

FISCAL YEAR

2013 - 2014

CAFR

COMPREHENSIVE
ANNUAL
FINANCIAL REPORT

YEAR ENDING JUNE 30, 2014



CITY OF LYNWOOD
A City Meeting Challenges

**Comprehensive Annual Financial Report
City of Lynwood, California
Year ended June 30, 2014
with Report of Independent Auditors**

Prepared by: Finance Department

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ARNOLDO BELTRAN
City Manager

City of
LYNWOOD

Incorporated 1921
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December 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 2013-14. 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 objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2014, 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, 2014. 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.

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
- 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 (LPFA) 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 basically grown from an agricultural area in the early 1900's to its present residential and growing industrial and commercial importance. The City covers 4.9 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 70,900 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 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, increases in fees, and the 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 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 16 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 curb spending where possible. The Proposed FY 16 Budget 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 16 Budget in late May or early June 2015.

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

The City participates in programs for worker's compensation and general liability coverage administered by ICRMA. The Worker's Comp limit is \$100,000,000 with the City's retention of \$500,000 for each accident. General liability coverage is \$30,000,000 with the City's retention

set at \$100,000 for each accident. The City Attorney believes that the above designation is adequate to cover any losses. Costs related to litigation of claims are expensed as incurred.

In addition, the City participates in the ICRMA Property Insurance Program including earthquake and flood insurance. The "all risk", including earthquake and flood, property coverage is \$125,000,000 with \$10,000 for each occurrence deductible. The property coverage limit is shared by 20 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.

LONG-TERM FINANCIAL PLANNING

The unassigned FY 14 fund balance in the General Fund is \$4.6 million (including \$500,000 Contingency Fund). This amount falls within the management budget guidelines as approved by the Council for budgetary and planning purposes. The City is projected to end FY 15 with a \$3 million ending General Fund balance, inclusive of all budget amendments approved by City Council during the first quarter of FY 15. The projected fund balance is in compliance with the City's General Fund reserve policy, which requires the City to maintain a minimum reserve level equal to 10% of the current-year adopted operating budget. The \$3 million is close to the minimum reserve level.

In order to contend with anticipated fiscal challenges and lead the City to fiscal stability and financial resiliency, staff has prepared a General Fund 5-Year Financial Forecast to serve as a long-term financial planning tool and resource to assess the City's long-term viability and fiscal well-being. The 5-Year Financial Forecast will be a plan for the City to more prudently manage the City's fiscal resources, forecast expenditures and strengthen the City's financial planning for the future.

The 5-Year Financial Forecast projects that the City's General Fund will be below the minimum 10% reserve by end of FY 16, ending at \$2.3 million. The City must identify corrective actions to address the City's fiscal issues. The City cannot control the economic conditions that affect sales and property tax revenues, but it can control its expenditures. It must improve and strengthen its internal financial controls. Staff recommended measures to be considered for implementation to assist the City in achieving a long-term financial stability.

ACKNOWLEDGMENTS

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,

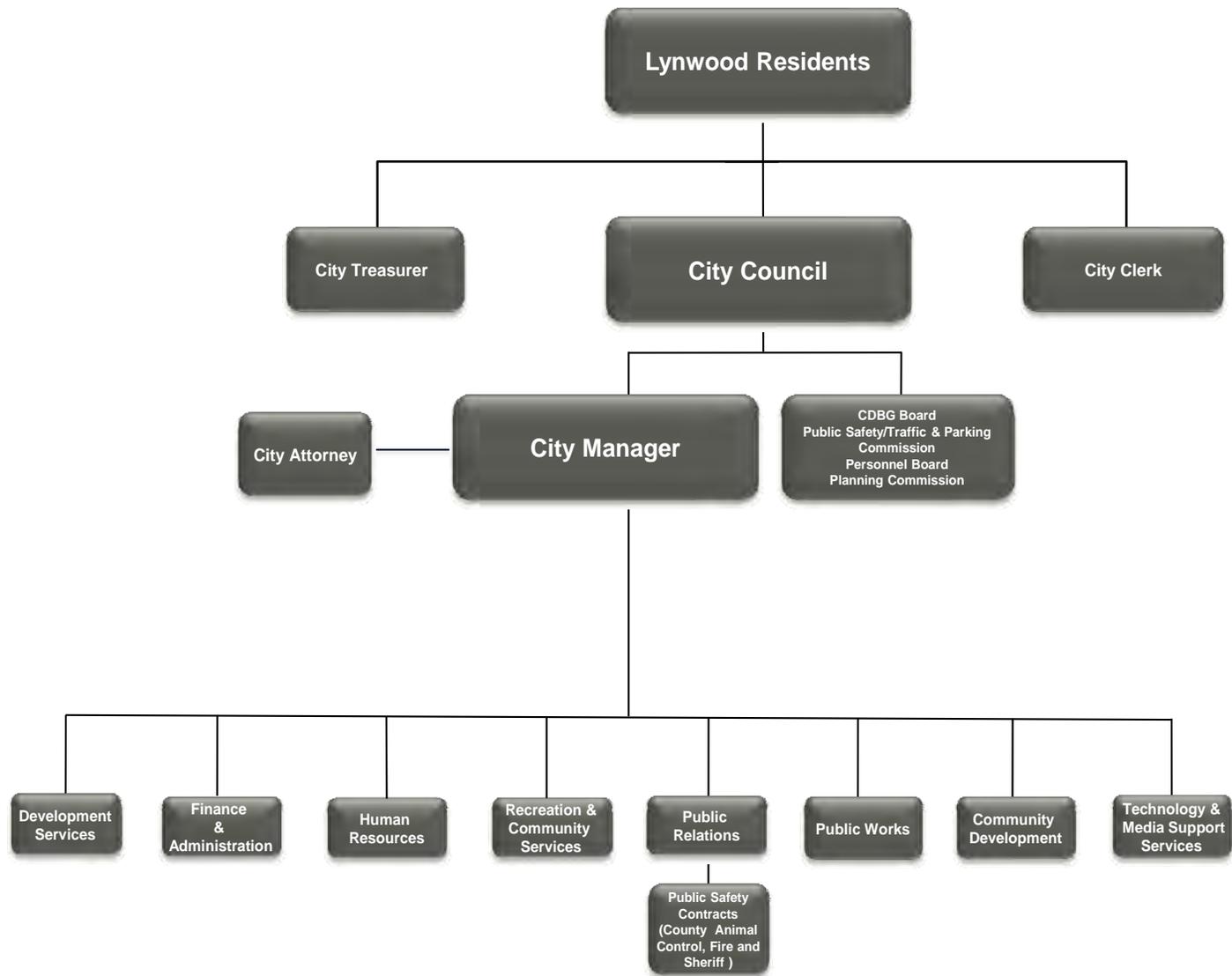


J. Arnaldo Beltrán
City Manager



Amanda L. Roberson
Director of Finance

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CITY OF LYNWOOD

ELECTED OFFICIALS

MAYOR JOSE LUIS SOLACHE
MAYOR PRO-TEM MARIA TERESA SANTILLAN-BEAS
COUNCILMAN SALVADORE ALATORRE
COUNCILWOMAN AIDE CASTRO
COUNCILMAN EDWIN HERNANDEZ
CITY TREASURER YOLANDA RODRIGUEZ-GONZALEZ
CITY CLERK MARIA QUINONEZ

ADMINISTRATIVE STAFF

CITY MANAGER J. ARNOLDO BELTRAN
FINANCE DIRECTOR.....AMANDA ROBERSON
POLICE CHIEF CAPTAIN ERNIE CHAVEZ
INTERIM DIRECTOR OF PUBLIC WORKS WILLIAM STRACKER
INTERIM DIRECTOR OF DEVELOPMENT SERVICES MILAN L. GARRISON
INTERIM DIRECTOR OF TECHNOLOGY & MEDIA SUPPORTPETER HAN
HUMAN RESOURCES DIRECTOR HAYDEE M. SAINZ
INTERIM DIRECTOR OF RECREATION & COMMUNITY SVCS..... MARK 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, 2013

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, 2014, 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, 2014, 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 72 through 79 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, budgetary comparison schedules, and statistical sections 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 and budgetary comparison schedules 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, and budgetary comparison schedules 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.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 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.

Vasquez + Company LLP

**Los Angeles, California
December 22, 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, 2014. 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, 2014 were \$210.2 million and total liabilities and deferred inflow of resources were \$63.6 million. The assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$146.6 million (net position).
- During the fiscal year, the City's general fund uses (including expenditures and transfers out) exceeded sources (including revenues and transfers in) by approximately \$1.9 million. The year-end fund balance for the General Fund was \$4.6 million.
- Total revenues from all sources were \$57.1 million and total expenditures were \$51.5 million. Of the total revenues, program revenues were \$27.3 million and general revenues were \$29.8 million. Program revenues are broken into two categories: Charges for services at \$22.6 million and operating grants and contributions at \$4.7 million. General revenues comprised of property taxes in the amount of \$13.3 million, utility taxes in the amount of \$5.4 million, sales and use tax in the amount of \$6.7 million, franchise tax and business license tax in the amount of \$3.4 million.

ROAD MAP FOR THE FY 2013-2014 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 2013-14 (CURRENT)			Fiscal Year 2012-13 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current Assets & Other Assets	\$ 48,649,462	\$ 21,486,833	\$ 70,136,295	\$ 42,390,635	\$ 23,342,315	\$ 65,732,950
Capital Assets	128,085,658	11,331,244	139,416,902	128,499,260	11,628,461	140,127,721
Total assets	\$ 176,735,120	\$ 32,818,077	\$ 209,553,197	\$ 170,889,895	\$ 34,970,776	\$ 205,860,671
Deferred outflows of resources						
Unamortized loss on defeasance of debt	477,257	209,506	686,763	569,593	223,966	793,559
Total deferred outflows of resources	\$ 477,257	\$ 209,506	\$ 686,763	\$ 569,593	\$ 223,966	\$ 793,559
Liabilities:						
Other Liabilities	8,110,031	970,142	9,080,173	8,173,881	1,252,700	9,426,581
Long-Term Debt Outstanding	34,686,443	19,884,221	54,570,664	36,087,534	20,206,009	56,293,543
Total liabilities	\$ 42,796,474	\$ 20,854,363	\$ 63,650,837	\$ 44,261,415	\$ 21,458,709	\$ 65,720,124
Deferred inflows of resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Position						
Net investment in capital assets	112,653,436	2,556,555	115,209,991	128,499,266	(2,740,380)	125,758,886
Restricted	30,716,429	4,375,458	35,091,887	29,600,340	4,637,967	34,238,307
Unrestricted	(8,953,962)	5,241,207	(3,712,755)	(30,901,533)	11,838,446	(19,063,087)
Total net position	\$ 134,415,903	\$ 12,173,220	\$ 146,589,123	\$ 127,198,073	\$ 13,736,033	\$ 140,934,106

The City's overall assets increased to \$209.5 million in FY 2013-2014, and the overall liabilities increased to \$63.6 million over the same period. The net position increased slightly from \$140.9 million to \$146.6 million.

City of Lynwood
Management's Discussion and Analysis
June 30, 2014

Table 2
Change in Net Position

	Fiscal Year 2013-14 (CURRENT)			Fiscal Year 2012-13 (PRIOR)		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities		Activities	Activities	
REVENUES						
Program Revenues						
Charges for services	\$ 12,498,840	\$ 10,176,697	\$ 22,675,537	\$ 10,464,643	\$ 10,425,555	\$ 20,890,198
Operating grants and contributions	4,708,968	-	4,708,968	4,503,248	-	4,503,248
Capital grants and contributions	-	-	-	561,984	-	561,984
Subtotal	<u>17,207,808</u>	<u>10,176,697</u>	<u>27,384,505</u>	<u>15,529,875</u>	<u>10,425,555</u>	<u>25,955,430</u>
General Revenues						
Property taxes	13,318,023	-	13,318,023	13,833,700	-	13,833,700
Utility users tax	5,421,499	-	5,421,499	5,326,570	-	5,326,570
Sales and use taxes	6,721,146	-	6,721,146	6,515,224	-	6,515,224
Franchise taxes	2,380,457	-	2,380,457	1,300,003	-	1,300,003
Business license taxes	1,084,625	-	1,084,625	1,055,541	-	1,055,541
Other taxes	179,237	-	179,237	245,822	-	245,822
Use of money and property	387,805	69,463	457,268	254,623	73,346	327,969
Miscellaneous	227,155	-	227,155	802,560	-	802,560
Transfers	1,784,644	(1,784,644)	-	1,083,285	(1,083,285)	-
Subtotal	<u>31,504,591</u>	<u>(1,715,181)</u>	<u>29,789,410</u>	<u>30,417,328</u>	<u>(1,009,939)</u>	<u>29,407,389</u>
Total	<u>48,712,399</u>	<u>8,461,516</u>	<u>57,173,915</u>	<u>45,947,203</u>	<u>9,415,616</u>	<u>55,362,819</u>
EXPENSES						
General government	7,985,070	-	7,985,070	14,264,425	-	14,264,425
Public safety	17,090,835	-	17,090,835	16,683,793	-	16,683,793
Public works	9,929,011	-	9,929,011	9,512,426	-	9,512,426
Community development	1,779,007	-	1,779,007	1,025,932	-	1,025,932
Parks and recreation	3,201,757	-	3,201,757	3,033,225	-	3,033,225
Interest and fiscal charges	1,508,889	-	1,508,889	1,090,315	-	1,090,315
Water and sewer	-	9,138,793	9,138,793	-	8,861,860	8,861,860
Transit	-	885,536	885,536	-	962,158	962,158
Total	<u>41,494,569</u>	<u>10,024,329</u>	<u>51,518,898</u>	<u>45,610,116</u>	<u>9,824,018</u>	<u>55,434,134</u>
Change in net position	7,217,830	(1,562,813)	5,655,017	337,087	(408,402)	(71,315)
Net position, beginning as restated	127,198,073	13,736,033	140,934,106	126,860,986	14,144,435	141,005,421
Net position, ending	<u>\$ 134,415,903</u>	<u>\$ 12,173,220</u>	<u>\$146,589,123</u>	<u>\$ 127,198,073</u>	<u>\$ 13,736,033</u>	<u>\$ 140,934,106</u>

The City's overall net position increased since the beginning of the year, from \$141.0 million to \$146.6 million. There is a surplus between the actual revenues of \$57.1 million and the actual expenditures approximately over \$51.5 million. As reflected in the above table, the difference in revenue and expenditures is a net surplus of \$5.6 million. Governmental Activities resulted in a surplus of \$7.2 million; and Business-Type Activities had a deficit of \$1.6 million.

Compared to FY 2012-13, the City's overall revenues increased from \$55.3 million to \$57.1 million. The increase is revenue primarily related to the increase in franchise taxes, rental income, refuse charges and operating grants received during FY 2014. The overall expenditures decreased from \$55.4 million to \$51.5 million primarily due to the completion of major maintenance and improvement projects completed during FY 2014.

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 2013-14 (CURRENT)			Fiscal Year 2012-13 (PRIOR)		
	Expenses	Program Revenues	Net (Expense) Revenue	Expenses*	Program Revenues	Net (Expense) Revenue
FUNCTIONS/ PROGRAMS						
General government	\$ 7,985,070	\$ 8,006,991	\$ 21,921	\$14,264,425	\$ 5,741,982	\$ (8,522,443)
Public safety	17,090,835	2,438,429	(14,652,406)	16,683,793	1,849,201	(14,834,592)
Public works	9,929,011	3,014,718	(6,914,293)	9,512,426	4,004,633	(5,507,793)
Community development	1,779,007	3,014,747	1,235,740	1,025,932	3,412,610	2,386,678
Parks and recreation	3,201,757	732,923	(2,468,834)	3,033,225	521,449	(2,511,776)
Interest and fiscal charges	1,508,889	-	(1,508,889)	1,090,315	-	(1,090,315)
Total	\$ 41,494,569	\$ 17,207,808	\$(24,286,761)	\$45,610,116	\$ 15,529,875	\$(30,080,241)

The cost of the City's Governmental Activities decreased from \$45.6 million in FY 2012-13 to \$41.5 million in FY 2013-14 primarily due to decreased costs of maintenance and improvement contracts. The program revenue generated by these activities increased from \$15.5 million to \$17.2 million. The increase was due to the increase in refuse collections and operating revenues received in FY 2014. As a result of the respective changes in the revenues and expenditures, the net cost of Government Activities was \$24.3 million in FY 2013-14, \$5.8 million less than the net cost of \$30.1 million recorded in FY 2012-13.

Overall, ***the cost of government in FY 2013-14 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 \$152,368 in FY 2013-14, with the transit services having a net cost of approximately \$875,988, as opposed to the net revenue of \$1,028,356 recorded in the water and sewer program.

Table 4
Business-Type Activities
Net Cost of Services

	Fiscal Year 2013-14 (CURRENT)			Fiscal Year 2012-13 (PRIOR)		
	Expenses	Program Revenues	Net (Expense) Revenue	Expenses	Program Revenues	Net (Expense) Revenue
FUNCTIONS/PROGRAMS						
Water & Sewer	\$ 9,138,793	\$10,167,149	\$ 1,028,356	\$ 8,861,860	\$ 10,417,014	\$ 1,555,154
Transit	885,536	9,548	(875,988)	962,157	8,541	(953,616)
Total	\$ 10,024,329	\$10,176,697	\$ 152,368	\$ 9,824,017	\$ 10,425,555	\$ 601,538

The cost of the City's Business-Type Activities was \$10.0 million in FY 2013-14 and \$9.8 million in FY 2012-13. The program revenue generated by these activities was above \$10.1 million in FY 2013-14 and \$10.4 million in FY 2012-13. As a result, the net revenue of the Business-Type Activities in FY 2013-14 was \$152,368. 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 \$36.1 million, which is a \$3.1 million increase from the prior fiscal year. The increase is primarily due to the reduction in expenditures in fiscal year 2014 due to the completion of completion of major maintenance and improvement projects which were started in prior years. The General Fund had a net decrease of \$1.9 million in its fund balance, from \$6.5 million to \$4.6 million.

General Fund Budgetary Highlights

The year-end actual revenues for the General Fund (including transfers in) were \$28.8 million; the actual expenditures (including transfers out) totaled \$30.7 million. The actual revenues including transfers, was \$482,351 above the final budget estimate, while the actual spending (expenditures) with transfers was \$408,557 above the final budget.

The actual revenues in the general fund were higher than budgeted amounts primarily due to increase in rental income and fire inspection and construction permits revenue received during fiscal year 2014. The actual expenditures were higher than budgeted amounts primarily due to increase in payroll and maintenance costs related to public works department.

Capital Assets

At the end of Fiscal Year 2013-14, the City had \$139.4 million invested in capital assets. Of this amount, \$128.1 million is related to Governmental Activities and \$11.3 million to Business-type Activities. These amounts represent an overall decrease from the previous year (FY 2012-13), when the City's overall capital assets were \$140.1 million, including \$128.5 million in Governmental Activities and \$11.6 million in Business-type Activities.

Table 5
Capital Assets

	Fiscal Year 2013-14 (CURRENT)			Fiscal Year 2012-13 (PRIOR)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	\$ 72,917,727	\$ 36,341	\$ 72,954,068	\$ 73,487,092	\$ 36,341	\$ 73,523,433
Capital assets, net of accumulated depreciation	55,167,931	11,294,903	66,462,834	55,012,168	11,592,120	66,604,288
Total	<u>\$ 128,085,658</u>	<u>\$ 11,331,244</u>	<u>\$ 139,416,902</u>	<u>\$ 128,499,260</u>	<u>\$ 11,628,461</u>	<u>\$ 140,127,721</u>

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 \$34.7 million in revenue bonds, a HUD loan, claims payable, compensated absences, and accrual for postemployment benefits. Another \$19.9 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, 2013	Additions	Repayments	June 30, 2014		
Governmental Activities:						
Compensated absences	\$ 1,470,606	\$ 686,348	\$ (743,579)	\$ 1,413,375	\$ 1,028,519	
Other postemployment benefits	7,981,861	1,666,000	(1,453,564)	8,194,297	-	
Claims payable	2,728,192	46,903	(710,787)	2,064,308	-	
HUD loan payable	4,405,000	-	(380,000)	4,025,000	405,000	
CEC loan	159,893	-	(37,652)	122,241	39,173	
Revenue bonds and certificates	19,341,982	8,240	(483,000)	18,867,222	800,000	
Total	<u>\$ 36,087,534</u>	<u>\$ 2,407,491</u>	<u>\$ (3,808,582)</u>	<u>\$ 34,686,443</u>	<u>\$ 2,272,692</u>	
Business-type Activities:						
Compensated absences	\$ 256,912	\$ 280,980	\$ (282,381)	\$ 255,511	\$ 191,633	
Revenue bonds	19,949,097	5,660,000	(5,980,387)	19,628,710	490,000	
Total	<u>\$ 20,206,009</u>	<u>\$ 5,940,980</u>	<u>\$ (6,262,768)</u>	<u>\$ 19,884,221</u>	<u>\$ 681,633</u>	

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 \$17.1 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, 2014

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 29,745,633	\$ 15,090,315	\$ 44,835,948
Receivables:			
Intergovernmental	1,203,168	-	1,203,168
Accounts	1,784,037	2,054,055	3,838,092
Interest	5,822	3,842	9,664
Notes and loans	3,582,482	-	3,582,482
Internal balances	219,855	(219,855)	-
Restricted assets:			
Cash and investments	87,325	-	87,325
Cash and investments with fiscal agents	10,672,816	4,558,476	15,231,292
Land held for resale	1,348,324	-	1,348,324
Capital assets not being depreciated	72,917,727	36,341	72,954,068
Capital assets, net of accumulated depreciation	55,167,931	11,294,903	66,462,834
	176,735,120	32,818,077	209,553,197
Deferred outflows of resources:			
Unamortized loss on defeasance of debt	477,257	209,506	686,763
Total deferred outflows of resources	477,257	209,506	686,763
Liabilities:			
Accounts payable and accrued liabilities	4,592,355	813,772	5,406,127
Accrued interest payable	780,943	81,832	862,775
Due to Successor Agency	957,380	-	957,380
Unearned revenues	314,899	-	314,899
Deposits	1,464,454	74,538	1,538,992
Noncurrent liabilities:			
Due within one year	2,272,692	681,633	2,954,325
Due in more than one year	32,413,751	19,202,588	51,616,339
Total liabilities	42,796,474	20,854,363	63,650,837
Deferred inflows of resources	-	-	-
Net position:			
Net investment in capital assets	112,653,436	2,556,555	115,209,991
Restricted for:			
Community services	14,680,115	-	14,680,115
Public works projects	1,550,014	-	1,550,014
Debt service	13,038,094	4,375,458	17,413,552
Retirement	1,448,206	-	1,448,206
Unrestricted	(8,953,962)	5,241,207	(3,712,755)
Total net position	\$ 134,415,903	\$ 12,173,220	\$ 146,589,123

See notes to financial statements.

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
General government	\$ 7,985,070	\$ 8,006,991	\$ -
Public safety	17,090,835	19,059	2,419,370
Public works	9,929,011	2,739,479	275,239
Community development	1,779,007	1,000,388	2,014,359
Parks and recreation	3,201,757	732,923	-
Interest and fiscal charges	1,508,889	-	-
Total governmental activities	<u>41,494,569</u>	<u>12,498,840</u>	<u>4,708,968</u>
Business-type activities:			
Water and sewer	9,138,793	10,167,149	-
Transit	885,536	9,548	-
Total business-type activities	<u>10,024,329</u>	<u>10,176,697</u>	<u>-</u>
Total	<u>\$ 51,518,898</u>	<u>\$ 22,675,537</u>	<u>\$ 4,708,968</u>

General revenues:

Taxes:

Property taxes

Utility users

Sales and use taxes

Franchise taxes

Business license taxes

Other taxes

Use of money and property

Miscellaneous

Transfers

Total general revenues and transfers

Change in net 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, 2014**

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ 21,921	\$ -	\$ 21,921
(14,652,406)	-	(14,652,406)
(6,914,293)	-	(6,914,293)
1,235,740	-	1,235,740
(2,468,834)	-	(2,468,834)
(1,508,889)	-	(1,508,889)
(24,286,761)	-	(24,286,761)
-	1,028,356	1,028,356
-	(875,988)	(875,988)
-	152,368	152,368
(24,286,761)	152,368	(24,134,393)
13,318,023	-	13,318,023
5,421,499	-	5,421,499
6,721,146	-	6,721,146
2,380,457	-	2,380,457
1,084,625	-	1,084,625
179,237	-	179,237
387,805	69,463	457,268
227,155	-	227,155
1,784,644	(1,784,644)	-
31,504,591	(1,715,181)	29,789,410
7,217,830	(1,562,813)	5,655,017
127,198,073	13,736,033	140,934,106
\$ 134,415,903	\$ 12,173,220	\$ 146,589,123

See notes to financial statements.

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Special Revenue Funds		
	General	HUD Home Program	Prop C
Cash and investments	\$ 7,491,983	\$ -	\$ 4,654,047
Receivables:			
Intergovernmental	511,885	288,870	-
Accounts	905,031	-	-
Interest	2,090	-	1,130
Notes and loans	-	1,894,587	-
Due from other funds	1,691,160	-	-
Restricted assets:			
Cash and investments	7,325	-	-
Cash and investments with fiscal agents	-	-	-
Land held for resale	-	497,694	-
Total assets	<u>10,609,474</u>	<u>2,681,151</u>	<u>4,655,177</u>
DEFERRED OUTFLOWS OF RESOURCES	-	-	-
Total assets and deferred outflows of resources	<u>\$ 10,609,474</u>	<u>\$ 2,681,151</u>	<u>\$ 4,655,177</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 3,326,689	\$ 108,354	\$ -
Due to other funds	250,000	133,288	18,494
Unearned revenue	-	314,899	-
Deposits	1,464,454	-	-
Advances from successor agency	957,380	-	-
Total liabilities	<u>5,998,523</u>	<u>556,541</u>	<u>18,494</u>
Deferred inflows of resources			
Unavailable revenue	-	1,637,731	-
Fund balances			
Nonspendable:			
Land held for resale	-	497,694	-
Restricted:			
Special revenue funds	-	-	4,636,683
Capital projects funds	-	-	-
Debt service funds	-	-	-
Unassigned	4,610,951	(10,815)	-
Total fund balances	<u>4,610,951</u>	<u>486,879</u>	<u>4,636,683</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,609,474</u>	<u>\$ 2,681,151</u>	<u>\$ 4,655,177</u>

See notes to financial statements.

**City of Lynwood
Governmental Funds
Balance Sheet
June 30, 2014**

<u>Special Revenue Funds</u>			Nonmajor Governmental Funds	Total Governmental Funds
<u>Housing Authority</u>	<u>Refuse</u>			
\$ 26,529	\$ -	\$	15,119,204	\$ 27,291,763
-	-		402,413	1,203,168
-	594,006		265,510	1,764,547
-	147		2,455	5,822
1,166,819	-		521,076	3,582,482
-			238,349	1,929,509
-	-		-	7,325
-	-		10,672,816	10,672,816
850,630	-		-	1,348,324
<u>2,043,978</u>	<u>594,153</u>		<u>27,221,823</u>	<u>47,805,756</u>
-	-		-	-
<u>\$ 2,043,978</u>	<u>\$ 594,153</u>	<u>\$</u>	<u>27,221,823</u>	<u>\$ 47,805,756</u>
-	307,633	\$	633,725	\$ 4,376,401
-	-		753,538	1,155,320
-	-		-	314,899
-	-		-	1,464,454
-	-		-	957,380
<u>-</u>	<u>307,633</u>		<u>1,387,263</u>	<u>8,268,454</u>
<u>1,166,819</u>	<u>-</u>		<u>618,256</u>	<u>3,422,806</u>
850,630	-		-	1,348,324
26,529	286,520		11,178,589	16,128,321
-	-		13,038,094	13,038,094
-	-		1,550,014	1,550,014
-	-		(550,393)	4,049,743
<u>877,159</u>	<u>286,520</u>		<u>25,216,304</u>	<u>36,114,496</u>
<u>\$ 2,043,978</u>	<u>\$ 594,153</u>	<u>\$</u>	<u>27,221,823</u>	<u>\$ 47,805,756</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, 2014

Total governmental fund balances	\$	36,114,496
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$	155,557,259
Less accumulated depreciation	<u>(28,269,529)</u>	127,287,730
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		
Loss on defeasance of debt (net of amortization of \$92,337)		477,257
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.		
		3,422,806
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Compensated absences	(1,413,375)	
HUD loan payable	(4,025,000)	
CEC loan	(122,241)	
Claims payable	(605,414)	
Revenue bonds and certificates	(18,867,222)	
Other postemployment benefits	<u>(8,194,297)</u>	(33,227,549)
Accrued interest payable due on long-term debt has not been reported in the governmental funds.		
		(780,943)
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		
		<u>1,122,106</u>
Net position of governmental activities	\$	<u><u>134,415,903</u></u>

See notes to financial statements.

	Special Revenue Funds		
	General	HUD Home Program	Prop C
Revenues			
Taxes and assessments	\$ 18,296,040	\$ -	\$ 996,427
Licenses and permits	1,349,763	-	16,749
Fines, forfeitures and penalties	1,611,571	-	-
Use of money and property	274,318	-	-
Intergovernmental	143,981	752,890	-
Charges for services	1,001,322	-	-
Administrative support	1,118,246	-	-
Program income	-	-	-
Miscellaneous	533,636	-	-
Total revenues	<u>24,328,877</u>	<u>752,890</u>	<u>1,013,176</u>
Expenditures			
Current:			
General government	4,022,643	-	-
Public safety	16,890,756	-	-
Public works	2,185,527	-	-
Community development	440,560	751,080	-
Parks and recreation	2,983,717	-	-
Capital outlay	-	-	-
Debt service:			
Principal payment	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>26,523,203</u>	<u>751,080</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,194,326)</u>	<u>1,810</u>	<u>1,013,176</u>
Other financing sources (uses)			
Transfers in	4,468,964	-	-
Transfers out	(4,145,323)	-	(187,047)
Net other financing sources (uses)	<u>323,641</u>	<u>-</u>	<u>(187,047)</u>
Net change in fund balances	(1,870,685)	1,810	826,129
Fund balances - beginning of year (as restated)	<u>6,481,636</u>	<u>485,069</u>	<u>3,810,554</u>
Fund balances - end of year	<u>\$ 4,610,951</u>	<u>\$ 486,879</u>	<u>\$ 4,636,683</u>

See notes to financial statements.

**City of Lynwood
Governmental Funds**

Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2014

Special Revenue Funds			Nonmajor Governmental Funds	Total Governmental Funds
Housing Authority	Refuse			
\$ -	\$ 1,740,352	\$	6,889,603	\$ 27,922,422
-	-		153,463	1,519,975
-	-		8,774	1,620,345
-	-		95,654	369,972
-	-		3,790,275	4,687,146
-	2,833,921		487,725	4,322,968
-	-		-	1,118,246
-	-		40,000	40,000
-	-		-	533,636
-	4,574,273		11,465,494	42,134,710
-			1,538,639	5,561,282
-	-		180,887	17,071,643
-	2,288,002		4,256,304	8,729,833
65,078	-		518,708	1,775,426
-	-		-	2,983,717
-	-		1,356,431	1,356,431
-	-		-	-
-	-		900,652	900,652
-	-		1,411,038	1,411,038
65,078	2,288,002		10,162,659	39,790,022
(65,078)	2,286,271		1,302,835	2,344,688
-	-		11,105,964	15,574,928
-	(1,999,751)		(8,512,445)	(14,844,566)
-	(1,999,751)		2,593,519	730,362
(65,078)	286,520		3,896,354	3,075,050
942,237	-		21,319,950	33,039,446
\$ 877,159	\$ 286,520	\$	25,216,304	\$ 36,114,496

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, 2014**

Net change in fund balances - governmental funds	\$	3,075,050
<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	\$ 1,356,430	
Depreciation expense	<u>(1,713,110)</u>	(356,680)
<p>Revenues that are measurable but not available. Amounts are recorded as deferred or unavailable revenue under the modified accrual basis of accounting</p>		
		1,230,831
<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	37,652	
Principal repayment of HUD loan payable	380,000	
Principal repayment of revenue bonds	<u>483,000</u>	900,652
<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	(5,515)	
Net change in other postemployment benefits	(212,436)	
Net change in claims payable	244,068	
Net change in compensated absences	<u>57,231</u>	83,348
<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	(8,240)	
Amortization of deferred amount on refunding	<u>(92,337)</u>	
Combined adjustment		(100,577)
<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>2,385,206</u>
Change in net position of governmental activities	\$	<u><u>7,217,830</u></u>

See notes to financial statements.

City of Lynwood
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Funds			Governmental
	Transit	Water and Sewer	Totals	Internal Service Funds
ASSETS				
Current assets				
Cash and investments	\$ 181,359	\$ 14,908,956	\$ 15,090,315	\$ 2,453,870
Receivables:				
Accounts	-	2,054,055	2,054,055	19,490
Interest	-	3,842	3,842	-
Due from other funds	-	-	-	250,000
Total current assets	<u>181,359</u>	<u>16,966,853</u>	<u>17,148,212</u>	<u>2,723,360</u>
Noncurrent assets				
Restricted assets:				
Deposits in trust	-	-	-	80,000
Cash and investments with fiscal agents	-	4,558,476	4,558,476	-
Capital assets, not depreciated	-	36,341	36,341	-
Capital assets, depreciated, net	-	11,294,903	11,294,903	797,928
Total noncurrent assets	<u>-</u>	<u>15,889,720</u>	<u>15,889,720</u>	<u>877,928</u>
Total assets	<u>181,359</u>	<u>32,856,573</u>	<u>33,037,932</u>	<u>3,601,288</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on defeasance of debt	-	209,506	209,506	-
Total deferred outflows of resources	<u>-</u>	<u>209,506</u>	<u>209,506</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable	181,359	632,413	813,772	215,954
Accrued interest payable	-	81,832	81,832	-
Deposits	-	74,538	74,538	-
Due to other funds	-	219,855	219,855	804,334
Current portion of long-term debt	-	681,633	681,633	-
Total current liabilities	<u>181,359</u>	<u>1,690,271</u>	<u>1,871,630</u>	<u>1,020,288</u>
Noncurrent liabilities				
Noncurrent portion of long-term debt:				
Compensated absences	-	63,878	63,878	-
Claims payable	-	-	-	1,458,894
Revenue bonds payable	-	19,138,710	19,138,710	-
Total noncurrent liabilities	<u>-</u>	<u>19,202,588</u>	<u>19,202,588</u>	<u>1,458,894</u>
Total liabilities	<u>181,359</u>	<u>20,892,859</u>	<u>21,074,218</u>	<u>2,479,182</u>
DEFERRED INFLOWS OF RESOURCES				
	-	-	-	-
NET POSITION				
Net investment in capital assets	-	2,556,555	2,556,555	797,928
Restricted for debt service	-	4,375,458	4,375,458	-
Unrestricted	-	5,241,207	5,241,207	324,178
Total net position	<u>\$ -</u>	<u>\$ 12,173,220</u>	<u>\$ 12,173,220</u>	<u>\$ 1,122,106</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, 2014

	Business-type Activities - Enterprise Funds			Governmental
	Transit	Water and Sewer	Totals	Activities Internal Service Funds
Operating revenues				
Sales and service charges	\$ 9,548	\$ 10,167,149	\$ 10,176,697	\$ 3,345,552
Total operating revenues	<u>9,548</u>	<u>10,167,149</u>	<u>10,176,697</u>	<u>3,345,552</u>
Operating expenses				
Administration	-	1,365,144	1,365,144	-
Insurance	-	-	-	802,231
Claims	-	-	-	1,031,114
Water utility	-	5,031,799	5,031,799	-
Sewer utility	-	862,334	862,334	-
Garage	-	-	-	229,340
Transit	885,536	-	885,536	-
Depreciation	-	501,607	501,607	168,607
Total operating expenses	<u>885,536</u>	<u>7,760,884</u>	<u>8,646,420</u>	<u>2,231,292</u>
Operating income (loss)	<u>(875,988)</u>	<u>2,406,265</u>	<u>1,530,277</u>	<u>1,114,260</u>
Nonoperating revenues (expenses)				
Use of money and property	-	69,463	69,463	216,664
Interest expense	-	(1,377,909)	(1,377,909)	-
Net nonoperating revenues (expenses)	<u>-</u>	<u>(1,308,446)</u>	<u>(1,308,446)</u>	<u>216,664</u>
Income (loss) before transfers	(875,988)	1,097,819	221,831	1,330,924
Transfers				
Transfers in	875,988	1,219,096	2,095,084	1,054,282
Transfers out	-	(3,879,728)	(3,879,728)	-
Change in net position	-	(1,562,813)	(1,562,813)	2,385,206
Net position - beginning	<u>-</u>	<u>13,736,033</u>	<u>13,736,033</u>	<u>(1,263,100)</u>
Net position - ending \$	<u><u>-</u></u>	<u><u>\$ 12,173,220</u></u>	<u><u>\$ 12,173,220</u></u>	<u><u>\$ 1,122,106</u></u>

See notes to financial statements.

City of Lynwood
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities
	Transit	Water and Sewer	Totals	Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 9,548	\$ 10,577,689	\$ 10,587,237	\$ 3,617,124
Payments to suppliers	(1,086,029)	(7,719,651)	(8,805,680)	(1,155,044)
Payments for claims	-	-	-	(2,407,005)
Net cash provided by (used in) operating activities	<u>(1,076,481)</u>	<u>2,858,038</u>	<u>1,781,557</u>	<u>55,075</u>
Cash flows from noncapital financing activities				
Received from other funds	875,988	1,219,096	2,095,084	1,054,282
Paid to other funds	-	(3,879,728)	(3,879,728)	-
Net cash provided by (used in) noncapital financing activities	<u>875,988</u>	<u>(2,660,632)</u>	<u>(1,784,644)</u>	<u>1,054,282</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets, net	-	(204,390)	(204,390)	(111,686)
Issuance of long-term debt	-	5,660,000	5,660,000	-
Principal payments on long-term debt	-	(5,960,000)	(5,960,000)	-
Interest paid on long-term debt	-	(1,377,909)	(1,377,909)	-
Net cash used in capital and related financing activities	<u>-</u>	<u>(1,882,299)</u>	<u>(1,882,299)</u>	<u>(111,686)</u>
Cash flows from investing activities				
Decrease in cash and investments with fiscal agents	-	671,424	671,424	-
Interest received	-	70,138	70,138	216,664
Net cash provided by investing activities	<u>-</u>	<u>741,562</u>	<u>741,562</u>	<u>216,664</u>
Net change in cash and investments	<u>(200,493)</u>	<u>(943,331)</u>	<u>(1,143,824)</u>	<u>1,214,335</u>
Cash and investments - beginning of year	<u>381,852</u>	<u>\$ 15,852,287</u>	<u>16,234,139</u>	<u>1,239,535</u>
Cash and investments - end of year	<u>\$ 181,359</u>	<u>\$ 14,908,956</u>	<u>\$ 15,090,315</u>	<u>\$ 2,453,870</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (875,988)	\$ 2,406,265	\$ 1,530,277	\$ 1,114,260
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	501,607	501,607	168,607
Changes in operating assets and liabilities:				
Increase in accounts receivables	-	410,962	410,962	21,572
Decrease in due from other funds	-	-	-	250,000
Decrease in accounts payable	(200,493)	(81,642)	(282,135)	(123,473)
Decrease in claims payable	-	-	-	(419,815)
Decrease in deposits	-	(422)	(422)	-
Decrease in due to other funds	-	(378,732)	(378,732)	(956,076)
Total adjustments	<u>(200,493)</u>	<u>451,773</u>	<u>251,280</u>	<u>(1,059,185)</u>
Net cash provided by (used in) operating activities	<u>\$ (1,076,481)</u>	<u>\$ 2,858,038</u>	<u>\$ 1,781,557</u>	<u>\$ 55,075</u>

See notes to financial statements.

City of Lynwood
Statement of Fiduciary Net Position
June 30, 2014

		Successor Agency to the Dissolved Redevelopment Agency <u>Private Purpose Trust Fund</u>
Assets		
Cash and investments	\$	5,319,488
Cash and investments with fiscal agents		21,074,889
Accounts receivable, net		10,438
Due from City of Lynwood		957,380
Capital assets - land held for development		388,996
Property held for resale, net		885,893
Total assets		<u>28,637,084</u>
 Liabilities		
Accounts payable		422,391
Interest payable		708,182
Long-term liabilities:		
Due within one year		1,235,000
Due in more than one year		32,487,915
Total liabilities		<u>34,853,488</u>
 Fiduciary Net Position		
Unrestricted Net Position	\$	<u><u>(6,216,404)</u></u>

See notes to financial statements.

City of Lynwood
Statement of Changes in Fiduciary Net Position
Year ended June 30, 2014

		Successor Agency to the Dissolved Redevelopment Agency <u>Private Purpose Trust Fund</u>
Additions:		
Taxes	\$	4,746,370
Use of money and property		2,314
Total revenues		<u>4,748,684</u>
 Deductions:		
Community development		2,263,289
Debt service:		
Interest and fiscal charges		989,455
Total expenditures		<u>3,252,744</u>
 Excess (deficiency) of revenues over expenditures		<u>1,495,940</u>
 Net position held in trust - beginning, as restated		<u>(7,712,344)</u>
 Net position held in trust - ending	\$	<u><u>(6,216,404)</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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, 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.

Housing Authority Special Revenue Fund - This fund accounts for assets used for low and moderate income housing activities in accordance with the applicable housing-related regulations. The City has elected to show this fund as major for the year ended June 30, 2014.

Prop C Special Revenue Fund – This fund is used to record the City's portion of sales tax dedicated to transportation programs.

Refuse Special Revenue Fund – This fund accounts for the collection and removal of trash and debris. Financing is provided by special tax, waste collection and other administrative fees.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following other fund types:

The Internal Service Funds account for financial transactions related to City's Garage Department, Information Technology, and self-insurance programs. These services are provided to other City departments or agencies on a cost reimbursement basis.

The 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance Reporting

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. The City had no committed fund balance at June 30, 2014.

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2014.

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

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

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, 2014.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the year they were incurred and paid. 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, 2014:

Internal Service Fund:	
Self-insurance	\$ 380,924
Nonmajor Governmental Funds:	
Special Revenue Funds	
Landscape Maintenance	72,502
Housing Community Development	99,001
Other Grants	2,410
Justice Assistance	30,401
Prop 84 Park Grant	346,079

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, 2014:

Fund	Final Appropriations	Expenditures	Excess
Major Governmental Funds:			
General Fund:			
General government:			
City council	\$ 224,877	\$ 247,350	\$ 22,473
Finance and administration	1,519,759	1,550,312	30,553
Public safety:			
Development Services	521,648	589,764	68,116
Public works:			
Water and sanitation	1,251,988	1,577,016	325,028
Community development	375,803	440,560	64,757
Parks and recreation	2,660,226	2,983,717	323,491
Transfer out	4,094,747	4,145,323	50,576

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Fund	Final Appropriations	Expenditures	Excess
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Lighting Maintenance			
Public works	\$ 583,661	\$ 722,685	\$ 139,024
Public art			
Transfer out	18,750	24,893	6,143
Litter abatement			
Public works	309,224	321,671	12,447

NOTE 3 CASH AND INVESTMENTS

Cash and investments at June 30, 2014, are classified in the accompanying financial statements as follows:

	Government-wide Statement of Net Position	Statement of Fiduciary Net Position	Totals
Cash and investments	\$ 44,835,948	\$ 5,319,488	\$ 50,155,436
Restricted cash and investments:			
Cash and investments	87,325	-	87,325
Cash and investments with fiscal agents	15,231,292	21,074,889	36,306,181
	\$ 60,154,565	\$ 26,394,377	\$ 86,548,942

Cash and investments at June 30, 2014 consisted of the following:

Petty cash	\$ 3,740
Deposits with financial institutions	13,366,457
Investments	73,178,745
	\$ 86,548,942

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
State investment pool	\$ 20,979,769	\$ 20,979,769	\$ -	\$ -
Money market funds	26,837,898	26,837,898	-	-
Federal Agency Securities	6,479,673	1,498,703	1,000,140	3,980,830
Corporate Note	3,575,112	2,191,668	740,444	643,000
Held by bond trustees:				
State investment pool	3,313,690	3,313,690	-	-
Money market funds	11,992,603	11,992,603	-	-
Totals	<u>\$ 73,178,745</u>	<u>\$ 66,814,331</u>	<u>\$ 1,740,584</u>	<u>\$ 4,623,830</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	A	Not Rated
State investment pool	\$ 20,979,769	N/A	\$ -	\$ -	\$ 20,979,769
Money market funds	26,837,898	N/A	-	-	26,837,898
Federal Agency Securities	6,479,673	AAA	6,479,673	-	-
Corporate Notes	3,575,112	A	-	3,575,112	-
Held by bond trustees:	-				
State investment pool	3,313,690	N/A	-	-	3,313,690
Money market funds	11,992,603	N/A	-	-	11,992,603
Totals	<u>\$ 73,178,745</u>		<u>\$ 6,479,673</u>	<u>\$ 3,575,112</u>	<u>\$ 63,123,960</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, 2014, 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, 2014, 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

Department of Housing and Urban Development (HUD) Loans

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, 2014, the long-term receivables balance, net of allowance for the future amount expected to be forgiven of \$3,544,303, was \$2,415,663.

Housing Authority

Pursuant to AB X1 26, the Housing Authority was created to manage the housing function of the former Lynwood Redevelopment Agency. As a result certain loans made by the former Lynwood Redevelopment Agency are now reported under the Housing Authority. Parcels of land were sold to commercial real estate developers by the former Lynwood Redevelopment Agency 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 City also extended rehabilitation loans to property owners for the rehabilitation and improvements of commercial buildings. As of June 30, 2014, the long-term receivables balance was \$1,166,819. Details of notes and loans receivables are as follows:

NOTE 4 NOTES AND LOANS RECEIVABLE (CONTINUED)

	Outstanding Balance June 30, 2014
<p>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.</p>	30,126
<p>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.</p>	2,905
<p>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.</p>	437,491
<p>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.</p>	453,197

NOTE 4 NOTES AND LOANS RECEIVABLE (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	\$ 1,166,819

NOTE 5 ACCOUNTS RECEIVABLE

The following is a list of accounts receivable at June 30, 2014:

	Receivable	Allowance	Net
Governmental Activities:			
Intergovernmental	\$ 1,203,168	\$ -	\$ 1,203,168
Accounts (including taxes)	1,784,037	-	1,784,037
Interest	5,822	-	5,822
	\$ 2,993,027	\$ -	\$ 2,993,027
 Business-type Activities:			
Accounts	\$ 2,273,875	\$ 219,820	\$ 2,054,055
Interest	3,842	-	3,842
	\$ 2,277,717	\$ 219,820	\$ 2,057,897

NOTE 6 INTERFUND ACTIVITY

The following represents the City's interfund activity for the fiscal year ended June 30, 2014.

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, 2014:

Receivable Fund	Amount	Payable Fund	Amount
Major Funds:		Major Funds:	
General	\$ 1,691,160	General	\$ 250,000
		HUD HOME Program	133,288
		Prop C	18,494
Nonmajor Funds:		Nonmajor Funds:	
Capital Improvement Projects	238,349	Landscape Maintenance	34,727
		Housing Community Development	139,065
		Justice Assistance	26,689
		Prop 84 Park Grant	346,079
		2012 Measure R Bond Proceeds	206,978
		Proprietary Fund:	
		Water and Sewer	219,855
Internal Service Fund:		Internal Service Fund:	
Self-insurance	250,000	Self-insurance	804,334
Totals	\$ 2,179,509		\$ 2,179,509

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	\$ 957,380
		\$ 957,380

NOTE 6 INTERFUND ACTIVITY (CONTINUED)

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 retirement, public works and improvement project costs.

Funds	Transfer in	Transfer out
Major Governmental Funds:		
General	\$ 4,468,964	\$ 4,145,323
Prop C	-	187,047
Refuse	-	1,999,751
Nonmajor Governmental Funds:		
Retirement	2,072,739	3,502,248
Traffic Safety	2,223,611	-
Gas Tax	-	1,972,263
Prop A	-	874,394
Measure R	-	312,027
Lighting Maintenance	573,917	295,064
Landscape Maintenance	277,888	238,081
Impact Fees	-	8,189
Public Art	-	24,893
Litter Abatement	-	75,000
LA County Park Maintenance Grant	-	36,779
Other Grants	-	1,103
TEA/ISTEA Grant	249,919	-
Justice Assistance	156	-
Prop 84 Park Grant	-	251,464
City of Lynwood	1,643,804	-
Public Finance Authority	16,363	-
Park Replacement	2,213,246	-
2010 Lease Revenue Bonds Series A	-	-
Capital Improvement Projects	1,834,321	-
2012 Measure R Bond Proceeds	-	920,940
Internal Service Fund:		
Self-insurance	1,054,282	-
Major Enterprise Fund:		
Transit	875,988	-
Water and Sewer	1,219,096	3,879,728
Totals	\$ 18,724,294	\$ 18,724,294

NOTE 7 CAPITAL ASSETS

Governmental Activities

Capital asset governmental activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 48,039,074	\$ -	\$ -	\$ 48,039,074
Rights of way	22,904,315	-	-	22,904,315
Trees	287,627	-	-	287,627
Construction in progress	2,256,077	285,521	(854,887)	1,686,711
Total capital assets not being depreciated	<u>73,487,093</u>	<u>285,521</u>	<u>(854,887)</u>	<u>72,917,727</u>
Capital assets being depreciated:				
Buildings and improvements	11,086,295	-	-	11,086,295
Machinery and equipment	4,088,453	117,977	(373,346)	3,833,084
Infrastructure				
Roadways, curbs and gutters	55,041,239	1,341,705	-	56,382,944
Sidewalks and medians	6,112,918	6,182	-	6,119,100
Other street appurtenances	4,756,803	461,306	-	5,218,109
Total capital assets being depreciated	<u>81,085,708</u>	<u>1,927,170</u>	<u>(373,346)</u>	<u>82,639,532</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,620,465)	(166,126)	-	(5,786,591)
Machinery and equipment	(2,865,606)	(359,548)	371,972	(2,853,182)
Infrastructure				
Roadways, curbs and gutters	(13,041,534)	(941,934)	-	(13,983,468)
Sidewalks and medians	(2,909,976)	(127,888)	-	(3,037,864)
Other street appurtenances	(2,490,811)	(117,614)	-	(2,608,425)
Total accumulated depreciation	<u>(26,928,392)</u>	<u>(1,713,110)</u>	<u>371,972</u>	<u>(28,269,530)</u>
Capital assets being depreciated, net	<u>54,157,316</u>	<u>214,060</u>	<u>(1,374)</u>	<u>54,370,002</u>
Governmental activities capital assets, net	<u>\$ 127,644,409</u>	<u>\$ 499,581</u>	<u>\$ (856,261)</u>	<u>\$ 127,287,729</u>

Internal Service Fund (Allocated to Governmental Activities)

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets being depreciated:				
Machinery and equipment	\$ 2,163,239	\$ 118,442	\$ (77,350)	\$ 2,204,331
Total capital assets being depreciated	<u>2,163,239</u>	<u>118,442</u>	<u>(77,350)</u>	<u>2,204,331</u>
Less accumulated depreciation for:				
Machinery and equipment	(1,308,389)	(168,607)	70,594	(1,406,402)
Total accumulated depreciation	<u>(1,308,389)</u>	<u>(168,607)</u>	<u>70,594</u>	<u>(1,406,402)</u>
Capital assets being depreciated, net	<u>\$ 854,850</u>	<u>\$ (50,165)</u>	<u>\$ (6,756)</u>	<u>\$ 797,929</u>

NOTE 7 CAPITAL ASSETS (CONTINUED)

Total Governmental Activities

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 48,039,074	\$ -	\$ -	\$ 48,039,074
Rights of way	22,904,315	-	-	22,904,315
Trees	287,627	-	-	287,627
Construction in progress	2,256,077	285,521	(854,887)	1,686,711
Total capital assets not being depreciated	73,487,093	285,521	(854,887)	72,917,727
Capital assets, being depreciated:				
Buildings and improvements	11,086,295	-	-	11,086,295
Machinery and equipment	6,251,692	236,419	(450,696)	6,037,415
Infrastructure				
Roadways, curbs and gutters	55,041,239	1,341,705	-	56,382,944
Sidewalks and medians	6,112,918	6,182	-	6,119,100
Other street appurtenances	4,756,803	461,306	-	5,218,109
Total capital assets being depreciated	83,248,947	2,045,612	(450,696)	84,843,863
Less accumulated depreciation for:				
Buildings and improvements	(5,620,465)	(166,126)	-	(5,786,591)
Machinery and equipment	(4,173,995)	(528,155)	442,566	(4,259,584)
Infrastructure				
Roadways, curbs and gutters	(13,041,534)	(941,934)	-	(13,983,468)
Sidewalks and medians	(2,909,976)	(127,888)	-	(3,037,864)
Other street appurtenances	(2,490,811)	(117,614)	-	(2,608,425)
Total accumulated depreciation	(28,236,781)	(1,881,717)	442,566	(29,675,932)
Capital assets being depreciated, net	55,012,166	163,895	(8,130)	55,167,931
Governmental activities capital assets, net	\$ 128,499,259	\$ 449,416	\$ (863,017)	\$ 128,085,658

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

	Governmental	Internal Service	Total
General government	\$ 273,120	\$ -	\$ 273,120
Public safety	19,192	-	19,192
Public works	1,199,178	168,607	1,367,785
Community development	3,581	-	3,581
Parks and recreation	218,040	-	218,040
	\$ 1,713,110	\$ 168,607	\$ 1,881,717

NOTE 7 CAPITAL ASSETS (CONTINUED)

Business-type Activities

Capital asset business-type activity (Water activity) for the year ended June 30, 2014 was as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Water Activity:				
Capital assets not being depreciated				
Land	\$ 36,341	\$ -	\$ -	\$ 36,341
Total capital assets not being depreciated	<u>36,341</u>	<u>-</u>	<u>-</u>	<u>36,341</u>
Capital assets being depreciated:				
Buildings and improvements	35,499	-	-	35,499
Machinery and equipment	686,438	10,963	-	697,401
Infrastructure	17,374,942	193,427	-	17,568,369
Total capital assets being depreciated	<u>18,096,879</u>	<u>204,390</u>	<u>-</u>	<u>18,301,269</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,781)	(709)	-	(13,490)
Machinery and equipment	(105,672)	(95,887)	-	(201,559)
Infrastructure	(6,386,306)	(405,011)	-	(6,791,317)
Total accumulated depreciation	<u>(6,504,759)</u>	<u>(501,607)</u>	<u>-</u>	<u>(7,006,366)</u>
Capital assets being depreciated, net	<u>11,592,120</u>	<u>(297,217)</u>	<u>-</u>	<u>11,294,903</u>
Water capital assets, net	<u>\$ 11,628,461</u>	<u>\$ (297,217)</u>	<u>\$ -</u>	<u>\$ 11,331,244</u>

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

Business-type Activities:	
Water	\$501,607

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, 2014:

	Balance July 1, 2013	Additions	Repayments	Balance June 30, 2014	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 1,470,606	\$ 686,348	\$ (743,579)	\$ 1,413,375	\$ 1,028,519
Other postemployment benefits	7,981,861	1,666,000	(1,453,564)	8,194,297	-
Claims payable	2,728,192	46,903	(710,787)	2,064,308	-
HUD loan payable	4,405,000	-	(380,000)	4,025,000	405,000
CEC loan	159,893	-	(37,652)	122,241	39,173
Revenue bonds and certificates	19,341,982	8,240	(483,000)	18,867,222	800,000
Total	<u>\$ 36,087,534</u>	<u>\$ 2,407,491</u>	<u>\$ (3,808,582)</u>	<u>\$ 34,686,443</u>	<u>\$ 2,272,692</u>
Business-type Activities:					
Compensated absences	\$ 256,912	\$ 280,980	\$ (282,381)	\$ 255,511	\$ 191,633
Revenue bonds	19,949,097	5,660,000	(5,980,387)	19,628,710	490,000
Total	<u>\$ 20,206,009</u>	<u>\$ 5,940,980</u>	<u>\$ (6,262,768)</u>	<u>\$ 19,884,221</u>	<u>\$ 681,633</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, 2014 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, 2014 is \$2,064,308.

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, 2014 was \$4,025,000.

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, 2014 was \$122,241.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Lynwood Public Financing Authority 2003 Lease Revenue Refunding Bonds Series A and B

On September 3, 2003, the Lynwood Public Financing Authority issued \$8,630,000 of 2003 Lease Revenue Refunding Bonds. The proceeds along with remaining funds from the 1993 issue 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, 2014 was \$3,435,000.

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, 2014 including unamortized discount of \$232,778 was \$8,752,222.

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, 2014, was \$6,680,000.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Business-type long-term debt at June 30, 2014 consisted of the following:

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.

The principal balance outstanding at June 30, 2014 including unamortized discount of \$40,311 was \$8,674,689

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.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

The principal balance outstanding at June 30, 2014 including unamortized discount of \$75,979 was \$5,484,021.

Lynwood Utility Authority 2014 Enterprise Revenue Bonds

On January 8, 2014, the Lynwood Utility Authority issued \$5,660,000 Enterprise Revenue Bonds, Series 2014A, to advance refund \$5,480,000 of the outstanding 2003 Enterprise Revenue Bonds and to pay the cost of issuing the bonds. Principal installments are due annually ranging in amounts from \$180,000 to \$390,000 plus interest at 4.130% through June 1, 2034. The bonds will be paid from and secured by the net revenues of the water and sewer enterprise 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.

Of the Series 2014A proceeds, \$5,532,517 were used to purchase U.S. Government securities to refund in full the 2003 Enterprise Revenue Bonds. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the entire balance of the 2003 Enterprise Revenue Bonds in the amount of \$5,480,000. As a result, the entire 2003 Enterprise Revenue Bonds are considered to be defeased and the liability for has been removed from the Statement of Net Position in the accompanying financial statements. The principal balance outstanding at June 30, 2014 was \$5,470,000.

The advance refunding resulted in an economic gain (difference between the present value of the debt service payments on the new and old debt) of \$265,453 and a reduction of total debt service payments of \$416,902.

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, 2014 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
2015	\$ 1,244,172	\$ 1,069,958	\$ 2,314,130
2016	1,300,719	1,008,530	2,309,249
2017	1,377,350	941,329	2,318,679
2018	1,400,000	870,311	2,270,311
2019	1,765,000	796,580	2,561,580
2020-2024	4,590,000	3,145,214	7,735,214
2025-2029	3,530,000	2,330,775	5,860,775
2030-2034	3,330,000	1,563,044	4,893,044
2035-2039	4,155,000	742,038	4,897,038
2020	555,000	30,525	585,525
Less - discount	(232,778)	-	(232,778)
Totals	\$ 23,014,463	\$ 12,498,303	\$ 35,512,766

HUD Section 108 Loan			
Year ending June 30,	Principal	Interest	Total
2015	\$ 405,000	\$ 222,933	\$ 627,933
2016	430,000	199,983	629,983
2017	460,000	174,988	634,988
2018	485,000	147,955	632,955
2019	515,000	118,899	633,899
2020-2022	1,730,000	159,558	1,889,558
Totals	\$ 4,025,000	\$ 1,024,315	\$ 5,049,315

Public Financing Authority 2003 Lease Revenue Refunding Bonds			
Year ending June 30,	Principal	Interest	Total
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	\$ 3,435,000	\$ 443,922	\$ 3,878,922

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
2015	\$ -	\$ 470,600	\$ 470,600
2016	-	470,600	470,600
2017	-	470,600	470,600
2018	-	470,600	470,600
2019	290,000	470,600	760,600
2020-2024	1,735,000	2,145,838	3,880,838
2025-2029	2,225,000	1,670,244	3,895,244
2030-2034	1,810,000	1,112,513	2,922,513
2035-2039	2,370,000	557,425	2,927,425
2040	555,000	30,525	585,525
Less - discount	(232,778)	-	(232,778)
Totals	\$ 8,752,222	\$ 7,869,544	\$ 16,621,766

City of Lynwood 2012 Series Measure R Sales Tax Revenue Certificates			
Year ending June 30,	Principal	Interest	Total
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	205,000	188,206	393,206
2020-2024	1,125,000	839,819	1,964,819
2025-2029	1,305,000	660,531	1,965,531
2030-2034	1,520,000	450,531	1,970,531
2035-2039	1,785,000	184,613	1,969,613
Totals	\$ 6,680,000	\$ 3,151,925	\$ 9,831,925

CEC Loan			
Year ending June 30,	Principal	Interest	Total
2015	\$ 39,173	\$ 4,447	\$ 43,620
2016	40,718	2,891	43,609
2017	42,350	1,260	43,610
Totals	\$ 122,241	\$ 8,598	\$ 130,839

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, 2014 including interest are as follows:

Total Long-term Debt			
Year ending June 30,	Principal	Interest	Total
2015	\$ 490,000	\$ 921,542	\$ 1,411,542
2016	505,000	902,233	1,407,233
2017	530,000	879,949	1,409,949
2018	555,000	856,289	1,411,289
2019	570,000	831,472	1,401,472
2020-2024	4,425,000	3,718,244	8,143,244
2025-2029	6,385,000	2,570,458	8,955,458
2030-2034	4,040,000	1,119,357	5,159,357
2035-2039	2,245,000	309,331	2,554,331
Less - discount	(116,290)	-	(116,290)
Totals	\$ 19,628,710	\$ 12,108,875	\$ 31,737,585

2008 Enterprise Revenue Bonds			
Year ending June 30,	Principal	Interest	Total
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	240,000	395,381	635,381
2020-2024	1,390,000	1,805,156	3,195,156
2025-2029	1,740,000	1,447,781	3,187,781
2030-2034	2,230,000	963,863	3,193,863
2035-2038	2,245,000	309,331	2,554,331
Less - discount	(40,311)	-	(40,311)
Totals	\$ 8,674,689	\$ 6,612,237	\$ 15,286,926

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Business-type Long-term Debt Amortization

2009 Enterprise Revenue Bonds			
Year ending June 30,	Principal	Interest	Total
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	120,000	242,188	362,188
2020-2024	1,835,000	1,081,925	2,916,925
2025-2029	3,170,000	486,038	3,656,038
Less - discount	(75,979)	-	(75,979)
Totals	\$ 5,484,021	\$ 2,822,050	\$ 8,306,071

2014 Enterprise Revenue Bonds			
Year ending June 30,	Principal	Interest	Total
2015	\$ 180,000	\$ 225,911	\$ 405,911
2016	190,000	218,477	408,477
2017	200,000	210,630	410,630
2018	205,000	202,370	407,370
2019	210,000	193,904	403,904
2020-2024	1,200,000	831,163	2,031,163
2025-2029	1,475,000	636,640	2,111,640
2030-2034	1,810,000	155,495	1,965,495
Totals	\$ 5,470,000	\$ 2,674,588	\$ 8,144,588

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 2013/14 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, 2014, the City's annual pension cost of \$2,182,568 and \$922,335 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
6/30/2012	\$ 2,142,256	100%	\$ -
6/30/2013	2,150,752	100%	-
6/30/2014	2,182,568	100%	-

Three-Year Trend Information - Safety Plan

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC contributed	Net Pension Obligation
6/30/2012	\$ 898,742	100%	\$ -
6/30/2013	902,078	100%	-
6/30/2014	922,335	100%	-

Funded Status and Funding Progress (Unaudited)

Miscellaneous Plan

As of June 30, 2013, the most recent actuarial valuation date, the plan was 71.0% funded. The actuarial accrued liability for benefits was \$76,617,018 and the actuarial value of assets was \$54,379,208 resulting in an unfunded actuarial accrued liability (UAAL) of \$22,237,810. The covered payroll (annual payroll of active employees covered by the plan) was \$7,655,261 and the ratio of the UAAL to the covered payroll was 290.5%.

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, 2013, the most recent actuarial valuation date, the risk pool was 88.9% funded. The actuarial accrued liability for benefits was \$852,436,667 and the actuarial value of assets was \$757,616,482 resulting in an unfunded actuarial accrued liability (UAAL) of \$94,820,185. 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 10, the City provides healthcare and life insurance benefits, in accordance with memorandum of understandings, to eligible retired employees. As of June 30, 2014, there is no separate audited financial report available for the said plan.

Eligible participants to the plan at June 30, 2013, the date of the latest actuarial valuation are:

Retirees receiving benefits	103
Active/full-time employees	<u>153</u>
	<u>256</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, 2014, those costs totaled \$643,864. 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 \$809,700.

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, 2014:

	Amount
Annual required contribution	\$ 1,983,000
Interest on net OPEB obligation	402,000
Adjustment to annual required contribution	<u>(719,000)</u>
Annual OPEB cost (expense)	1,666,000
Annual contribution made	<u>(1,453,564)</u>
Increase in net OPEB obligation	212,436
Net OPEB obligation - beginning of year	<u>7,981,861</u>
Net OPEB obligation - end of year	<u>\$ 8,194,297</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, 2013 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 5.15% discount rate (assuming the Plan will not be pre-funded), an annual non-Medicare eligible medical cost trend rate for 2015 of 8.0% and 2016 of 7.5% decreasing to 5.0% on year 2021, 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
6/30/2012	\$ 2,144,960	\$ 570,034	17%	\$ 5,721,861
6/30/2013	1,869,000	739,000	40%	7,981,861
6/30/2014	1,666,000	1,453,564	87%	8,194,297

The funded status of the plan as of June 30, 2013, the plan's most recent actuarial valuation date, was:

Actuarial accrued liability (AAL)	\$ 20,125,000
Less Actuarial value of plan assets	<u>823,000</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 19,302,000</u>
Funded ratio (actuarial value of plan assets AAL)	4%
Covered Payroll	<u>\$ 7,472,000</u>
UAAL as a percentage of covered payroll	<u>258%</u>
Normal cost	<u>\$ 774,000</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, 2014, consisted of the following:

	General	HUD		Housing Authority Special Revenue	Refuse Special Revenue	Other Governmental Funds	Total
		Home Program Special Revenue	Prop C Special Revenue				
Nonspendable							
Land held for resale	\$ -	\$ 497,694	\$ -	\$ 850,630	\$ -	\$ -	\$ 1,348,324
Restricted							
Community services	-	-	-	26,529	-	9,730,383	9,756,912
Retirement	-	-	-	-	-	1,448,206	1,448,206
Public works projects	-	-	4,636,683	-	286,520	13,038,094	17,961,297
Debt service	-	-	-	-	-	1,550,014	1,550,014
Subtotal	-	-	4,636,683	26,529	286,520	25,766,697	30,716,429
Unassigned	<u>4,610,951</u>	<u>(10,815)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(550,393)</u>	<u>\$ 4,049,743</u>
Total fund balances	\$ <u>4,610,951</u>	\$ <u>486,879</u>	\$ <u>4,636,683</u>	\$ <u>877,159</u>	\$ <u>286,520</u>	\$ <u>25,216,304</u>	\$ <u>36,114,496</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 \$1,448,206.

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:

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

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

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

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

Workers' Compensation Program

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

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

NOTE 12 RISK MANAGEMENT (CONTINUED)

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 excess insurance.
- o 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, 2014 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, 2014:

	Workers' Compensation	General Liability	Total
Claims and judgments at July 1, 2013	\$ 1,878,709	\$ 849,483	\$ 2,728,192
Claims incurred and changes in estimates	(81,561)	128,464	46,903
Claims payment	(338,254)	(372,533)	(710,787)
Claims and judgments at June 30, 2014	<u>\$ 1,458,894</u>	<u>\$ 605,414</u>	<u>\$ 2,064,308</u>

As of June 30, 2014 the unpaid workers' compensation claims in the amount of \$1,458,894 was reported in the self-insurance fund. The unpaid general liability claims in the amount of \$605,414 are reported as long-term debt in the City's governmental activities.

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, 2014 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, 2014.

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. 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, 2014	Business-type Activities Balance at June 30, 2014
Deferred outflow of resources:		
Unamortized loss on defeasance of debt	\$ <u>477,257</u>	\$ <u>209,506</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, 2014
Deferred inflow of resources:	
Unavailable Revenue - Receivables that were not received within the availability period and were not recognized as revenues	\$ <u>3,422,806</u>

NOTE 16 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.

Disclosure of Successor Agency Debts

Details of the Successor Agency's long-term debt as of June 30, 2014 follow:

	Balance			Balance	Due Within
	July 1, 2013	Additions	Repayments	June 30, 2014	One Year
1999 Tax Allocation Bonds Series A	\$ 10,235,000	\$ -	\$ (10,235,000)	\$ -	\$ -
1999 Tax Allocation Bonds Alameda	870,000	-	(870,000)	-	-
2011 Tax Allocation Bonds Series A	18,175,000	-	(420,000)	17,755,000	435,000
2011 Tax Allocation Bonds Series B	5,460,000	-	(125,000)	5,335,000	130,000
2013 Tax Allocation Bonds Project Area A	-	9,785,000	-	9,785,000	595,000
2013 Tax Allocation Bonds Alameda	-	810,000	-	810,000	75,000
Premium (Discount) on bonds	(468,550)	542,115	(35,650)	37,915	-
Total	\$ 34,271,450	\$ 11,137,115	\$ (11,685,650)	\$ 33,722,915	\$ 1,235,000

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, 2014, including unamortized discount of \$449,930, is \$22,640,070. Future debt service principal and interest payments on the 2011 Tax Allocation Bonds are as follows:

NOTE 16 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
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	515,000	1,069,363	1,584,363
2020-2024	3,170,000	4,834,119	8,004,119
2025-2029	4,075,000	3,580,144	7,655,144
2030-2034	5,960,000	1,565,919	7,525,919
2035-2039	2,195,000	420,681	2,615,681
Less - discount	(284,528)	-	(284,528)
Totals	\$ 17,470,472	\$ 15,987,275	\$ 33,457,747

2011 Tax Allocation Bonds Series B			
Year ending June 30,	Principal	Interest	Total
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	165,000	421,894	586,894
2020-2024	1,030,000	1,887,463	2,917,463
2025-2029	1,275,000	1,340,569	2,615,569
2030-2034	1,585,000	614,263	2,199,263
2035-2039	710,000	181,450	891,450
Discount	(165,402)	-	(165,402)
Totals	\$ 5,169,598	\$ 6,231,738	\$ 11,401,336

2013 A Tax Allocation Bonds (Project Area A)

On December 24, 2013, the Successor Agency of the former Lynwood Redevelopment Agency issued \$9,785,000 Tax Allocation Refunding Bonds (Project Area A), Series 2013A, to advance refund \$9,840,000 of the outstanding 1999 Tax Allocation Bonds Series A, and to pay the cost of issuing the bonds. Principal installments are due annually ranging in amounts from \$470,000 to \$880,000 plus interest at 4.0% to 5.0% through September 1, 2028. The interest and principal of the bonds are payable from pledged tax increment revenues of the Redevelopment Property Tax Fund (RPTF).

Of the Series 2013A proceeds, \$10,129,688 were used to purchase U.S. Government securities to refund in full the 1999 Tax Allocation Bonds Series A. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the entire balance of the 1999 Tax Allocation Bonds Series A in the amount of \$9,840,000. As a result, the entire 1999 Tax Allocation Bonds Series A, are considered to be defeased and the liability for has been removed from the Statement of Fiduciary Net Position in the accompanying financial statements.

NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY (CONTINUED)

The advance refunding resulted in an economic gain (difference between the present value of the debt service payments on the new and old debt) of \$1,008,941 and a reduction of total debt service payments of \$1,409,794.

The principal balance outstanding as of June 30, 2014, including unamortized premium of \$481,270, is \$10,266,270. Future debt service principal and interest payments on the 2013 Tax Allocation Bonds Project A are as follows:

2013 Tax Allocation Bonds Project A			
Year ending June 30,	Principal	Interest	Total
2015	\$ 595,000	\$ 445,719	\$ 1,040,719
2016	470,000	427,394	897,394
2017	490,000	405,744	895,744
2018	515,000	380,619	895,619
2019	540,000	354,244	894,244
2020-2024	3,170,000	1,324,219	4,494,219
2025-2029	4,005,000	494,447	4,499,447
Premium	481,270	-	481,270
Totals	\$ 10,266,270	\$ 3,832,385	\$ 14,098,655

2013 A Tax Allocation Bonds Alameda Project Area

On December 24, 2013, the Successor Agency of the former Lynwood Redevelopment Agency issued \$810,000 Tax Allocation Refunding Bonds - Alameda Project Area, Series 2013A, to advance refund \$820,000 of the outstanding 1999 Tax Allocation Bonds Alameda Project Area, and to pay the cost of issuing the bonds. Principal installments are due annually ranging in amounts from \$60,000 to \$85,000 plus interest at 2.0% to 4.125% through September 1, 2024. The interest and principal of the bonds are payable from pledged tax increment revenues of the Redevelopment Property Tax Fund (RPTF).

Of the Series 2013A proceeds, \$845,830 were used to purchase U.S. Government securities to refund in full the 1999 Tax Allocation Bonds Alameda Project Area. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the entire balance of the 1999 Tax Allocation Bonds Alameda Project Area in the amount of \$820,000. As a result, the entire 1999 Tax Allocation Bonds Alameda Project Area, are considered to be defeased and the liability for has been removed from the Statement of Fiduciary Net Position in the accompanying financial statements.

The advance refunding resulted in an economic gain (difference between the present value of the debt service payments on the new and old debt) of \$43,260 and a reduction of total debt service payments of \$182,457.

NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY (CONTINUED)

The principal balance outstanding as of June 30, 2014, including unamortized premium of \$6,575, is \$816,575. Future debt service principal and interest payments on the 2013 Tax Allocation Bonds Alameda Project Area are as follows:

2013 Tax Allocation Bonds Alameda Project Area			
Year ending June 30,	Principal	Interest	Total
2015	\$ 75,000	25,488	\$ 100,488
2016	60,000	23,838	83,838
2017	65,000	21,963	86,963
2018	70,000	19,938	89,938
2019	70,000	17,838	87,838
2020-2024	385,000	53,934	438,934
2025	85,000	1,753	86,753
Premium	6,575	-	6,575
	\$ 816,575	\$ 164,750	\$ 981,325

NOTE 17 PRIOR PERIOD ADJUSTMENT

The beginning fund balance of the City's governmental funds, beginning net position of the City's government-wide statement of activities and beginning net position of Successor Agency were restated by \$942,237 to reflect the adjustment to transfer the fund balance of the Low and Moderate Income Housing Fund of the former Redevelopment Agency to the Housing Authority. The balances represent housing assets which were approved for use in housing projects by the California Department of Finance.

NOTE 18 GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS ISSUED, NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2014, that have effective dates that may impact future financial presentations. Management has not yet determined any impact the implementation of the following statements may have on the financial statements of the City.

GASB No. 68 - GASB has issued Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

**NOTE 18 GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS
ISSUED, NOT YET EFFECTIVE (CONTINUED)**

GASB No. 69 - GASB has issued Statement No. 69, Government Combinations and Disposals of Government Operations. This Statement establishes accounting and financial reporting standards related government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013.

GASB No. 70 - GASB has issued Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.

GASB No. 71 - GASB has issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts association with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

NOTE 19 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 22, 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.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Lynwood
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
General Fund
Year ended June 30, 2014

	Budgeted Amounts		Actual	Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 19,085,697	\$ 18,237,697	\$ 18,296,040	\$ 58,343
Licenses and permits	896,750	1,097,950	1,349,763	251,813
Fines, forfeitures and penalties	1,942,000	1,580,000	1,611,571	31,571
Use of money and property	341,000	306,000	274,318	(31,682)
Intergovernmental	189,973	89,973	143,981	54,008
Charges for services	3,228,950	894,550	1,001,322	106,772
Administrative support	1,118,246	1,118,246	1,118,246	-
Miscellaneous	58,624	520,274	533,636	13,362
Total revenues	<u>26,861,240</u>	<u>23,844,690</u>	<u>24,328,877</u>	<u>484,187</u>
Expenditures				
Current:				
General government				
City Council	224,877	224,877	247,350	(22,473)
City Clerk	421,516	421,516	315,539	105,977
City Treasurer	224,494	224,494	178,256	46,238
City Manager	801,608	856,261	707,951	148,310
Finance & Administration	1,349,298	1,519,759	1,550,312	(30,553)
Human Resources	487,762	579,262	526,064	53,198
Development Services	540,387	525,894	497,171	28,723
Total general government	<u>4,049,942</u>	<u>4,352,062</u>	<u>4,022,643</u>	<u>329,419</u>
Public safety				
Police and Fire	14,101,573	14,664,505	14,642,375	22,130
Development Services	521,648	521,648	589,764	(68,116)
Public Relations	1,778,300	1,684,810	1,658,617	26,193
Total public safety	<u>16,401,521</u>	<u>16,870,963</u>	<u>16,890,756</u>	<u>(19,793)</u>
Public works				
Water and Sanitation	2,917,759	1,251,988	1,577,016	(325,028)
Development Services	446,430	654,179	608,511	45,668
Total public works	<u>3,364,189</u>	<u>1,906,167</u>	<u>2,185,527</u>	<u>(279,360)</u>
Community development				
	<u>375,803</u>	<u>375,803</u>	<u>440,560</u>	<u>(64,757)</u>
Parks and recreation				
	<u>2,660,220</u>	<u>2,660,226</u>	<u>2,983,717</u>	<u>(323,491)</u>
Total expenditures	<u>26,851,675</u>	<u>26,165,222</u>	<u>26,523,203</u>	<u>(357,981)</u>
Excess (deficiency) of revenues over expenditures	<u>9,565</u>	<u>(2,320,532)</u>	<u>(2,194,326)</u>	<u>126,206</u>

City of Lynwood
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
General Fund (Continued)
Year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses)				
Transfers in	1,975,058	4,470,800	4,468,964	(1,836)
Transfers out	<u>(1,634,853)</u>	<u>(4,094,747)</u>	<u>(4,145,323)</u>	<u>(50,576)</u>
Net other financing sources (uses)	<u>340,205</u>	<u>376,053</u>	<u>323,641</u>	<u>(52,412)</u>
Change in fund balance	349,770	(1,944,479)	(1,870,685)	73,794
Fund balances - beginning of year	<u>6,481,636</u>	<u>6,481,636</u>	<u>6,481,636</u>	-
Fund balances - end of year	<u>\$ 6,831,406</u>	<u>\$ 4,537,157</u>	<u>\$ 4,610,951</u>	<u>73,794</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, 2014

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 346,089	\$ 531,089	\$ 752,890	\$ 221,801
Total revenues	<u>346,089</u>	<u>531,089</u>	<u>752,890</u>	<u>221,801</u>
Expenditures				
Current:				
Community development	571,704	751,080	751,080	-
Total expenditures	<u>571,704</u>	<u>751,080</u>	<u>751,080</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(225,615)	(219,991)	1,810	221,801
Fund balances - beginning of year	485,069	485,069	485,069	-
Fund balances - end of year	<u>\$ 259,454</u>	<u>\$ 265,078</u>	<u>\$ 486,879</u>	<u>\$ 221,801</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, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 1,050,000	\$ 1,050,000	\$ 996,427	\$ (53,573)
Use of money and property	-	-	16,749	16,749
Total revenues	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,013,176</u>	<u>(36,824)</u>
Expenditures				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	1,050,000	1,050,000	1,013,176	(36,824)
Other financing sources (uses)				
Transfers out	<u>(2,192,280)</u>	<u>(2,797,525)</u>	<u>(187,047)</u>	<u>2,610,478</u>
Change in fund balance	(1,142,280)	(1,747,525)	826,129	2,573,654
Fund balances - beginning of year	<u>3,810,554</u>	<u>3,810,554</u>	<u>3,810,554</u>	<u>-</u>
Fund balances - end of year	<u>\$ 2,668,274</u>	<u>\$ 2,063,029</u>	<u>\$ 4,636,683</u>	<u>\$ 2,573,654</u>

City of Lynwood
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Housing Authority Special Revenue Fund
Year ended June 30, 2014

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
Community development	65,078	65,078	65,078	-
Total expenditures	<u>65,078</u>	<u>65,078</u>	<u>65,078</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(65,078)	(65,078)	(65,078)	-
Fund balances - beginning of year	942,237	942,237	942,237	-
Fund balances - end of year	<u>\$ 877,159</u>	<u>\$ 877,159</u>	<u>\$ 877,159</u>	<u>\$ -</u>

City of Lynwood
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Refuse Special Revenue Fund
Year ended June 30, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 620,000	\$ 620,000	\$ 1,740,352	\$ 1,120,352
Charges for services	2,140,000	2,140,000	2,833,921	693,921
Total revenues	<u>2,760,000</u>	<u>2,760,000</u>	<u>4,574,273</u>	<u>1,814,273</u>
Expenditures				
Current:				
Public works	2,366,000	2,366,000	2,288,002	77,998
Total expenditures	<u>2,366,000</u>	<u>2,366,000</u>	<u>2,288,002</u>	<u>77,998</u>
Change in fund balance	394,000	394,000	2,286,271	1,892,271
Other financing sources (uses)				
Transfers out	(1,999,751)	(1,999,751)	(1,999,751)	-
Net other financing sources (uses)	<u>(1,999,751)</u>	<u>(1,999,751)</u>	<u>(1,999,751)</u>	<u>-</u>
Net change in fund balances	(1,605,751)	(1,605,751)	286,520	1,892,271
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	<u>\$ (1,605,751)</u>	<u>\$ (1,605,751)</u>	<u>\$ 286,520</u>	<u>\$ 1,892,271</u>

**City of Lynwood
California Public Retirement System
Schedules of Funding Progress
June 30, 2014**

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, 2011	\$ 64,792,218	\$ 51,673,679	\$ 14,276,346	79.8%	8,983,330	158.9%
June 30, 2012	69,114,327	54,837,981	14,276,346	79.3%	8,730,766	163.5%
June 30, 2013	76,617,018	54,379,208	22,237,810	71.0%	7,655,261	290.5%

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, 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%
June 30, 2013	852,436,667	757,616,482	94,820,185	88.9%	-	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.

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.

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SUPPLEMENTARY INFORMATION

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 costs 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" Fund – This fund is 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.

SPECIAL REVENUE FUNDS

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.

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

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.

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).

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.

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
ASSETS						
Cash and investments			\$ 1,433,684	\$ 98,724	\$ 628,308	
Receivables:						
Intergovernmental			-	-	215,170	
Accounts			52,422	-	-	
Interest			-	-	236	
	Total assets		<u>\$ 1,486,106</u>	<u>\$ 98,724</u>	<u>\$ 843,714</u>	
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities			\$ 37,900	\$ 98,724	\$ -	
Due to other funds			-	-	-	
	Total liabilities		<u>37,900</u>	<u>98,724</u>	<u>-</u>	
Deferred Inflows of Resources						
Unavailable revenue			-	-	-	
Fund balances (deficits)						
Restricted						
Special revenue funds			1,448,206	-	843,714	
Capital projects funds			-	-	-	
Debt service funds			-	-	-	
Unassigned			-	-	-	
	Total fund balances (deficits)		<u>1,448,206</u>	<u>-</u>	<u>843,714</u>	
	Total liabilities, deferred inflows of resources and fund balances		<u>\$ 1,486,106</u>	<u>\$ 98,724</u>	<u>\$ 843,714</u>	

**City of Lynwood
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014**

Special Revenue Funds

<u>SB 821</u>	<u>Prop A</u>	<u>Measure R</u>	<u>Air Quality Improvement</u>	<u>State COPS Program</u>
\$ 18,979	\$ 3,522,117	\$ 2,254,771	\$ 111,893	\$ 63,884
-	-	-	-	3,893
-	67,881	-	-	-
5	935	598	20	17
<u>\$ 18,984</u>	<u>\$ 3,590,933</u>	<u>\$ 2,255,369</u>	<u>\$ 111,913</u>	<u>\$ 67,794</u>
\$ -	\$ -	\$ -	\$ -	\$ 42,167
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,167</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
18,984	3,590,933	2,255,369	111,913	25,627
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>18,984</u>	<u>3,590,933</u>	<u>2,255,369</u>	<u>111,913</u>	<u>25,627</u>
<u>\$ 18,984</u>	<u>\$ 3,590,933</u>	<u>\$ 2,255,369</u>	<u>\$ 111,913</u>	<u>\$ 67,794</u>

	Special Revenue Funds			
	Sheriff Drug Seizure	Lighting Maintenance	Landscape Maintenance	Impact Fees
ASSETS				
Cash and investments	\$ 69,640	\$ 33,907	\$ -	\$ 830,131
Receivables:				
Intergovernmental	-	21,384	20,714	-
Accounts	-	-	-	-
Interest	18	6	-	190
Notes and loans	-	-	-	-
Total assets	\$ 69,658	\$ 55,297	\$ 20,714	\$ 830,321
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 13,171	\$ 6,378	\$ 58,489	\$ -
Due to other funds	-	-	34,727	-
Total liabilities	13,171	6,378	93,216	-
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund balances (deficits)				
Restricted				
Special revenue funds	56,487	48,919	-	830,321
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Unassigned	-	-	(72,502)	-
Total fund balances (deficits)	56,487	48,919	(72,502)	830,321
Total liabilities, deferred inflows of resources and fund balances	\$ 69,658	\$ 55,297	\$ 20,714	\$ 830,321

**City of Lynwood
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2014**

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
\$ 492,780	\$ 16,790	\$ 170,049	\$ 105	\$ 488,633	\$ 147,880	\$ 329,963
-	-	-	141,252	-	-	-
-	51,920	-	-	-	18,707	-
117	11	-	-	122	37	92
-	-	-	521,076	-	-	-
<u>\$ 492,897</u>	<u>\$ 68,721</u>	<u>\$ 170,049</u>	<u>\$ 662,433</u>	<u>\$ 488,755</u>	<u>\$ 166,624</u>	<u>\$ 330,055</u>
\$ -	\$ 32,173	\$ -	\$ 4,113	\$ 4,271	\$ -	\$ -
-	-	-	139,065	-	-	-
-	32,173	-	143,178	4,271	-	-
-	-	-	618,256	-	-	-
492,897	36,548	170,049	-	484,484	166,624	330,055
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(99,001)	-	-	-
<u>492,897</u>	<u>36,548</u>	<u>170,049</u>	<u>(99,001)</u>	<u>484,484</u>	<u>166,624</u>	<u>330,055</u>
<u>\$ 492,897</u>	<u>\$ 68,721</u>	<u>\$ 170,049</u>	<u>\$ 662,433</u>	<u>\$ 488,755</u>	<u>\$ 166,624</u>	<u>\$ 330,055</u>

	Special Revenue Funds		
	Other Grants	Used Oil Recycling Grant	TEA/ ISTEA Grant
ASSETS			
Cash and investments	\$ 64,457	\$ 35,907	\$ -
Receivables:			
Intergovernmental	-	-	-
Accounts	-	-	-
Interest	-	9	-
Notes and loans	-	-	-
Land held for resale	-	-	-
Total assets	\$ 64,457	\$ 35,916	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 66,867	\$ 11,006	\$ -
Due to other funds	-	-	-
Unearned revenue	-	-	-
Advances from other funds	-	-	-
Total liabilities	66,867	11,006	-
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Fund balances (deficits)			
Nonspendable			
Land held for resale	-	-	-
Restricted			
Special revenue funds	-	24,910	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
Unassigned	(2,410)	-	-
Total fund balances (deficits)	(2,410)	24,910	-
Total liabilities, deferred inflows of resources and fund balances	\$ 64,457	\$ 35,916	\$ -

City of Lynwood
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2014

Special Revenue Funds					
DuPont Lead Safety Grant	Justice Assistance	Prop 84 Park Grant	Enterprise Zone Program		
\$ 105,931	\$ -	\$ -	\$ 62,851		
-	-	-	-		
-	-	-	74,580		
27	-	-	15		
-	-	-	-		
-	-	-	-		
<u>\$ 105,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,446</u>		
\$ -	\$ 3,712	\$ -	\$ 855		
-	26,689	346,079	-		
-	-	-	-		
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
<u>-</u>	<u>30,401</u>	<u>346,079</u>	<u>855</u>		
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
-	-	-	-		
105,958	-	-	136,591		
-	-	-	-		
-	-	-	-		
-	(30,401)	(346,079)	-		
<u>105,958</u>	<u>(30,401)</u>	<u>(346,079)</u>	<u>136,591</u>		
<u>\$ 105,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,446</u>		

		Debt Service Funds	
		City of Lynwood	Public Financing Authority
ASSETS			
Cash and investments		\$ -	\$ -
Receivables:			
Intergovernmental		-	-
Accounts		-	-
Interest		-	-
Notes and loans		-	-
Due from other funds		-	-
Restricted assets:			
Cash and investments with fiscal agents		1,550,014	-
Land held for resale		-	-
Total assets		<u>\$ 1,550,014</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities		\$ -	\$ -
Due to other funds		-	-
Due to other governments		-	-
Unearned revenue		-	-
Total liabilities		<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenue		-	-
Fund balances (deficits)			
Nonspendable			
Land held for resale		-	-
Restricted			
Special revenue funds		-	-
Capital projects funds		-	-
Debt service funds		1,550,014	-
Unassigned		-	-
Total fund balances (deficits)		<u>1,550,014</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances		<u>\$ 1,550,014</u>	<u>\$ -</u>

**City of Lynwood
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014**

Capital Projects Funds							
2002 HUD Section 108 Loan	Park Replacement	CIP Loan Proceeds	2003 Lease Revenue Refunding	2010 Lease Revenue Bonds Series A	Capital Improvement Projects	2012 Measure R Bond Proceeds	Total Nonmajor Governmental Funds
\$ 3,847,978	\$ -	\$ -	\$ -	\$ -	\$ 289,842	\$ -	\$ 15,119,204
-	-	-	-	-	-	-	402,413
-	-	-	-	-	-	-	265,510
-	-	-	-	-	-	-	2,455
-	-	-	-	-	-	-	521,076
-	-	-	-	-	238,349	-	238,349
-	-	136,529	670,164	4,218,039	-	4,098,070	10,672,816
-	-	-	-	-	-	-	-
<u>3,847,978</u>	<u>\$ -</u>	<u>\$ 136,529</u>	<u>\$ 670,164</u>	<u>\$ 4,218,039</u>	<u>\$ 528,191</u>	<u>\$ 4,098,070</u>	<u>\$ 27,221,823</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252,821	\$ 1,078	\$ 633,725
-	-	-	-	-	-	206,978	753,538
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	252,821	208,056	1,387,263
-	-	-	-	-	-	-	618,256
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,847,978	-	136,529	670,164	4,218,039	275,370	3,890,014	11,178,589
-	-	-	-	-	-	-	13,038,094
-	-	-	-	-	-	-	1,550,014
-	-	-	-	-	-	-	(550,393)
<u>3,847,978</u>	<u>-</u>	<u>136,529</u>	<u>670,164</u>	<u>4,218,039</u>	<u>275,370</u>	<u>3,890,014</u>	<u>25,216,304</u>
<u>\$ 3,847,978</u>	<u>\$ -</u>	<u>\$ 136,529</u>	<u>\$ 670,164</u>	<u>\$ 4,218,039</u>	<u>\$ 528,191</u>	<u>\$ 4,098,070</u>	<u>\$ 27,221,823</u>

	Special Revenue Funds		
	Retirement	Traffic Safety	Gas Tax
Revenues			
Taxes and assessments	\$ 2,667,927	\$ -	\$ -
Use of money and property	-	-	3,103
Intergovernmental	-	-	2,287,767
Total revenues	<u>2,667,927</u>	<u>-</u>	<u>2,290,870</u>
Expenditures			
Current:			
General government	922,335	-	-
Public safety	-	-	-
Public works	-	1,847,653	-
Debt service:			
Principal payment	-	37,652	-
Interest and fiscal charges	-	5,958	-
Total expenditures	<u>922,335</u>	<u>1,891,263</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,745,592</u>	<u>(1,891,263)</u>	<u>2,290,870</u>
Other financing sources (uses)			
Transfers in	2,072,739	2,223,611	-
Transfers out	<u>(3,502,248)</u>	<u>-</u>	<u>(1,972,263)</u>
Net other financing sources (uses)	<u>(1,429,509)</u>	<u>2,223,611</u>	<u>(1,972,263)</u>
Net Change in fund balances	316,083	332,348	318,607
Fund balances (deficits) - beginning of year	<u>1,132,123</u>	<u>(332,348)</u>	<u>525,107</u>
Fund balances (deficits) - end of year	<u>\$ 1,448,206</u>	<u>\$ -</u>	<u>\$ 843,714</u>

City of Lynwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year ended June 30, 2014

Special Revenue Funds

SB 821	Prop A	Measure R	Air Quality Improvement	State COPS Program
\$ -	\$ 1,198,972	\$ 742,200	\$ -	\$ -
81	14,424	8,669	138	217
-	-	-	86,898	115,403
<u>81</u>	<u>1,213,396</u>	<u>750,869</u>	<u>87,036</u>	<u>115,620</u>
-	-	-	-	-
-	-	-	-	100,000
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
<u>81</u>	<u>1,213,396</u>	<u>750,869</u>	<u>87,036</u>	<u>15,620</u>
-	-	-	-	-
<u>-</u>	<u>(874,394)</u>	<u>(312,027)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(874,394)</u>	<u>(312,027)</u>	<u>-</u>	<u>-</u>
81	339,002	438,842	87,036	15,620
<u>18,903</u>	<u>3,251,931</u>	<u>1,816,527</u>	<u>24,877</u>	<u>10,007</u>
<u>\$ 18,984</u>	<u>\$ 3,590,933</u>	<u>\$ 2,255,369</u>	<u>\$ 111,913</u>	<u>\$ 25,627</u>

	Special Revenue Funds			
	Sheriff Drug Seizure	Lighting Maintenance	Landscape Maintenance	Impact Fees
Revenues				
Taxes and assessments	\$ -	\$ 1,044,637	\$ 1,072,092	\$ 163,775
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	8,774	-	-	-
Use of money and property	314	12,933	11,279	2,867
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Program income	-	-	-	-
Total revenues	<u>9,088</u>	<u>1,057,570</u>	<u>1,083,371</u>	<u>166,642</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	50,486	-	-	-
Public works	-	722,685	1,123,178	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal payment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>50,486</u>	<u>722,685</u>	<u>1,123,178</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(41,398)</u>	<u>334,885</u>	<u>(39,807)</u>	<u>166,642</u>
Other financing sources (uses)				
Transfers in	-	573,917	277,888	-
Transfers out	-	(295,064)	(238,081)	(8,189)
Net other financing sources (uses)	<u>-</u>	<u>278,853</u>	<u>39,807</u>	<u>(8,189)</u>
Net change in fund balances	(41,398)	613,738	-	158,453
Fund balances (deficits) - beginning of year	<u>97,885</u>	<u>(564,819)</u>	<u>(72,502)</u>	<u>671,868</u>
Fund balances (deficits) - end of year	<u>\$ 56,487</u>	<u>\$ 48,919</u>	<u>\$ (72,502)</u>	<u>\$ 830,321</u>

City of Lynwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
Year ended June 30, 2014

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	153,463	-	-
1,828	328	-	24,400	1,788	597	1,470
-	-	-	962,955	-	18,707	-
84,570	298,930	-	-	-	-	-
-	-	-	40,000	-	-	-
<u>86,398</u>	<u>299,258</u>	<u>-</u>	<u>1,027,355</u>	<u>155,251</u>	<u>19,304</u>	<u>1,470</u>
-	-	-	247,420	-	-	-
-	-	-	-	-	-	-
-	321,671	-	212,832	-	-	-
-	-	-	86,766	65,464	1,098	-
-	-	-	-	-	-	-
-	-	-	380,000	-	-	-
-	-	-	243,980	-	-	-
<u>-</u>	<u>321,671</u>	<u>-</u>	<u>1,170,998</u>	<u>65,464</u>	<u>1,098</u>	<u>-</u>
<u>86,398</u>	<u>(22,413)</u>	<u>-</u>	<u>(143,643)</u>	<u>89,787</u>	<u>18,206</u>	<u>1,470</u>
-	-	-	-	-	-	-
<u>(24,893)</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,779)</u>
<u>(24,893)</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,779)</u>
61,505	(97,413)	-	(143,643)	89,787	18,206	(35,309)
<u>431,392</u>	<u>133,961</u>	<u>170,049</u>	<u>44,642</u>	<u>394,697</u>	<u>148,418</u>	<u>365,364</u>
<u>\$ 492,897</u>	<u>\$ 36,548</u>	<u>\$ 170,049</u>	<u>\$ (99,001)</u>	<u>\$ 484,484</u>	<u>\$ 166,624</u>	<u>\$ 330,055</u>

	Special Revenue Funds		
	Other Grants	Used Oil Recycling Grant	TEA/ ISTEA Grant
Revenues			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines, forfeitures and penalties	-	-	-
Use of money and property	-	113	-
Intergovernmental	298,514	20,031	-
Charges for services	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>298,514</u>	<u>20,144</u>	<u>-</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	28,285	-
Community development	365,380	-	-
Total expenditures	<u>365,380</u>	<u>28,285</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(66,866)</u>	<u>(8,141)</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	-	-	249,919
Transfers out	(1,103)	-	-
Net other financing sources (uses)	<u>(1,103)</u>	<u>-</u>	<u>249,919</u>
Net change in fund balances	(67,969)	(8,141)	249,919
Fund balances (deficits) - beginning of year	<u>65,559</u>	<u>33,051</u>	<u>(249,919)</u>
Fund balances (deficits) - end of year	<u>\$ (2,410)</u>	<u>\$ 24,910</u>	<u>\$ -</u>

City of Lynwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
Year ended June 30, 2014

Special Revenue Funds			
DuPont Lead Safety Grant	Justice Assistance	Prop 84 Park Grant	Enterprise Zone Program
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
425	-	-	54
-	-	-	-
-	-	-	104,225
-	-	-	-
<u>425</u>	<u>-</u>	<u>-</u>	<u>104,279</u>
-	-	-	3,553
-	30,401	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>30,401</u>	<u>-</u>	<u>3,553</u>
<u>425</u>	<u>(30,401)</u>	<u>-</u>	<u>100,726</u>
-	156	-	-
-	-	(251,464)	-
<u>-</u>	<u>156</u>	<u>(251,464)</u>	<u>-</u>
425	(30,245)	(251,464)	100,726
<u>105,533</u>	<u>(156)</u>	<u>(94,615)</u>	<u>35,865</u>
<u>\$ 105,958</u>	<u>\$ (30,401)</u>	<u>\$ (346,079)</u>	<u>\$ 136,591</u>

		Debt Service Funds	
		City of Lynwood	Public Financing Authority
Revenues			
Taxes and assessments	\$	-	\$ -
Licenses and permits		-	-
Fines, forfeitures and penalties		-	-
Use of money and property		263	-
Intergovernmental		-	-
Charges for services		-	-
Program income		-	-
Miscellaneous		-	-
Total revenues		<u>263</u>	<u>-</u>
Expenditures			
Current:			
General government		-	16,363
Public safety		-	-
Public works		-	-
Community development		-	-
Capital outlay		-	-
Debt service:			
Principal payment		483,000	-
Interest and fiscal charges		1,161,100	-
Total expenditures		<u>1,644,100</u>	<u>16,363</u>
Excess (deficiency) of revenues over expenditures		<u>(1,643,837)</u>	<u>(16,363)</u>
Other financing sources (uses)			
Transfers in		1,643,804	16,363
Transfers out		-	-
Net other financing sources (uses)		<u>1,643,804</u>	<u>16,363</u>
Net change in fund balances		<u>(33)</u>	<u>-</u>
Fund balances (deficits) - beginning of year		<u>1,550,047</u>	<u>-</u>
Fund balances (deficits) - end of year	\$	<u><u>1,550,014</u></u>	\$ <u><u>-</u></u>

City of Lynwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
Year ended June 30, 2014

Capital Projects Funds							
2002 HUD Section 108 Loan	Park Replacement	CIP Loan Proceeds	2003 Lease Revenue Refunding	2010 Lease Revenue Bonds Series A	Capital Improvement Projects	2012 Measure R Bond Proceeds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,889,603
-	-	-	-	-	-	-	153,463
-	-	-	-	-	-	-	8,774
8,942	-	44	-	1,377	-	-	95,654
-	-	-	-	-	-	-	3,790,275
-	-	-	-	-	-	-	487,725
-	-	-	-	-	-	-	40,000
-	-	-	-	-	-	-	-
<u>8,942</u>	<u>-</u>	<u>44</u>	<u>-</u>	<u>1,377</u>	<u>-</u>	<u>-</u>	<u>11,465,494</u>
-	-	-	-	-	348,968	-	1,538,639
-	-	-	-	-	-	-	180,887
-	-	-	-	-	-	-	4,256,304
-	-	-	-	-	-	-	518,708
-	-	-	-	-	1,356,431	-	1,356,431
-	-	-	-	-	-	-	900,652
-	-	-	-	-	-	-	1,411,038
-	-	-	-	-	<u>1,705,399</u>	<u>-</u>	<u>10,162,659</u>
<u>8,942</u>	<u>-</u>	<u>44</u>	<u>-</u>	<u>1,377</u>	<u>(1,705,399)</u>	<u>-</u>	<u>1,302,835</u>
-	2,213,246	-	-	-	1,834,321	-	11,105,964
-	-	-	-	-	-	(920,940)	(8,512,445)
-	-	-	-	-	-	-	-
<u>-</u>	<u>2,213,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,834,321</u>	<u>(920,940)</u>	<u>2,593,519</u>
<u>8,942</u>	<u>2,213,246</u>	<u>44</u>	<u>-</u>	<u>1,377</u>	<u>128,922</u>	<u>(920,940)</u>	<u>3,896,354</u>
<u>3,839,036</u>	<u>(2,213,246)</u>	<u>136,485</u>	<u>670,164</u>	<u>4,216,662</u>	<u>146,448</u>	<u>4,810,954</u>	<u>21,319,950</u>
<u>\$ 3,847,978</u>	<u>\$ -</u>	<u>\$ 136,529</u>	<u>\$ 670,164</u>	<u>\$ 4,218,039</u>	<u>\$ 275,370</u>	<u>\$ 3,890,014</u>	<u>\$ 25,216,304</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Retirement Special Revenue Fund
Year ended June 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Taxes and assessments	\$ 2,662,338	\$ 2,667,927	\$ 5,589
Total revenues	<u>2,662,338</u>	<u>2,667,927</u>	<u>5,589</u>
Expenditures			
Current:			
General government	922,335	922,335	-
Total expenditures	<u>922,335</u>	<u>922,335</u>	<u>-</u>
Excess of revenues over expenditures	1,740,003	1,745,592	5,589
Other financing uses			
Transfers in	2,072,739	2,072,739	-
Transfers out	<u>(3,549,002)</u>	<u>(3,502,248)</u>	<u>46,754</u>
Change in fund balance	263,740	316,083	52,343
Fund balances - beginning of year	<u>1,132,123</u>	<u>1,132,123</u>	<u>-</u>
Fund balances - end of year	<u>\$ 1,395,863</u>	<u>\$ 1,448,206</u>	<u>\$ 52,343</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and assessments	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
Public works	\$ 1,964,030	\$ 1,847,653	\$ 116,377
Debt service:			
Principal payment	37,652	37,652	-
Interest and fiscal charges	5,958	5,958	-
Total expenditures	<u>2,007,640</u>	<u>1,891,263</u>	<u>116,377</u>
Excess of revenues over expenditures	(2,007,640)	(1,891,263)	116,377
Other financing sources			
Transfers in	<u>1,852,282</u>	<u>2,223,611</u>	<u>371,329</u>
Change in fund balance	(155,358)	332,348	487,706
Fund balances - beginning of year	<u>(332,348)</u>	<u>(332,348)</u>	<u>-</u>
Fund balances - end of year	<u>\$ (487,706)</u>	<u>\$ -</u>	<u>\$ 487,706</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ 663	\$ 3,103	\$ 2,440
Intergovernmental	2,128,881	2,287,767	158,886
Total revenues	<u>2,129,544</u>	<u>2,290,870</u>	<u>161,326</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	2,129,544	2,290,870	161,326
Other financing uses			
Transfers out	<u>(2,175,060)</u>	<u>(1,972,263)</u>	<u>202,797</u>
Net other financing sources (uses)	<u>(2,175,060)</u>	<u>(1,972,263)</u>	<u>202,797</u>
Change in fund balance	(45,516)	318,607	364,123
Fund balances - beginning of year	<u>525,107</u>	<u>525,107</u>	<u>-</u>
Fund balances - end of year	<u>\$ 479,591</u>	<u>\$ 843,714</u>	<u>\$ 364,123</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of investment earnings	\$ -	\$ 81	\$ 81
Total revenues	-	81	81
Expenditures			
Current:			
General government	-	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	-	81	81
Other financing sources (uses)			
Transfers out	-	-	-
Change in fund balance	-	81	81
Fund balances - beginning of year	18,903	18,903	-
Fund balances - end of year	\$ 18,903	\$ 18,984	\$ 81

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Prop A Special Revenue Fund
Year ended June 30, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and assessments	\$ 1,063,000	\$ 1,198,972	\$ 135,972
Use of money and property	4,000	14,424	10,424
Total revenues	<u>1,067,000</u>	<u>1,213,396</u>	<u>146,396</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	1,067,000	1,213,396	146,396
Other financing sources (uses)			
Transfers out	<u>(1,100,081)</u>	<u>(874,394)</u>	<u>225,687</u>
Change in fund balance	(33,081)	339,002	372,083
Fund balances - beginning of year	<u>3,251,931</u>	<u>3,251,931</u>	<u>-</u>
Fund balances - end of year	<u>\$ 3,218,850</u>	<u>\$ 3,590,933</u>	<u>\$ 372,083</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Measure R Special Revenue Fund
Year ended June 30, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and assessments	\$ 640,000	\$ 742,200	\$ 102,200
Use of money and property	1,500	8,669	7,169
Total revenues	<u>641,500</u>	<u>750,869</u>	<u>109,369</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	641,500	750,869	109,369
Other financing sources (uses)			
Transfers out	(1,326,058)	(312,027)	1,014,031
Net other financing sources (uses)	<u>(1,326,058)</u>	<u>(312,027)</u>	<u>1,014,031</u>
Change in fund balance	(684,558)	438,842	1,123,400
Fund balances - beginning of year	1,816,527	1,816,527	-
Fund balances - end of year	<u>\$ 1,131,969</u>	<u>\$ 2,255,369</u>	<u>\$ 1,123,400</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ 257	\$ 138	\$ (119)
Intergovernmental	60,000	86,898	26,898
Total revenues	60,257	87,036	26,779
Expenditures			
Current:			
General government	-	-	-
Total expenditures	-	-	-
Change in fund balance	60,257	87,036	26,779
Fund balances - beginning of year	24,877	24,877	-
Fund balances - end of year	\$ 85,134	\$ 111,913	\$ 26,779

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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 217	\$ 217
Intergovernmental	100,000	115,403	15,403
Total revenues	100,000	115,620	15,620
Expenditures			
Current:			
Public safety	100,000	100,000	-
Total expenditures	100,000	100,000	-
Change in fund balance	-	15,620	15,620
Fund balances - beginning of year	10,007	10,007	-
Fund balances - end of year	\$ 10,007	\$ 25,627	\$ 15,620

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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 314	\$ 314
Fines, forfeitures and penalties	-	8,774	8,774
Total revenues	-	9,088	9,088
Expenditures			
Current:			
Public safety	78,321	50,486	27,835
Total expenditures	78,321	50,486	27,835
Change in fund balance	(78,321)	(41,398)	36,923
Fund balances - beginning of year	97,885	97,885	-
Fund balances - end of year	\$ 19,564	\$ 56,487	\$ 36,923

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Lighting Maintenance Special Revenue Fund
Year ended June 30, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and assessments	\$ 1,046,255	\$ 1,044,637	\$ (1,618)
Use of money and property	17,340	12,933	(4,407)
Total revenues	<u>1,063,595</u>	<u>1,057,570</u>	<u>(6,025)</u>
Expenditures			
Current:			
Public works	583,661	722,685	(139,024)
Total expenditures	<u>583,661</u>	<u>722,685</u>	<u>(139,024)</u>
Excess of revenues over expenditures	479,934	334,885	(145,049)
Other financing sources (uses)			
Transfers in	573,917	573,917	-
Transfers out	(295,064)	(295,064)	-
Net other financing sources (uses)	<u>278,853</u>	<u>278,853</u>	<u>-</u>
Change in fund balance	758,787	613,738	(145,049)
Fund balances - beginning of year	(564,819)	(564,819)	-
Fund balances - end of year	<u>\$ 193,968</u>	<u>\$ 48,919</u>	<u>\$ (145,049)</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and assessments	\$ 1,083,240	\$ 1,072,092	\$ (11,148)
Use of money and property	13,260	11,279	(1,981)
Total revenues	<u>1,096,500</u>	<u>1,083,371</u>	<u>(13,129)</u>
Expenditures			
Current:			
Public works	1,194,555	1,123,178	71,377
Total expenditures	<u>1,194,555</u>	<u>1,123,178</u>	<u>71,377</u>
Excess of revenues over expenditures	(98,055)	(39,807)	58,248
Other financing sources (uses)			
Transfers in	342,889	277,888	(65,001)
Transfers out	(238,450)	(238,081)	369
Net other financing sources (uses)	<u>104,439</u>	<u>39,807</u>	<u>(64,632)</u>
Change in fund balance	6,384	-	(6,384)
Fund balances - beginning of year	<u>(72,502)</u>	<u>(72,502)</u>	-
Fund balances - end of year	<u>\$ (66,118)</u>	<u>\$ (72,502)</u>	<u>\$ (6,384)</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and assessments	\$ 87,500	\$ 163,775	\$ 76,275
Use of money and property	300	2,867	2,567
Total revenues	<u>87,800</u>	<u>166,642</u>	<u>78,842</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	87,800	166,642	78,842
Other financing uses			
Transfers out	<u>(100,020)</u>	<u>(8,189)</u>	<u>91,831</u>
Net other financing sources (uses)	<u>(100,020)</u>	<u>(8,189)</u>	<u>91,831</u>
Change in fund balance	(12,220)	158,453	170,673
Fund balances - beginning of year	<u>671,868</u>	<u>671,868</u>	<u>-</u>
Fund balances - end of year	<u>\$ 659,648</u>	<u>\$ 830,321</u>	<u>\$ 170,673</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ 500	\$ 1,828	\$ 1,328
Charges for services	20,000	84,570	64,570
Total revenues	<u>20,500</u>	<u>86,398</u>	<u>65,898</u>
 Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	20,500	86,398	65,898
 Other financing uses			
Transfers out	<u>(18,750)</u>	<u>(24,893)</u>	<u>(6,143)</u>
Net other financing sources (uses)	<u>(18,750)</u>	<u>(24,893)</u>	<u>(6,143)</u>
Change in fund balance	1,750	61,505	59,755
 Fund balances - beginning of year	<u>431,392</u>	<u>431,392</u>	<u>-</u>
Fund balances - end of year	<u>\$ 433,142</u>	<u>\$ 492,897</u>	<u>\$ 59,755</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Litter Abatement Special Revenue Fund
Year ended June 30, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ 500	\$ 328	\$ (172)
Charges for services	388,400	298,930	(89,470)
Total revenues	388,900	299,258	(89,642)
 Expenditures			
Current:			
Public works	309,224	321,671	(12,447)
Total expenditures	309,224	321,671	(12,447)
Excess of revenues over expenditures	79,676	(22,413)	(102,089)
 Other financing uses			
Transfers out	(75,000)	(75,000)	-
Net other financing sources (uses)	(75,000)	(75,000)	-
Change in fund balance	4,676	(97,413)	(102,089)
 Fund balances - beginning of year	133,961	133,961	-
Fund balances - end of year	\$ 138,637	\$ 36,548	\$ (102,089)

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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	-	-	-
Fund balances - beginning of year	<u>170,049</u>	<u>170,049</u>	<u>-</u>
Fund balances - end of year	<u>\$ 170,049</u>	<u>\$ 170,049</u>	<u>\$ -</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 24,400	\$ 24,400
Intergovernmental	1,437,781	962,955	(474,826)
Program income	47,700	40,000	(7,700)
Total revenues	1,485,481	1,027,355	(458,126)
Expenditures			
Current:			
General government	306,846	247,420	59,426
Public works	335,594	212,832	122,762
Community development	210,063	86,766	123,297
Debt service:			
Principal payment	380,000	380,000	-
Interest and fiscal charges	243,980	243,980	-
Total expenditures	1,476,482	1,170,998	305,485
Excess of revenues over expenditures	8,999	(143,643)	(152,641)
Other financing sources (uses)			
Transfers out	(30,479)	-	30,479
Change in fund balance	(21,480)	(143,643)	(122,162)
Fund balances - beginning of year	44,642	44,642	-
Fund balances - end of year	\$ 23,162	\$ (99,001)	\$ (122,162)

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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Licenses and permits	\$ 150,000	\$ 153,463	\$ 3,463
Use of money and property	230	1,788	1,558
Total revenues	<u>150,230</u>	<u>155,251</u>	<u>5,021</u>
Expenditures			
Current:			
Community development	385,000	65,464	319,536
Total expenditures	<u>385,000</u>	<u>65,464</u>	<u>319,536</u>
Change in fund balance	(234,770)	89,787	324,557
Fund balances - beginning of year	394,697	394,697	-
Fund balances - end of year	<u>\$ 159,927</u>	<u>\$ 484,484</u>	<u>\$ 324,557</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ 210	\$ 597	\$ 387
Intergovernmental	-	18,707	18,707
Total revenues	210	19,304	19,094
Expenditures			
Current:			
Community development	18,000	1,098	16,902
Total expenditures	18,000	1,098	16,902
Change in fund balance	(17,790)	18,206	35,996
Fund balances - beginning of year	148,418	148,418	-
Fund balances - end of year	\$ 130,628	\$ 166,624	\$ 35,996

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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 1,470	\$ 1,470
Total revenues	<u>-</u>	<u>1,470</u>	<u>1,470</u>
Expenditures			
Current:			
Parks and recreation	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	1,470	1,470
Other financing sources (uses)			
Transfers out	(49,616)	(36,779)	12,837
Net other financing sources (uses)	<u>(49,616)</u>	<u>(36,779)</u>	<u>12,837</u>
Change in fund balance	(49,616)	(35,309)	14,307
Fund balances - beginning of year	365,364	365,364	-
Fund balances - end of year	<u>\$ 315,748</u>	<u>\$ 330,055</u>	<u>\$ 14,307</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 82,883	\$ 298,514	\$ 215,631
Total revenues	<u>82,883</u>	<u>298,514</u>	<u>215,631</u>
Expenditures			
Current:			
Community development	542,743	365,380	177,363
Total expenditures	<u>542,743</u>	<u>365,380</u>	<u>177,363</u>
Excess of revenues over expenditures	(459,860)	(66,866)	392,994
Other financing sources (uses)			
Transfers out	(1,103)	(1,103)	-
Net other financing sources (uses)	<u>(1,103)</u>	<u>(1,103)</u>	<u>-</u>
Change in fund balance	(460,963)	(67,969)	392,994
Fund balances - beginning of year	65,559	65,559	-
Fund balances - end of year	<u>\$ (395,404)</u>	<u>\$ (2,410)</u>	<u>\$ 392,994</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 113	\$ 113
Intergovernmental	20,000	20,031	31
Total revenues	20,000	20,144	144
Expenditures			
Current:			
Public works	41,906	28,285	13,621
Total expenditures	41,906	28,285	13,621
Change in fund balance	(21,906)	(8,141)	13,765
Fund balances - beginning of year	33,051	33,051	-
Fund balances - end of year	\$ 11,145	\$ 24,910	\$ 13,765

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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ _____	\$ _____	\$ _____
Total revenues	<u> -</u>	<u> -</u>	<u> -</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u> -</u>	<u> -</u>	<u> -</u>
Excess of revenues over expenditures	-	-	-
Other financing sources (uses)			
Transfers in	249,919	249,919	-
Net other financing sources (uses)	<u>249,919</u>	<u>249,919</u>	<u> -</u>
Change in fund balance	249,919	249,919	-
Fund balances - beginning of year	(249,919)	(249,919)	-
Fund balances - end of year	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
DuPont Lead Safety Grant Special Revenue Fund
Year ended June 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ 123	\$ 425	\$ 302
Total revenues	<u>123</u>	<u>425</u>	<u>302</u>
Expenditures			
Current:			
Community development	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	123	425	302
Other financing sources (uses)			
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	123	425	302
Fund balances - beginning of year	<u>105,533</u>	<u>105,533</u>	<u>-</u>
Fund balances - end of year	<u>\$ 105,656</u>	<u>\$ 105,958</u>	<u>\$ 302</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
Public safety	47,401	30,401	17,000
Total expenditures	<u>47,401</u>	<u>30,401</u>	<u>17,000</u>
Change in fund balance	(47,401)	(30,401)	17,000
Other financing sources (uses)			
Transfers in	<u>156</u>	<u>156</u>	<u>-</u>
Net other financing sources (uses)	<u>156</u>	<u>156</u>	<u>-</u>
Net change in fund balances	(47,245)	(30,245)	17,000
Fund balances - beginning of year	<u>(156)</u>	<u>(156)</u>	<u>-</u>
Fund balances - end of year	<u>\$ (47,401)</u>	<u>\$ (30,401)</u>	<u>\$ 17,000</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 9,393,960	\$ -	\$ (9,393,960)
Total revenues	<u>9,393,960</u>	<u>-</u>	<u>(9,393,960)</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	9,393,960	-	(9,393,960)
Other financing sources (uses)			
Transfers out	<u>(9,855,343)</u>	<u>(251,464)</u>	<u>9,603,879</u>
Net other financing sources (uses)	<u>(9,855,343)</u>	<u>(251,464)</u>	<u>9,603,879</u>
Change in fund balance	(461,383)	(251,464)	209,919
Fund balances - beginning of year	<u>(94,615)</u>	<u>(94,615)</u>	<u>-</u>
Fund balances - end of year	<u>\$ (555,998)</u>	<u>\$ (346,079)</u>	<u>\$ 209,919</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Taxes and assessments	\$ 35,000	\$ 104,225	\$ 69,225
Use of money and property	-	54	54
Total revenues	<u>35,000</u>	<u>104,279</u>	<u>69,279</u>
 Expenditures			
Current:			
General government	12,750	3,553	9,197
Total expenditures	<u>12,750</u>	<u>3,553</u>	<u>9,197</u>
Change in fund balance	22,250	100,726	78,476
 Fund balances - beginning of year	<u>35,865</u>	<u>35,865</u>	<u>-</u>
 Fund balances - end of year	<u>\$ 58,115</u>	<u>\$ 136,591</u>	<u>\$ 78,476</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ 500	\$ 263	\$ (237)
Total revenues	<u>500</u>	<u>263</u>	<u>(237)</u>
Expenditures			
Debt service:			
Principal payment	483,000	483,000	-
Interest and fiscal charges	1,161,100	1,161,100	-
Total expenditures	<u>1,644,100</u>	<u>1,644,100</u>	<u>-</u>
Excess of revenues over expenditures	(1,643,600)	(1,643,837)	(237)
Other financing sources (uses)			
Transfers in	1,643,804	1,643,804	-
Net other financing sources (uses)	<u>1,643,804</u>	<u>1,643,804</u>	<u>-</u>
Change in fund balance	204	(33)	(237)
Fund balances - beginning of year	<u>1,550,047</u>	<u>1,550,047</u>	<u>-</u>
Fund balances - end of year	<u>\$ 1,550,251</u>	<u>\$ 1,550,014</u>	<u>\$ (237)</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, 2014**

	Final Budget	Actual	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Taxes and assessments	\$ -	\$ -	\$ -
Total revenues	<u> -</u>	<u> -</u>	<u> -</u>
Expenditures			
Current:			
General government	16,416	16,363	53
Total expenditures	<u>16,416</u>	<u>16,363</u>	<u>53</u>
Excess of revenues over expenditures	(16,416)	(16,363)	53
Other financing uses			
Transfers in	16,416	16,363	(53)
Change in fund balance	-	-	-
Fund balances - beginning of year	-	-	-
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
2002 HUD Section 108 Capital Projects Fund
Year ended June 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ 2,700	\$ 8,942	\$ 6,242
Total revenues	<u>2,700</u>	<u>8,942</u>	<u>6,242</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	2,700	8,942	6,242
Other financing uses			
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	2,700	8,942	6,242
Fund balances - beginning of year	<u>3,839,036</u>	<u>3,839,036</u>	<u>-</u>
Fund balances - end of year	<u>\$ 3,841,736</u>	<u>\$ 3,847,978</u>	<u>\$ 6,242</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, 2014

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

City of Lynwood
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
CIP Loan Proceeds Capital Projects Fund
Year ended June 30, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 44	\$ 44
Total revenues	-	44	44
Expenditures			
Current:			
Public works	-	-	-
Total expenditures	-	-	-
Net Change in fund balance	-	44	44
Fund balances - beginning of year	136,485	136,485	-
Fund balances - end of year	\$ 136,485	\$ 136,529	\$ 44

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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Taxes and assessments	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
Public works	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning of year	\$ 670,164	\$ 670,164	-
Fund balances - end of year	<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 Capital Projects Fund
 Year ended June 30, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 1,377	\$ 1,377
Total revenues	<u>-</u>	<u>1,377</u>	<u>1,377</u>
Expenditures			
Current:			
Public works	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	1,377	1,377
Fund balances - beginning of year	\$ 4,216,662	\$ 4,216,662	-
Fund balances - end of year	<u>\$ 4,216,662</u>	<u>\$ 4,218,039</u>	<u>\$ 1,377</u>

City of Lynwood
**Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 Capital Improvement Projects Capital Projects Fund
 Year ended June 30, 2014**

	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues			
Total revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General government	1,050,000	348,968	701,032
Capital outlay	27,523,680	1,356,431	26,167,249
Total expenditures	<u>28,573,680</u>	<u>1,705,399</u>	<u>26,868,281</u>
Excess (deficiency) of revenues over expenditures	(28,573,680)	(1,705,399)	26,868,281
Other financing uses			
Transfers in	1,834,321	1,834,321	-
Net other financing sources (uses)	<u>1,834,321</u>	<u>1,834,321</u>	<u>-</u>
Change in fund balance	(26,739,359)	128,922	26,868,281
Fund balances - beginning of year	146,448	146,448	-
Fund balances - end of year	<u>\$ (26,592,911)</u>	<u>\$ 275,370</u>	<u>\$ 26,868,281</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Taxes and assessments	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-
Other financing sources (uses)			
Transfers out	<u>(1,008,622)</u>	<u>(920,940)</u>	<u>87,682</u>
Change in fund balance	(1,008,622)	(920,940)	87,682
Fund balances - beginning of year	4,810,954	4,810,954	-
Fund balances - end of year	<u>\$ 3,802,332</u>	<u>\$ 3,890,014</u>	<u>\$ 87,682</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, 2014

	Internal Service Fund			
	Garage	Information Technology	Self-Insurance	Totals
ASSETS				
Current assets				
Cash and investments	\$ 513,324	\$ 80,102	\$ 1,860,444	\$ 2,453,870
Receivables:				
Accounts	470	-	19,020	19,490
Interest	-	-	-	-
Due from other funds	250,000	-	-	250,000
Total current assets	<u>763,794</u>	<u>80,102</u>	<u>1,879,464</u>	<u>2,723,360</u>
Noncurrent assets				
Restricted assets:				
Deposit in trust	-	-	80,000	80,000
Capital assets, depreciated, net	509,930	287,998	-	797,928
Total noncurrent assets	<u>509,930</u>	<u>287,998</u>	<u>80,000</u>	<u>877,928</u>
Total assets	<u>1,273,724</u>	<u>368,100</u>	<u>1,959,464</u>	<u>3,601,288</u>
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
LIABILITIES				
Current liabilities				
Accounts payable	138,794	-	77,160	215,954
Due to other funds	-	-	804,334	804,334
Total current liabilities	<u>138,794</u>	<u>-</u>	<u>881,494</u>	<u>1,020,288</u>
Noncurrent liabilities				
Noncurrent portion of long-term debt:				
Claims payable	-	-	1,458,894	1,458,894
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,458,894</u>	<u>1,458,894</u>
DEFERRED INFLOWS OF RESOURCES	-	-	-	-
NET POSITION				
Net investment in capital assets	509,930	287,998	-	797,928
Unrestricted	625,000	80,102	(380,924)	324,178
Total net position	<u>\$ 1,134,930</u>	<u>\$ 368,100</u>	<u>\$ (380,924)</u>	<u>\$ 1,122,106</u>

City of Lynwood
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year ended June 30, 2014

	Internal Service Fund			
	Garage	Information Technology	Self-Insurance	Total
Operating revenues				
Sales and service charges	\$ 325,647	\$ -	\$ 3,019,905	\$ 3,345,552
Total operating revenues	<u>325,647</u>	<u>-</u>	<u>3,019,905</u>	<u>3,345,552</u>
Operating expenses				
Insurance	-	-	802,231	802,231
Claims	-	-	1,031,114	1,031,114
Garage	229,340	-	-	229,340
Depreciation	168,607	-	-	168,607
Total operating expenses	<u>397,947</u>	<u>-</u>	<u>1,833,345</u>	<u>2,231,292</u>
Operating income (loss)	<u>(72,300)</u>	<u>-</u>	<u>1,186,560</u>	<u>1,114,260</u>
Nonoperating revenues (expenses)				
Use of money and property	-	-	216,664	216,664
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>216,664</u>	<u>216,664</u>
Income (loss) before transfers	(72,300)	-	1,403,224	1,330,924
Transfers				
Transfers in	-	-	1,054,282	1,054,282
Change in net position	(72,300)	-	2,457,506	2,385,206
Net position - beginning	<u>1,207,230</u>	<u>368,100</u>	<u>(2,838,430)</u>	<u>(1,263,100)</u>
Net position - ending	<u>\$ 1,134,930</u>	<u>\$ 368,100</u>	<u>\$ (380,924)</u>	<u>\$ 1,122,106</u>

City of Lynwood
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2014

	Internal Service Fund			
	Garage	Information Technology	Self-Insurance	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 575,178	\$ -	\$ 3,041,946	\$ 3,617,124
Payments to suppliers	(275,520)	-	(879,524)	(1,155,044)
Payments for claims	-	-	(2,407,005)	(2,407,005)
Net cash provided by (used in) operating activities	<u>299,658</u>	<u>-</u>	<u>(244,583)</u>	<u>55,075</u>
Cash flows from noncapital financing activities:				
Received from other funds	-	-	1,054,282	1,054,282
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>1,054,282</u>	<u>1,054,282</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets, net	(111,686)	-	-	(111,686)
Net cash used in capital and related financing activities	<u>(111,686)</u>	<u>-</u>	<u>-</u>	<u>(111,686)</u>
Cash flows from investing activities				
Interest received	-	-	216,664	216,664
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>216,664</u>	<u>216,664</u>
Net increase (decrease) in cash and investments	187,972	-	1,026,363	1,214,335
Cash and investments - beginning of year	325,352	80,102	834,081	1,239,535
Cash and investments - end of year	<u>\$ 513,324</u>	<u>\$ 80,102</u>	<u>\$ 1,860,444</u>	<u>\$ 2,453,870</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(72,300)	\$ -	\$ 1,186,560	\$ 1,114,260
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	168,607	-	-	168,607
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivables	(469)	-	22,041	21,572
Decrease in due from other funds	250,000	-	-	250,000
Decrease in accounts payable	(46,180)	-	(77,293)	(123,473)
Decrease in claims payable	-	-	(419,815)	(419,815)
Decrease in due to other funds	-	-	(956,076)	(956,076)
Total adjustments	<u>371,958</u>	<u>-</u>	<u>(1,431,143)</u>	<u>(1,059,185)</u>
Net cash provided by (used in) operating activities	<u>\$ 299,658</u>	<u>\$ -</u>	<u>\$ (244,583)</u>	<u>\$ 55,075</u>

STATISTICAL SECTION

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CONTENTS	PAGE
Financial Trends These tables contain trend information that may assist the reader in the City's current financial performance by placing it in historical perspective.	140-146
Revenue Capacity These tables contain information that may help in assessing the viability of the City's most significant revenue sources.	147--157
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	158-163
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	164-166
Operating Information These tables contain service and infrastructure indicators that may inform one's understanding on how the information in the City's financial statements relate to the services that the City provides and the activities that it performs.	167-169

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$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	\$112,653,436
Restricted	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	30,716,429
Unrestricted	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)	(8,953,962)
Total governmental activities net position	94,795,862	105,641,488	117,278,423	123,134,677	124,522,016	129,672,737	129,089,857	125,678,840	126,255,842	134,415,903
Business-type activities										
Net investment in capital assets	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)	2,556,555
Restricted	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	4,375,458
Unrestricted	(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	5,241,207
Total business-type activities net position	10,203,276	8,847,449	4,334,583	7,079,008	9,005,726	10,021,046	13,162,007	14,860,943	13,736,034	12,173,220
Primary government										
Net investment in capital assets	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	115,209,991
Restricted	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	35,091,887
Unrestricted	(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)	(3,712,755)
Total primary government net position	\$ 104,999,138	\$ 114,488,937	\$ 121,613,006	\$ 130,213,685	\$ 133,527,742	\$ 139,693,783	\$ 142,251,864	\$ 140,539,783	\$ 139,991,876	\$ 146,589,123

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$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	\$7,985,070
Public safety	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	17,090,835
Public works	\$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	9,929,011
Community Development	\$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	1,779,007
Parks and recreation	\$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	3,201,757
Interest on long-term debt	\$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	1,508,889
Unallocated Depreciation	\$0	\$0	\$1,025,821	\$1,048,750	\$0*	\$0	\$0	\$0	\$0	\$0
Total governmental activities expenses	\$38,458,155	\$35,412,389	\$41,632,309	\$44,540,668	\$46,142,508	\$49,144,272	\$52,410,673	\$50,534,691	\$45,610,116	\$41,494,569
Business-type activities:										
Water	\$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	9,138,793
Transit	\$1,320,016	\$1,227,619	\$1,144,485	\$1,040,822	\$1,081,676	\$1,023,916	\$995,267	\$955,330	962,157	885,536
Total business-type activities expenses	\$7,837,926	\$7,395,723	\$7,689,220	\$7,526,421	\$8,798,684	\$8,380,604	\$8,425,022	\$9,160,227	\$9,824,017	\$10,024,329
Total primary government expenses	\$46,296,081	\$42,808,112	\$49,321,529	\$52,067,089	\$54,941,192	\$57,524,876	\$60,835,695	\$59,694,918	\$55,434,133	\$51,518,898
Program Revenues (see Schedule 3)										
Governmental activities:										
Charges for services:										
General government	\$369,070	\$693,390	\$1,652,328	\$352,691	\$1,667,834	\$4,131,395	\$5,301,748	\$5,295,201	\$5,741,982	8,006,991
Public safety	829,237	1,024,589	514,552	1,682,637	1,587,339	1,276,036	50,932	44,141	29,187	19,059
Public works	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	2,739,479
Community development	5,564	284,119	3,161	-	-	1,104,052	1,379,549	1,560,637	936,985	1,000,388
Parks and recreation	283,326	317,006	364,681	500,951	434,508	414,406	560,235	924,572	519,849	732,923
Operating grants and contributions	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	4,708,968
Capital grants and contributions	575,179	1,648,244	1,703,546	186,401	1,432,067	3,774,852	6,163,896	561,984	561,984	-
Total governmental activities program revenues	16,979,035	15,942,978	13,270,118	16,678,469	13,171,546	18,030,499	21,659,072	17,689,582	15,529,875	17,207,808
Business-type activities:										
Charges for services:										
Water	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	10,167,149
Transit	23,956	11,663	20,073	5,427	13,208	6,296	9,648	9,177	8,541	9,548
Capital grants and contributions	-	422,767	-	-	-	-	-	-	-	-
Total business-type activities program revenues	6,527,008	6,268,394	7,881,493	9,764,539	10,027,671	9,770,786	9,793,253	10,301,520	10,425,555	10,176,697
Total primary government program revenues	\$23,506,043	\$22,211,372	\$21,151,611	\$26,443,008	\$23,199,217	\$27,801,285	\$31,452,325	\$27,991,102	\$25,955,430	\$27,384,505

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities	\$ (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)	\$(24,286,761)
Business-type activities	(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	152,368
Total primary government net expense	<u>(22,790,038)</u>	<u>(20,596,740)</u>	<u>(28,169,918)</u>	<u>(25,624,081)</u>	<u>(31,741,975)</u>	<u>(29,723,591)</u>	<u>(29,383,370)</u>	<u>(31,703,816)</u>	<u>(29,478,703)</u>	<u>(24,134,393)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	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	13,318,023
Utility users tax	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	5,421,499
Franchise taxes	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	2,380,457
Sales taxes	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	6,721,146
Business license taxes	394,083	262,305	407,714	471,907	434,513	420,200	536,812	593,911	1,055,541	1,084,625
Other taxes	150,623	93,142	1,327,499	1,433,893	1,600,134	152,742	64,266	123,496	245,822	179,237
Payments in lieu of taxes	474,591	1,738,552	540,103	361,087	-	-	-	-	-	-
Investment earnings	1,354,489	1,897,716	2,176,869	1,402,738	638,296	402,786	175,705	123,832	254,623	387,805
Miscellaneous	219,998	488,886	1,118,246	239,172	1,250,614	870,321	57,051	177,285	802,561	227,154
Transfers	1,709,871	780,106	5,312,643	(346,792)	(515,313)	475,854	(9,037)	632,419	1,083,284	1,784,644
Total governmental activities	<u>24,519,307</u>	<u>29,481,383</u>	<u>40,232,042</u>	<u>34,643,147</u>	<u>34,358,301</u>	<u>33,448,665</u>	<u>31,827,410</u>	<u>30,662,654</u>	<u>30,417,328</u>	<u>31,504,591</u>
Business-type activities										
Investment earnings	313,212	551,608	607,504	159,515	182,418	100,992	107,207	66,053	73,346	69,463
Miscellaneous	3,363	-	-	-	-	-	-	-	-	-
Transfers	(1,709,871)	(780,106)	(5,312,643)	346,792	515,313	(475,854)	9,037	(632,419)	(1,083,284)	(1,784,644)
Total business-type activities	<u>(1,393,296)</u>	<u>(228,498)</u>	<u>(4,705,139)</u>	<u>506,307</u>	<u>697,731</u>	<u>(374,862)</u>	<u>116,244</u>	<u>(566,366)</u>	<u>(1,009,938)</u>	<u>(1,715,181)</u>
Total primary government	<u>\$ 23,126,011</u>	<u>\$ 29,252,885</u>	<u>\$ 35,526,903</u>	<u>\$ 35,149,454</u>	<u>\$ 35,056,032</u>	<u>\$ 33,073,803</u>	<u>\$ 31,943,654</u>	<u>\$ 30,096,288</u>	<u>\$ 29,407,390</u>	<u>\$ 29,789,410</u>
Change in Net Position										
Governmental activities	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	7,217,830
Business-type activities	(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)	(1,562,813)
Total primary government	<u>\$ 335,973</u>	<u>\$ 8,656,145</u>	<u>\$ 8,190,465</u>	<u>\$ 9,525,373</u>	<u>\$ 3,712,948</u>	<u>\$ 3,375,688</u>	<u>\$ 2,560,284</u>	<u>\$ (1,712,081)</u>	<u>\$ (71,314)</u>	<u>\$ 5,655,017</u>

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-
Unassigned	-	-	-	-
Reserved	1,628,825	1,000,340	1,412,294	1,450,866
Unreserved	<u>11,691,290</u>	<u>15,512,533</u>	<u>14,891,975</u>	<u>9,626,275</u>
Total general fund	<u>13,320,115</u>	<u>16,512,873</u>	<u>16,304,269</u>	<u>11,077,141</u>
All Other Governmental Funds				
Reserved	54,245,733	26,536,539	26,798,572	17,632,454
Nonspendable	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Restricted:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Unreserved, reported in:				
Special revenue funds	1,616,959	1,867,118	1,641,242	(388,455)
Capital projects funds	225,465	1,005,908	(11,113)	(37,030)
Debt service funds	-	-	-	-
Total all other governmental funds	<u>\$ 56,088,157</u>	<u>\$ 29,409,565</u>	<u>\$ 28,428,701</u>	<u>\$ 17,206,969</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ -	\$ -	\$ 891,712	\$ -	\$ 10,212	\$ -
-	-	526,096	326,900	494,522	-
-	-	5,115,452	5,274,765	5,976,902	4,610,951
164,456	4,874,307	-	-	-	-
9,547,949	3,107,949	-	-	-	-
<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>	<u>4,610,951</u>
24,765,113	24,589,471	-	-	-	-
-	-	9,969,438	209,078	497,694	1,348,324
-	-	-	-	-	-
-	-	(4,176,916)	(3,994,464)	(3,540,229)	(561,208)
-	-	9,456,030	12,509,310	13,288,317	16,128,321
-	-	33,139,153	9,065,746	13,819,745	13,038,094
-	-	5,679,019	1,560,274	1,550,047	1,550,014
4,899,496	4,219,342	-	-	-	-
(1,570,414)	(2,642,076)	-	-	-	-
-	-	-	-	-	-
<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>\$ 31,503,545</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues				
Taxes (see Schedule 6)	\$ 26,978,169	\$ 29,252,885	\$ 31,084,181	\$ 32,765,398
Licenses, fees, and permits	607,075	639,142	646,340	354,853
Fines and penalties	893,895	1,007,352	1,175,169	1,187,753
Use of money and property	3,347,760	2,137,438	2,176,869	1,481,300
Intergovernmental	6,322,206	7,299,319	6,247,098	9,401,941
Charges for services	3,106,996	3,338,468	4,285,276	3,840,333
Administrative support	1,476,834	3,228,043	3,060,251	1,310,366
Program Income	-	-	267,585	49,273
Other revenues	451,571	135,177	1,456,338	660,694
Total revenues	<u>43,184,506</u>	<u>47,037,824</u>	<u>51,232,587</u>	<u>51,051,911</u>
Expenditures				
General government	5,897,451	6,615,223	7,527,419	8,328,291
Public safety	12,763,219	13,900,407	15,505,809	15,696,589
Public works	4,394,322	5,124,278	6,042,820	7,344,547
Community development	7,487,623	6,393,455	7,935,098	5,552,608
Parks and recreation	2,601,140	2,785,317	3,312,944	3,160,255
Pass Through To Other Agencies	-	-	-	-
Capital outlay	6,050,387	34,153,313	13,311,825	5,983,029
Debt service				
Interest	2,017,357	2,207,102	1,174,979	1,335,594
Principal	1,122,553	975,682	1,826,207	1,768,237
Bond issue costs	-	-	-	-
Total expenditures	<u>42,334,052</u>	<u>72,154,777</u>	<u>56,637,101</u>	<u>49,169,150</u>
Excess of revenues over (under) expenditures	<u>850,454</u>	<u>(25,116,953)</u>	<u>(5,404,514)</u>	<u>1,882,761</u>
Other Financing Sources (Uses)				
Bonds proceeds	8,630,000	-	-	-
Premium on bond issuance	74,214	-	-	-
Payments to escrow agent	(7,067,541)	-	-	-
Bond Discount	-	-	-	-
Transfers in	11,272,762	13,085,974	41,023,249	26,879,932
Transfers out	(13,173,740)	(11,903,143)	(40,493,902)	(22,078,219)
Total other financing sources (uses)	<u>(264,305)</u>	<u>1,182,831</u>	<u>529,347</u>	<u>4,801,713</u>
Extraordinary items	-	-	-	-
Net change in fund balances	<u>\$ 586,149</u>	<u>\$ (23,934,122)</u>	<u>\$ (4,875,167)</u>	<u>\$ 6,684,474</u>
Debt service as a percentage of noncapital expenditures	7.42%	4.41%	5.30%	6.31%

Source: City of Lynwood

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 32,425,069	\$ 31,950,394	\$ 31,518,348	\$ 29,808,823	26,946,582	27,922,422
915,469	887,559	941,632	1,014,069	1,582,798	1,519,975
1,160,199	1,276,583	1,508,346	1,921,768	1,820,767	1,620,345
638,296	402,786	362,185	340,637	393,656	369,972
6,925,831	8,173,257	11,085,979	7,107,176	5,329,733	4,687,146
3,712,006	3,740,730	3,795,430	4,063,798	3,387,777	4,322,968
1,208,409	1,151,040	1,118,246	1,118,246	1,118,246	1,118,246
45,966	95,477	4,850	-	29,450	40,000
769,658	1,470,894	675,919	487,722	1,616,496	533,636
<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>	<u>42,134,710</u>
7,406,008	8,612,274	9,771,596	10,018,745	10,637,844	5,561,282
17,453,355	17,323,198	14,844,253	14,574,856	16,667,583	17,071,643
7,273,396	7,487,773	9,139,463	8,476,626	8,499,526	8,729,833
4,856,699	5,512,018	5,696,998	6,523,478	1,022,907	1,775,426
3,535,156	3,374,547	3,043,494	2,699,254	2,849,055	2,983,717
552,052	250,021	8,914	-	-	-
6,145,649	8,136,405	6,387,861	2,130,165	642,303	1,356,431
1,596,989	1,531,443	1,830,643	2,744,245	971,217	900,652
2,079,713	1,054,502	5,613,437	929,800	1,047,136	1,411,038
-	-	559,620	-	-	-
<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>39,790,022</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>	<u>2,344,688</u>
-	-	33,125,000	-	6,563,582	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(779,628)	-	-	-
15,795,814	17,061,122	14,178,639	10,711,200	11,575,810	15,574,928
(20,565,918)	(16,585,268)	(14,187,676)	(10,628,781)	(10,881,725)	(14,844,566)
<u>(4,770,104)</u>	<u>475,854</u>	<u>32,336,335</u>	<u>82,419</u>	<u>7,257,667</u>	<u>730,362</u>
-	-	-	(33,495,864)	-	-
<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>	<u>\$ 3,075,050</u>
7.22%	4.85%	14.07%	7.64%	4.77%	5.81%

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
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
2014	13,318,023	6,721,146	5,421,499	2,380,457	387,805	179,237	28,408,167
Change							
2005-2014	-5.0%	39.5%	-2.1%	89.5%	93.2%	-680.3%	5.2%

Source: City of Lynwood

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	2005	2006	2007	2008
Residential	\$ 1,411,103,429	\$ 1,553,834,605	\$ 1,769,041,214	\$ 1,970,733,207
Commercial	187,518,358	234,685,857	250,214,463	273,733,571
Industrial	178,999,129	175,850,603	180,517,681	192,759,499
Government	985,000	-	-	-
Institutional	17,251,962	14,856,434	14,503,805	21,072,234
Miscellaneous	32,194	32,835	1,440,488	1,469,295
Recreational	206,264	210,388	284,668	290,360
Vacant Land	20,101,072	15,419,783	16,970,075	17,594,342
SBE Nonunitary	902,410	906,787	831,966	729
Cross Reference	3,893,265	4,199,252	4,601,816	4,262,361
Unsecured	76,884,821	78,080,903	79,689,348	82,205,276
Tax Exempt	18,979,457	21,827,731	27,645,498	30,246,612
Unknown	8,122,189	1,517,191	615,060	-
TOTALS	\$ 1,906,000,093	\$ 2,079,594,638	\$ 2,318,710,584	\$ 2,564,120,874
Total Direct Rate	0.40637	0.40827	0.40358	0.40563

Source: HDL, Coren Cole, MuniServices

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

2009	2010	2011	2012	2013	2014
\$ 2,065,073,300	\$ 1,914,425,758	\$1,833,560,959	\$ 1,858,607,166	\$ 1,889,584,384	\$ 1,959,709,331
291,616,514	314,804,857	308,471,599	306,858,147	233,309,815	245,749,667
211,284,405	226,310,747	224,421,914	219,249,109	319,869,481	306,219,798
-	-	-	-	-	-
21,610,145	24,496,869	195,237,553	213,678,142	217,361,956	310,720,341
3,335,932	3,335,448	3,213,287	1,629,071	1,664,398	1,145,617
296,166	302,088	301,369	303,636	309,706	315,898
18,875,074	19,573,033	20,415,541	34,025,174	31,578,727	50,245,155
717	694	779	969	977	191
4,376,567	3,955,210	4,399,868	4,002,550	4,122,775	4,377,782
83,586,372	84,371,270	74,657,976	95,395,071	87,556,507	90,669,780
29,585,217	28,473,480	29,135,826	29,455,154	29,940,424	307,087,908
44	44	-	15,108,197	15,390,492	17,565,180
\$ 2,700,055,236	\$ 2,591,576,018	\$2,664,680,845	\$ 2,748,857,232	\$ 2,800,749,218	\$ 2,986,718,740
0.41092	0.43155	1.192470	1.201240	1.204707	1.271762

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

Agency	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Basic Levy	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.000000	1.000000	1.000000
Compton Community College District	0.00396	0.02051	0.01975	0.01763	0.01262	0.01296	0.01487	0.020830	0.025618	0.023214
Compton Unified School District	0.06261	0.04827	0.06144	0.05976	0.06237	0.06238	0.07054	0.071252	0.075823	0.000000
County Detention Facilities 1987 Debt	0.00092	0.00080	0.00066	0.00000	0.00000	0.00000	0.00000	0.000000	0.000000	0.000000
LA Community College District	0.01810	0.01429	0.02146	0.00879	0.02212	0.02311	0.04031	0.035296	0.048750	0.000000
LA County Flood Control	0.00025	0.00005	0.00005	0.00000	0.00000	0.00000	0.00000	0.000000	0.000000	0.000000
Los Angeles Unified School District	0.08884	0.08435	0.10681	0.12334	0.12478	0.15181	0.18695	0.168187	0.175619	0.000000
Lynwood Unified	0.05731	0.04827	0.04317	0.04370	0.04498	0.04359	0.04945	0.051710	0.050589	0.120048
Metropolitan Water District	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370	0.003700	0.003500	0.003500
Tax District	0.12500	0.12500	0.12500	0.12500	0.12500	0.12500	0.12500	0.125000	0.125000	0.125000
Total Direct & Overlapping Tax Rates	1.36279	1.34674	1.38304	1.38272	1.39617	1.42315	1.49082	1.47598	1.504899	1.27176
City's Share of 1% Levy Per Prop 13	0.11301	0.113014	0.113014	0.113014						
General Obligation Debt Rate	0.12500	0.125000	0.125000	0.125000						
Redevelopment Rate Total Direct Rate	1.13204	1.13112	1.13048	1.12956	1.12930	1.12930	1.12870	0.00000	0.00000	0.000000
Total Direct Rate	0.40637	0.40827	0.40358	0.40563	0.41092	0.43155	1.192470	1.201240	1.204707	1.271762

Source: Los Angeles County Auditor-Controller

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

Taxpayer	2005			2014		
	Value	Rank	% of Net Assessed Value	Value	Rank	% of Net Assessed Value
Plamex Investment LLC				\$43,649,534	1	1.63%
Duke Realty LTD Partnership				\$38,882,400	2	1.45%
Lynwood Alameda Corporation	\$17,974,497	2	0.96%	\$20,809,230	3	0.78%
St. Francis Medical Center	\$9,493,349	7	0.51%	\$19,957,387	4	0.74%
Earl M. Jorgensen Company				\$18,180,031	5	0.68%
Aaron Industries Inc.				\$16,863,289	6	0.63%
Jones Holdings LLC				\$15,225,727	7	0.57%
Albi Lynwood Investment LLC	\$11,300,000	3	0.60%	\$14,111,700	8	0.53%
Airgas West, Inc.				\$12,202,252	9	0.46%
805 Property LLC	\$9,444,083	8	0.50%	\$12,117,273	10	0.45%
2700 East Imperial Highway Inc.	\$19,606,748	1	1.05%			
Universal Molding Company	\$11,119,260	4	0.59%			
MCW Horter Inc.	\$10,982,704	5	0.59%			
Economic Resources Corp.	\$10,878,978	6	0.58%			
Imperial Shopping Center LLC	\$9,360,608	9	0.50%			
LTC Development Inc.	\$9,162,922	10	0.49%			
Top Ten Totals	\$119,323,149		6.37%	\$211,998,823		7.92%
City Totals	\$1,875,119,447		100%	\$2,679,630,832		100%

Source: HDL, Coren Cole, MuniServices

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 1,529,632	\$ 1,446,731	94.58%	\$ 123,679	\$ 1,570,410	102.67%
2006	1,628,787	1,121,313	68.84%	293,270	1,414,583	86.85%
2007	1,785,744	1,335,441	74.78%	458,772	1,794,213	100.47%
2008	2,016,965	1,874,289	92.93%	395,019	2,269,308	112.51%
2009	2,234,886	2,113,315	94.56%	325,810	2,439,125	109.14%
2010	2,340,660	2,113,570	90.30%	260,479	2,374,049	101.43%
2011	2,397,112	2,184,554	91.13%	190,899	2,375,453	99.10%
2012	2,286,742	2,251,225	98.45%	-	2,251,225	98.45%
2013	2,375,934	2,355,554	99.14%	-	2,355,554	99.14%
2014	2,218,405	2,215,707	99.88%	-	2,215,707	99.88%

Source: HDL Coren Cole, MuniServices
City Finance Department

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	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Apparel Stores	\$14,044	\$16,034	\$16,388	\$16,341
General Merchandise	3,563	3,473	3,489	3,398
Food Stores	30,347	30,061	31,200	30,747
Eating and Drinking Places	48,432	51,306	56,094	57,316
Building Materials	28,314	31,626	32,968	32,302
Auto Dealers and Supplies	27,342	30,445	28,974	22,720
Service Stations	50,409	55,558	61,236	62,998
Other Retail Stores	34,018	42,698	47,984	50,214
All Other Outlets	<u>71,445</u>	<u>76,729</u>	<u>75,021</u>	<u>88,180</u>
Total	<u>\$307,914</u>	<u>\$337,930</u>	<u>\$353,354</u>	<u>\$364,216</u>

Source: HDL Coren Cole, MuniServices

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$14,845	\$13,671	\$9,627	\$11,970	\$14,541	17,146
3,419	3,480	6,511	6,682	6,744	6,970
31,445	31,801	31,537	31,409	33,525	34,755
55,876	53,996	52,625	56,846	61,527	63,686
25,376	19,980	1,459	1,281	1,446	1,877
15,293	12,630	13,441	16,281	16,978	20,164
66,578	51,407	64,504	73,037	74,609	70,953
48,831	44,589	30,172	29,338	28,728	18,124
<u>89,898</u>	<u>72,430</u>	<u>70,997</u>	<u>71,615</u>	<u>68,846</u>	<u>77,015</u>
<u>\$351,561</u>	<u>\$303,984</u>	<u>\$280,873</u>	<u>\$298,459</u>	<u>\$306,944</u>	<u>310,689</u>

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

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Los Angeles County</u>
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%
2014	1%	1%

Source: HDL Coren Cole, MuniServices

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

2014	
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
EI Super	Food Markets
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
K.D.H. Used Truck Sales	Auto Sales - Used
King Taco 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
Walgreen's Drug Stores	Drug Stores

2005	
Tax Remitter	Business Category
99 Cents Only Stores	Department Stores
Airgas - West	Heavy Industry
ARCO AM/PM	Service Stations
Atlantic Chevron	Service Stations
Autozone	Auto Parts/Repair
Chevron Service Stations	Service Stations
Del Steel Ornamental & Tube	Bldg. Matls - Whsle
Earle M Jorgenson	Heavy Industry
Eurostar	Apparel Stores
Food 4 Less	Food Markets
Imaging Supplies & Equipment	Miscellaneous Retail
JJ North's Grand Buffet	Restaurants
Jones Lumber Company	Bldg. Matls - Whsle
King Taco Restaurant	Restaurants
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
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, MuniServices

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

General Bonded Debt Outstanding				
Fiscal Year	General Obligation Bonds	Redevelopment Bonds	Total	Per Capita
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	12,034
2013	39,291,079	34,271,450	73,562,529	12,259
2014	38,495,932	33,722,915	72,218,847	12,517

Source: City of Lynwood

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Governmental Activities

Fiscal Year	Tax Allocation Bonds	HUD Loan Payable	Claims Payable	Revenue Bonds	Capital Leases Payable
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	-
2014	33,722,915	4,025,000	2,064,308	18,867,322	-

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data

Source: City of Lynwood

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

Business-type Activities

	Water Revenue Bonds	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
\$	15,637,362	\$ 52,842,306	7.26%	726
	15,341,383	51,055,577	6.80%	702
	15,035,404	50,055,538	6.36%	688
	14,709,425	48,598,851	6.01%	670
	14,369,425	46,498,220	5.70%	640
	20,984,291	52,004,552	6.49%	713
	20,679,097	78,984,840	9.02%	1,078
	20,329,097	76,714,058	9.07%	1,092
	19,949,097	80,695,631	9.32%	1,142
	19,628,710	78,308,255	8.81%	1,103

City of Lynwood
Direct and Overlapping Governmental Activities Debt
June 30, 2014

2013-14 Assessed Valuation: \$2,679,630,868

	Total Debt 06/30/14	% Applicable (1)	City's Share of Debt 06/30/14
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Los Angeles County Flood Control District	\$ 17,480,000	0.257%	\$ 44,924
Metropolitan Water District	132,275,000	0.132	162,698
Compton Community College District	77,146,094	15.792	12,182,911
Los Angeles Community College District	3,712,555,000	0.008	291,405
Compton and Los Angeles Unified School Districts	10,584,690,664	0.947 & 0.010	1,533,815
Lynwood Unified School District	46,504,749	98.119	45,629,995
Los Angeles County Regional Park and Open Space Assessment District	113,615,000	0.235	266,995
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 60,112,743
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Los Angeles County General Fund Obligations	\$ 1,835,420,030	0.235%	\$ 4,313,237
Los Angeles County Superintendent of Schools Certificates of Participation	9,529,882	0.235	22,395
Compton and Los Angeles Unified School District Certificates of Participation	391,528,657	0.947 & 0.010	279,681
Lynwood Unified School District Certificates of Participation	20,985,000	98.119	20,590,272
City of Lynwood General Fund Obligations	12,420,000	100	12,420,000
Los Angeles County Sanitation District No. 1 Authority	14,080,542	12.15	1,710,786
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 39,336,371
Less: Los Angeles County obligations supported by landfill revenues			11,833
Los Angeles Unified School District QZABs supported by investment fund			505
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 39,324,033
OVERLAPPING TAX INCREMENT DEBT:			
Lynwood Successor Agency	33,685,000	100%	\$ 33,685,000
TOTAL OVERLAPPING TAX INCREMENT DEBT			\$ 33,685,000
TOTAL DIRECT DEBT			\$ 12,420,000
TOTAL GROSS OVERLAPPING DEBT			\$ 120,714,114
TOTAL NET OVERLAPPING DEBT			\$ 120,701,776
GROSS COMBINED TOTAL DEBT			\$ 133,134,114
NET COMBINED TOTAL DEBT			\$ 133,121,776

- (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 2013-14 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.24%
Total Direct Debt (\$13,020,000)	0.46%
Gross Combined Total Debt	4.97%
Net Combined Total Debt	4.97%

Ratios to Redevelopment Incremental Valuation (\$629,415,198):

Overlapping Tax Increment Debt.....	5.35%
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Ratios to Redevelopment Incremental Valuation (\$782,971,337):

Overlapping Tax Increment Debt.....	4.44%
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Source: California Municipal Statistics

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	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assessed Valuation	\$ 1,887,020,636	\$ 2,057,766,907	\$ 2,291,065,086	\$ 2,811,856,366
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	471,755,159	514,441,727	572,766,272	702,964,092
Debt limit percentage	15%	15%	15%	15%
Debt limit	70,763,274	77,166,259	85,914,941	105,444,614
Total net debt applicable to the limit: General obligation bonds	-	-	-	-
Legal debt margin	\$ 70,763,274	\$ 77,166,259	\$ 85,914,941	\$ 105,444,614

Source: County of Los Angeles Auditor-Controller

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

2009	2010	2011	2012	2013	2014
\$ 2,700,055,236	\$ 2,821,047,242	\$ 2,664,680,845	\$ 2,719,402,114	\$ 2,770,808,830	\$ 2,679,630,832
25%	25%	25%	25%	25%	25%
675,013,809	705,261,811	666,170,211	679,850,529	692,702,208	669,907,708
15%	15%	15%	15%	15%	15%
101,252,071	105,789,272	99,925,532	101,977,579	103,905,331	100,486,156
-	-	-	-	-	-
\$ 101,252,071	\$ 105,789,272	\$ 99,925,532	\$ 101,977,579	\$ 103,905,331	\$ 100,486,156

Water Revenue Bonds					
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service	
				Principal	Interest
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
2014	10,176,697	8,646,420	1,530,277	490,000	921,542

Source: City of Lynwood

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

Public Finance Authority Revenue Bonds		Tax Allocation Bonds		Other Debt	
Debt Service		Debt Service		Debt Service	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 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
800,000	842,578	1,235,000	2,090,131	444,173	227,380

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

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
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%
2014	70,980	888,428	12,517	14,919	15.7%

City of Lynwood Principal Employers

Employer	2009		2010		2011		2012		2013		2014		Percent of Total Employment
	Employees	Rank											
St. Francis Medical Center					116	9	2,100	1	2,100	1	2,100	1	7.45%
Lynwood Unified School District			1,777	1	1,876	1	1,324	2	1,586	2	1,586	2	5.62%
Los Angeles County Sheriff Department			320	2	302	2	300	3	301	3	301	3	1.07%
PL Development (Formerly Aaron Industries Inc.)	150	3			250	3	276	4	279	4	279	4	0.99%
Lynwood City Hall			229	4	226	4	239	5	220	5	220	5	0.78%
Superior Warehouse Grocers Inc.	190	1			190	5	158	7	146	6	146	6	0.52%
Country Villa Lynwood Health Care	120	4			120	8	100	10	130	7	130	7	0.46%
Bloomfield Parks (Formerly Marlinda Nursing Home)	110	5			110	10	125	9	116	9	128	8	0.45%
Earle M. Jorgensen Company	176	2			176	6	125	8	118	8	118	9	0.42%
EI Super									100	10	100	10	0.35%
Universal Molding			175	7			175	6					
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			150	10									
Airgas West	96	6											
Universal Molding Co. Inc.	92	7											
Vaku-Plus	87	8											
Marlinda West Nursing Homes	80	9											
Food 4 Less	76	10											
McDonalds													

Source: City of Lynwood

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

<u>Function/Program</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>	<u>2014</u>
General Government										
City Council	12	12	12	7	2.5	2.5	2.5	2.5	2.5	2.5
City Clerk	4	4	3	3	3.5	3.5	3.5	7	4	4
City Treasurer	2	2	2	1.5	1.5	1.5	1.5	1.5	1.5	1.5
City Manager	9	11	11	11	7	6	5	5	5	5
Development Services	19	20	23	21	17.5	17.5	18.5	13.5	13.5	15
Finance & Administration	25	26	24	23.5	23.5	40	34	19	19	19
Human Resources	18	19	20	13.5	11.5	5	5	4	4	4
Public Relations	40	40	40	39.5	38	5.5	5.5	16.5	15.5	15.5
Public Works	62	72	68	68	55.5	80.5	71	68	66	66
Parks and Recreation	87	105	101	58	59.5	56	54.5	53	53	52.5
Community Development	7	7	11	11	9	9	9	5	8	8

Source: City of Lynwood

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

	2008	2009	2010	2011	2012	2013	2014
<u>Function / Program</u>							
General government							
Building permits issued	2,182	1,570	1,590	1,561	1,259	1,110	1,157
Building inspections conducted	5,325	3,794	5,200	4,160	3,840	2,983	2,951
Sheriff							
Physical arrests	3,782	4,344	3,738	3,503	3,172	3,391	3,075
Fire							
Emergency responses	3,654	3,458	4,655	4,622	4,865	4,914	4,980
Fires extinguished	168	157	138	143	148	153	154
Inspections	1,135	1,728	1,890	1,679	1,919	1,371	1,606
Refuse collection							
Refuse collected (tons per day)	75	63	72	73	62	128	129
Recyclables collected (tons per day)	65	41	66	60	63	65	39
Other public works							
Potholes repaired	15,800	5,800	7,200	7,400	6,800	6,800	6,800
Water							
Water main breaks	6	8	3	3	2	2	-
Average daily consumption (thousands of gallons)	5,640	5,600	5,250	5,190	5,180	5,223	5,178

Source: City of Lynwood

City of Lynwood
Capital Asset Statistics by Function/Program
Last Ten 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>	<u>2014</u>
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	0	0	0	0	0	0	0	0	0	0
Patrol units	0	0	17	23	24	24	24	24	24	24
Fire Stations	2	2	2	2	2	2	2	2	2	2
Other public works										
Streets (miles)	85	85	90	90	90	90	90	90	90	90
Streetlights	2,300	2,300	2,300	2,300	4,175	4,175	4,175	4,175	4,175	4,175
Parks and recreation										
Acreage	35	35	35	37.9	37.9	37.9	37.9	46	40.58	40.58
Playgrounds	6	6	6	5	5	6	6	7	5	5
Baseball/softball diamonds	3	3	3	4	4	4	4	4	4	4
Soccer/football fields	2	2	2	3	3	3	3	4	3	3
Community Centers	2	2	3	3	3	4	4	4	4	4
Water										
Water mains (miles)	85	85	90	90	90	90	90	90	90	90
Fire hydrants	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Storage capacity (thousands of gallons)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Wastewater										
Sanitary sewers (miles)	81	81	81	81	82	82	82	82	82	82
Storm sewers (miles)	2	2	2	2	2	2	2	2	2	2

Source: City of Lynwood