	6,515,224	5,326,570	1,300,003	254,623	254,822	27,484,942
Change							
2004-2013	24.3%	49.8%	4.0%	5.7%	122.2%	-2061.6%	15.5%

Source: City of Lynwood

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	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Residential	\$ 1,314,481,155	\$ 1,411,103,429	\$ 1,553,834,605	\$ 1,769,041,214
Commercial	179,860,921	187,518,358	234,685,857	250,214,463
Industrial	172,530,335	178,999,129	175,850,603	180,517,681
Government	39,620	985,000	-	-
Institutional	17,108,202	17,251,962	14,856,434	14,503,805
Miscellaneous	280,487	32,194	32,835	1,440,488
Recreational	202,485	206,264	210,388	284,668
Vacant Land	10,952,209	20,101,072	15,419,783	16,970,075
SBE Nonunitary	907,822	902,410	906,787	831,966
Cross Reference	3,937,652	3,893,265	4,199,252	4,601,816
Unsecured	76,819,836	76,884,821	78,080,903	79,689,348
Tax Exempt	13,205,320	18,979,457	21,827,731	27,645,498
Unknown	-	8,122,189	1,517,191	615,060
<b>TOTALS</b>	<b>\$ 1,777,120,724</b>	<b>\$ 1,906,000,093</b>	<b>\$ 2,079,594,638</b>	<b>\$ 2,318,710,584</b>
Total Direct Rate	0.43029	0.39809	0.40637	0.40827

Source: HDL, Coren Cole

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

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 1,970,733,207	\$ 2,065,073,300	\$ 1,914,425,758	\$1,833,560,959	1,858,607,166	1,889,584,384
273,733,571	291,616,514	314,804,857	308,471,599	306,858,147	233,309,815
192,759,499	211,284,405	226,310,747	224,421,914	219,249,109	319,869,481
-	-	-	-	-	-
21,072,234	21,610,145	24,496,869	195,237,553	213,678,142	217,361,956
1,469,295	3,335,932	3,335,448	3,213,287	1,629,071	1,664,398
290,360	296,166	302,088	301,369	303,636	309,706
17,594,342	18,875,074	19,573,033	20,415,541	34,025,174	31,578,727
729	717	694	779	969	977
4,262,361	4,376,567	3,955,210	4,399,868	4,002,550	4,122,775
82,205,276	83,586,372	84,371,270	74,657,976	95,395,071	87,556,507
30,246,612	29,585,217	28,473,480	29,135,826	29,455,154	29,940,424
-	44	44	-	15,108,197	15,390,492
<u>\$ 2,564,120,874</u>	<u>\$ 2,700,055,236</u>	<u>\$ 2,591,576,018</u>	<u>\$2,664,680,845</u>	<u>\$ 2,748,857,232</u>	<u>\$ 2,800,749,218</u>
0.40358	0.40563	0.41092	0.43155	0.47631	0.45431

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

Agency	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Basic Levy	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.000000	1.000000
Compton Community College District	0.02714	0.00396	0.02051	0.01975	0.01763	0.01262	0.01296	0.01487	0.020830	0.025618
Compton Unified School District	0.05570	0.06261	0.04827	0.06144	0.05976	0.06237	0.06238	0.07054	0.071252	0.075823
County Detention Facilities 1987 Debt	0.00099	0.00092	0.00080	0.00066	0.00000	0.00000	0.00000	0.00000	0.000000	0.000000
LA Community College District	0.01986	0.01810	0.01429	0.02146	0.00879	0.02212	0.02311	0.04031	0.035296	0.048750
LA County Flood Control	0.00046	0.00025	0.00005	0.00005	0.00000	0.00000	0.00000	0.00000	0.000000	0.000000
Los Angeles Unified School District	0.07715	0.08884	0.08435	0.10681	0.12334	0.12478	0.15181	0.18695	0.168187	0.175619
Lynwood Unified	0.06141	0.05731	0.04827	0.04317	0.04370	0.04498	0.04359	0.04945	0.051710	0.050589
Metropolitan Water District	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370	0.003700	0.003500
Tax District	0.12500	0.12500	0.12500	0.12500	0.12500	0.12500	0.12500	0.12500	0.125000	0.125000
<b>Total Direct &amp; Overlapping Tax Rates</b>	<b>1.37381</b>	<b>1.36279</b>	<b>1.34674</b>	<b>1.38304</b>	<b>1.38272</b>	<b>1.39617</b>	<b>1.42315</b>	<b>1.49082</b>	<b>1.47598</b>	<b>1.504899</b>
<b>City's Share of 1% Levy Per Prop 13</b>	<b>0.11301</b>	<b>0.113014</b>	<b>0.113014</b>							
<b>General Obligation Debt Rate</b>	<b>0.12500</b>	<b>0.125000</b>	<b>0.125000</b>							
<b>Redevelopment Rate Total Direct Rate</b>	<b>1.13263</b>	<b>1.13204</b>	<b>1.13112</b>	<b>1.13048</b>	<b>1.12956</b>	<b>1.12930</b>	<b>1.12930</b>	<b>1.12870</b>	<b>0.00000</b>	<b>0.00000</b>
<b>Total Direct Rate</b>	<b>0.39809</b>	<b>0.40637</b>	<b>0.40827</b>	<b>0.40358</b>	<b>0.40563</b>	<b>0.41092</b>	<b>0.43155</b>	<b>0.47631</b>	<b>1.201240</b>	<b>1.204707</b>

Source: Los Angeles County Auditor-Controller

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

Taxpayer	2004			2013		
	Value	Rank	% of Net Assessed Value	Value	Rank	% of Net Assessed Value
St. Francis Medical Center	\$9,534,600	8	0.54%	\$195,111,957	1	7.04%
Plamex Investment LLC				\$41,716,353	2	1.51%
Duke Realty LTD Partnership	\$19,247,400	1	1.09%	\$38,120,000	3	1.38%
Lynwood Alameda Corporation	\$17,645,067	2	1.00%	\$20,401,209	4	0.74%
Earl M. Jorgensen Company	\$11,241,330	6	0.64%	\$17,823,564	5	0.64%
Albi Lynwood Investment LLC				\$17,445,448	6	0.63%
Jones Holdings LLC				\$15,451,700	7	0.56%
Aaron Industries Inc.				\$14,894,624	8	0.54%
Atlantic Lynwood LLC				\$11,735,687	9	0.42%
805 Property LLC	\$9,271,000	9	0.53%	\$11,654,681	10	0.42%
Airgas West, Inc.	\$15,529,004	3	0.88%			
MCW Horter Inc.	\$11,591,281	4	0.66%			
Universal Molding Company	\$11,551,485	5	0.65%			
Economic Resources Corp.	\$10,056,605	7	0.57%			
Shapco Partnership	\$8,859,694	10	0.50%			
<b>Top Ten Totals</b>	<b>\$124,527,466</b>		<b>7.06%</b>	<b>\$384,355,223</b>		<b>13.88%</b>
<b>City Totals</b>	<b>\$1,737,433,435</b>		<b>100%</b>	<b>\$2,770,808,794</b>		<b>100%</b>

Source: HDL, Coren Cole

**City of Lynwood  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

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Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2004	\$ 1,529,632	\$ 1,446,731	94.58%
2005	1,628,787	1,121,313	68.84%
2006	1,785,744	1,335,441	74.78%
2007	2,016,965	1,874,289	92.93%
2008	2,234,886	2,113,315	94.56%
2009	2,340,660	2,113,570	90.30%
2010	2,397,112	2,184,554	91.13%
2011	2,286,742	2,251,225	98.45%
2012	2,375,934	2,355,554	99.14%
2013	2,424,271	2,410,060	99.41%

Source: HDL Coren Cole  
Municipal Services

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	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Apparel Stores	\$13,929	\$14,044	\$16,034	\$16,388
General Merchandise	2,721	3,563	3,473	3,489
Food Stores	29,227	30,347	30,061	31,200
Eating and Drinking Places	41,165	48,432	51,306	56,094
Building Materials	22,480	28,314	31,626	32,968
Auto Dealers and Supplies	25,043	27,342	30,445	28,974
Service Stations	45,527	50,409	55,558	61,236
Other Retail Stores	30,818	34,018	42,698	47,984
All Other Outlets	<u>56,387</u>	<u>71,445</u>	<u>76,729</u>	<u>75,021</u>
Total	<u>\$267,297</u>	<u>\$307,914</u>	<u>\$337,930</u>	<u>\$353,354</u>

Source: HDL Coren Cole

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

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$16,341	\$14,845	\$13,671	\$9,627	\$11,970	\$14,541
3,398	3,419	3,480	6,511	6,682	6,744
30,747	31,445	31,801	31,537	31,409	33,525
57,316	55,876	53,996	52,625	56,846	61,527
32,302	25,376	19,980	1,459	1,281	1,446
22,720	15,293	12,630	13,441	16,281	16,978
62,998	66,578	51,407	64,504	73,037	74,609
50,214	48,831	44,589	30,172	29,338	28,728
88,180	89,898	72,430	70,997	71,615	68,846
<u>\$364,216</u>	<u>\$351,561</u>	<u>\$303,984</u>	<u>\$280,873</u>	<u>\$298,459</u>	<u>\$306,944</u>

**City of Lynwood**  
**Direct and Overlapping Sales Tax Rates**  
**Last Ten Fiscal Years**

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<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Los Angeles County</u>
2004	1%	1%
2005	1%	1%
2006	1%	1%
2007	1%	1%
2008	1%	1%
2009	1%	1%
2010	1%	1%
2011	1%	1%
2012	1%	1%
2013	1%	1%

Source: HDL Coren Cole

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

2013	
Tax Remitter	Business Category
99 Cents Only Stores	Department Stores
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
Eurostar	Apparel Stores
Factory 2-U	Department Stores
Food 4 Less	Food Markets
Jack In The Box Restaurants	Restaurants
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
Smart & Final	Food Markets
Sun's Market Gas & Diesel	Service Stations
Superior Super Warehouse	Food Markets
Taco Bell	Restaurants
TJ's Metal Mfg.	Heavy Industry
Union 76 Service Stations	Service Stations
Verizon Wireless	Misc Retail
Walgreen's Drug Stores	Drug Stores

2004	
Tax Remitter	Business Category
12131 Long Beach Gas Inc	Energy Sales
456 Lynwood	Apparel Stores
Airgas - West	Heavy Industry
Atlantic Chevron	Service Stations
Autozone	Auto Parts/Repair
Chevron Service Stations	Service Stations
Eurostar	Apparel Stores
Food 4 Less	Food Markets
Imaging Supplies & Equipment	Miscellaneous Retail
J & M Sales Inc	Apparel Stores
Jack In The Box Restaurants	Restaurants
JJ North's Grand Buffet	Restaurants
Jones Lumber Company	Bldg. Matls - Whsle
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
Sun's Market Gas & Diesel	Service Stations
Superior Super Warehouse	Food Markets
U.S. Royal	Service Stations
Union 76 Service Stations	Service Stations
Valu Plus Food Warehouse	Food Markets
Walgreen's Drug Stores	Drug Stores

NOTE: California Law prohibits further detail.

Source: HDL Coren Cole

**City of Lynwood**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

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<b>General Bonded Debt Outstanding</b>				
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Redevelopment Bonds</u>	<u>Total</u>	<u>Per Capita</u>
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
2012	33,057,002	35,197,380	68,254,382	12,021
2013	39,291,079	34,271,450	73,562,529	12,654

Source: City of Lynwood

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**Governmental Activities**

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Fiscal Year	Tax Allocation Bonds	HUD Loan Payable	Claims Payable	Revenue Bonds	Capital Leases Payable
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	-
2012	35,197,830	4,765,000	3,077,651	13,344,480	-
2013	34,271,450	4,405,000	2,728,192	19,341,892	-

Source: City of Lynwood

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

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**Business-type Activities**

	Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Debt Per Capita
\$	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%
	20,329,097	76,714,058	8.77%	0.10%
	19,949,097	80,695,631	9.22%	0.09%

**City of Lynwood**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2013**

2012-13 Assessed Valuation: \$2,770,808,830

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 06/30/13	% Applicable (1)	City's Share of Debt 06/30/13
Los Angeles County Flood Control District	\$ 19,770,000	0.258%	\$ 51,007
Metropolitan Water District	165,085,000	0.132	217,912
Compton Community College District	62,776,122	16.71	10,489,890
Los Angeles Community College District	3,712,555,000	0.008	297,004
Compton and Los Angeles Unified School Districts	11,000,650,197	0.767 & 0.010	1,516,076
Lynwood Unified School District	47,159,197	98.223	46,321,720
Los Angeles County Regional Park and Open Space Assessment District	142,870,000	0.255	364,319
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 59,257,928</b>

Ratios to 2011-12 Assessed Valuation:

Total Overlapping Tax and Assessment Debt .....2.14%

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Los Angeles County General Fund Obligations	\$ 1,729,437,327	0.255%	\$ 4,410,065
Los Angeles County Superintendent of Schools Certificates of Participation	10,377,239	0.255	26,462
Compton and Los Angeles Unified School District Certificates of Participation	422,336,434	0.767 & 0.010	247,948
Lynwood Unified School District Certificates of Participation	21,480,000	98.223	21,098,300
<b>City of Lynwood General Fund Obligations</b>	<b>13,020,000</b>	<b>100</b>	<b>13,020,000</b>
Los Angeles County Sanitation District No. 1 Authority	18,499,341	11.978	2,215,851
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 41,018,626</b>
Less: Los Angeles County obligations supported by landfill revenues			14,004
Los Angeles Unified School District QZABs supported by investment fund			505
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 41,004,117</b>

OVERLAPPING TAX INCREMENT DEBT:

Lynwood Redevelopment Agency	34,740,000	100%	\$ 34,740,000
<b>TOTAL OVERLAPPING TAX INCREMENT DEBT</b>			<b>\$ 34,740,000</b>

**TOTAL DIRECT DEBT**

**\$ 13,020,000**

**TOTAL GROSS OVERLAPPING DEBT** **\$ 121,996,554**

**TOTAL NET OVERLAPPING DEBT** **\$ 121,982,045**

**GROSS COMBINED TOTAL DEBT** **\$ 135,016,554**

**NET COMBINED TOTAL DEBT** **\$ 135,002,045**

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable

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

Ratios to Adjusted Assessed Valuation:

**Total Direct Debt (\$13,020,000) .....0.47%**

Gross Combined Total Debt .....4.87%

Net Combined Total Debt .....4.87%

Ratios to Redevelopment Incremental Valuation (\$782,971,337):

Overlapping Tax Increment Debt.....4.44%

Source: California Municipal Statistics

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	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Assessed Valuation	\$ 1,763,915,404	\$ 1,887,020,636	\$ 2,057,766,907	\$ 2,291,065,086
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 440,978,851	\$ 471,755,159	\$ 514,441,727	\$ 572,766,272
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 66,146,828	\$ 70,763,274	\$ 77,166,259	\$ 85,914,941
Total net debt applicable to the limit: General obligation bonds	-	-	-	-
Legal debt margin	\$ 66,146,828	\$ 70,763,274	\$ 77,166,259	\$ 85,914,941

Source: County of Los Angeles Auditor-Controller

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

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 2,811,856,366	\$ 2,700,055,236	\$ 2,821,047,242	\$ 2,664,680,845	\$ 2,719,402,114	\$ 2,770,808,830
25%	25%	25%	25%	25%	25%
\$ 702,964,092	\$ 675,013,809	\$ 705,261,811	\$ 666,170,211	\$ 679,850,529	\$ 692,702,208
15%	15%	15%	15%	15%	15%
\$ 105,444,614	\$ 101,252,071	\$ 105,789,272	\$ 99,925,532	\$ 101,977,579	\$ 103,905,331
-	-	-	-	-	-
\$ 105,444,614	\$ 101,252,071	\$ 105,789,272	\$ 99,925,532	\$ 101,977,579	\$ 103,905,331

<b>Water Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		
				<b>Principal</b>	<b>Interest</b>	
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	
2012	10,301,520	8,115,339	2,186,181	380,000	997,794	
2013	10,425,555	8,811,081	1,614,474	380,000	1,012,936	

Source: City of Lynwood

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

<b>Public Finance Authority Revenue Bonds</b>		<b>Tax Allocation Bonds</b>		<b>Other Debt</b>	
<b>Debt Service</b>		<b>Debt Service</b>		<b>Debt Service</b>	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
\$ 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
575,000	675,803	945,000	2,328,343	396,217	306,624
575,000	651,554	595,000	2,310,748	396,217	287,591

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

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<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income</b> <i>(thousands of dollars)</i>	<b>Per Capita Personal Income</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
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%
2012	70,257	845,496	12,034	15,515	18.6%
2013	70,645	866,037	12,259	15,029	17.2%

## City of Lynwood Principal Employers

Employer	2008		2009		2010		2011		2012		2013		Percent of Total Employment
	Employees	Rank											
St. Francis Medical Center							116	9	2,100	1	2,100	1	7.50%
Lynwood Unified School District					1,777	1	1,876	1	1,324	2	1,586	2	5.60%
Los Angeles County Sheriff Department					320	2	302	2	300	3	301	3	1.08%
Aaron Industries Inc.			150	3			250	3	276	4	279	4	1.00%
Lynwood City Hall					229	4	226	4	239	5	220	5	0.79%
Superior Warehouse Grocers Inc.											146	6	0.52%
Country Villa Lynwood Health Care					175	7			175	6	130	7	0.46%
Earle M. Jorgensen Company			190	1			190	5	158	7	118	8	0.42%
Marlinda Nursing Home			176	2			176	6	125	8	116	9	0.41%
El Super			110	5			110	10	125	9	100	10	0.36%
Country Villa Lynwood Health Care			120	4			120	8	100	10			
Pacer International / Conex Global							137	7					
Michels & Company					250	3							
EMJ Metals					200	5							
K and K Office Furniture					175	6							
Triumph Processing					160	8							
Country Villa Lynwood Health Center					150	9							
Jones Lumber	123	1			150	10							
Airgas West	96	3	96	6									
Universal Molding Co. Inc.	92	4	92	7									
Valu-Plus	87	5	87	8									
Marlinda West Nursing Homes	80	6	80	9									
Food 4 Less	76	7	76	10									
McDonalds	102	2											
Perfect Fit Industries	65	8											
La Curacao	65	9											
West Tex Corporation	61	10											
DV Industries Inc.													

Source: Business License

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

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<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government										
City Council	5	12	12	12	7	2.5	2.5	2.5	2.5	2.5
City Clerk	4	4	4	3	3	3.5	3.5	3.5	7	4
City Treasurer	2	2	2	2	1.5	1.5	1.5	1.5	1.5	1.5
City Manager	12	9	11	11	11	7	6	5	5	5
Development Services	23	19	20	23	21	17.5	17.5	18.5	13.5	13.5
Finance & Administration	41	25	26	24	23.5	23.5	40	34	19	19
Human Resources	6	18	19	20	13.5	11.5	5	5	4	4
Public Relations	0	40	40	40	39.5	38	5.5	5.5	16.5	15.5
Public Works	102	62	72	68	68	55.5	80.5	71	68	66
Parks and Recreation	100	87	105	101	58	59.5	56	54.5	53	53
Community Development	12	7	7	11	11	9	9	9	5	8

Source: City of Lynwood

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

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b><u>Function / Program</u></b>							
General government							
Building permits issued	3,600	2,182	1,570	1,590	1,561	1,259	1,110
Building inspections conducted	1,560	5,325	3,794	5,200	4,160	3,840	2,983
Sheriff							
Physical arrests	2,397	3,782	4,344	3,738	3,503	3,172	3,391
Fire							
Emergency responses	3,062	3,654	3,458	4,655	4,622	4,865	4,914
Fires extinguished	200	168	157	138	143	148	153
Inspections	1,579	1,135	1,728	1,890	1,679	1,919	1,371
Refuse collection							
Refuse collected (tons per day)	153	75	63	72	73	62	128
Recyclables collected (tons per day)	56	65	41	66	60	63	65
Other public works							
Potholes repaired	12,000	15,800	5,800	7,200	7,400	6,800	6,800
Water							
Water main breaks	7	6	8	3	3	2	2
Average daily consumption (thousands of gallons)	5,500	5,640	5,600	5,250	5,190	5,180	5,223

Source: City of Lynwood

**City of Lynwood**  
**Capital Asset Statistics by Function/Program**  
**Last Nine 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>	<u>2012</u>	<u>2013</u>
Sheriff									
Stations	1	1	1	1	1	1	1	1	1
Zone offices	0	0	0	0	0	0	0	0	0
Patrol units	0	0	17	23	24	24	24	24	24
Fire Stations	2	2	2	2	2	2	2	2	2
Other public works									
Streets (miles)	85	85	90	90	90	90	90	90	90
Streetlights	2,300	2,300	2,300	2,300	4,175	4,175	4175	4175	4175
Parks and recreation									
Acreage	35	35	35	37.9	37.9	37.9	37.9	46	40.58
Playgrounds	6	6	6	5	5	6	6	7	5
Baseball/softball diamonds	3	3	3	4	4	4	4	4	4
Soccer/football fields	2	2	2	3	3	3	3	4	3
Community Centers	2	2	3	3	3	4	4	4	4
Water									
Water mains (miles)	85	85	90	90	90	90	90	90	90
Fire hydrants	1,100	1,100	1,100	1,100	1,100	1,100	1100	1100	1100
Storage capacity (thousands of gallons)	3,000	3,000	3,000	3,000	3,000	3,000	3000	3000	3000
Wastewater									
Sanitary sewers (miles)	81	81	81	81	82	82	82	82	82
Storm sewers (miles)	2	2	2	2	2	2	2	2	2

Source: City of Lynwood