

CITY OF MAYWOOD, CALIFORNIA

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2011

**City of Maywood
Annual Financial Report
Year Ended June 30, 2012**

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Independent Auditors' Report

The Honorable Mayor and Members of the City Council
City of Maywood, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Maywood, California, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City of Maywood. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in the notes to the financial statements, there have been recent changes in legislation affecting redevelopment agencies in the State of California which requires the dissolution of redevelopment agencies as of February 1, 2012, including the Community Development Commission. The validity of advances payable to the City's general fund and other funds, from the Community Development Commission, and the repayment of a portion of the advances in the 2010-11 fiscal year is uncertain, due to the provisions in the State's Assembly Bill X1 26. Also, the City did not adopt the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require local governments to have an actuarial valuation completed for their *Other Postemployment Benefits* (OPEB) liability and are required to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting. The amount by which this departure would affect the liabilities, expenses, and net assets of the governmental activities is not reasonably determinable.

Because of the significance of the matters described in the preceding paragraph, we are unable to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

The accompanying financial statements have been prepared assuming that the City will continue as a going concern. As discussed in Note 13, the City has suffered substantial recurring losses in its General Fund, has a deficiency of fund balance in its General Fund, a deficit in unrestricted net assets of the governmental activities and deficits in other special revenue and capital project funds, and those funds have a lack of liquidity to meet obligations as they become due from unrestricted funds, which raises substantial doubt about the City's ability to continue as a going concern. Management's plans in regards to those matters are also described in Note 13. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or amounts and classifications of liabilities that might result should the City become unable to continue as a going concern.

As described in Note 1 to the financial statements, the City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2012 on our consideration of the City of Maywood'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* and should be considered in assessing the results of our audit.

The City has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be part of the basic financial statements.

Accounting principles generally accepted in the United States of America require that certain supplementary information as listed in the table of contents 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Maywood's financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The statements and schedules listed in the "Supplementary Information" section in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Teaman Ramirez & Smith, L.L.C.

August 2, 2012

BASIC FINANCIAL STATEMENTS

City of Maywood
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 6,223,455
Receivables:	
Accounts	262,822
Due From Other Governments	1,028,751
Notes and Loans	318,154
Accrued Interest	21
Prepaid Costs	3,470
Property Held for Resale	1,780,000
Restricted Cash and Investments	1,820,230
Deferred Charges	1,211,161
Capital Assets:	
Non-Depreciable:	
Land	5,247,570
Construction in Progress	100,499
Depreciable, Net of Accumulated Depreciation:	
Buildings and Improvements	11,043,076
Machinery and Equipment	211,430
Infrastructure	<u>23,224,606</u>
Total Assets	<u>52,475,245</u>
LIABILITIES	
Accounts Payable and Accrued Liabilities	2,062,376
Interest Payable	437,025
Noncurrent Liabilities:	
Due Within One Year	573,000
Due in More Than One Year	<u>32,022,530</u>
Total Liabilities	<u>35,094,931</u>
NET ASSETS	
Invested in Capital Assets	39,827,181
Restricted for:	
Public Works	3,396,248
Low/Moderate Income Housing	2,173,020
Unrestricted	<u>(28,016,135)</u>
Total Net Assets	<u>\$ 17,380,314</u>

The accompanying notes are an integral part of this statement.

City of Maywood
Statement of Activities
Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Contributions and Grants	Revenues and Changes in Net Assets
Governmental Activities:					Governmental Activities
General Government	\$ 3,829,935	\$ 298,196	\$ 20,925	\$ -	\$ (3,510,814)
Public Safety	4,221,051	417,803	-	-	(3,803,248)
Community Development	513,747	71,536	-	319,972	(122,239)
Parks and Recreation	758,530	228,818	-	-	(529,712)
Public Works	2,303,197	196,147	2,034,142	77,587	4,679
Interest and Fiscal Charges	1,158,004	-	-	-	(1,158,004)
Total Governmental Activities	\$ 12,784,464	\$ 1,212,500	\$ 2,055,067	\$ 397,559	\$ (9,119,338)

General Revenues:

Taxes:

Property taxes, Levied for General Purposes, Net of Pass-throughs	3,466,269
Transient Occupancy Taxes	39,201
Sales Taxes	1,131,600
Franchise Taxes	223,029
Utility User Taxes	1,196,566
Other Taxes	47,112
Motor Vehicle in Lieu, Unrestricted	2,371,678
Use of Money and Property	150,872
Other	480,949

Total General Revenues

9,107,276

Change in Net Assets

(12,062)

Net Assets - Beginning of Year

17,866,566

Prior Period Adjustment

(474,190)

Net Assets - End of Year

\$ 17,380,314

The accompanying notes are an integral part of this statement.

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

	General Fund	Debt Service Community Development Commission	Capital Projects Community Development Commission
ASSETS			
Cash and Investments	\$ -	\$ 1,359,979	\$ 2,184,779
Cash with Fiscal Agents	267,668	1,378,928	173,634
Receivables:			
Accounts	218,285	-	-
Due from Other Governments	870,409	30,633	7,657
Notes and Loans	-	-	200,000
Accrued Interest	21	-	-
Due from Other Funds	17,275	5,902,931	-
Advances to Other Funds	4,689,855	-	1,292,249
Land Held for Resale	-	-	1,780,000
Prepaid Costs	970	2,500	-
	\$ 6,064,483	\$ 8,674,971	\$ 5,638,319
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 1,626,279	\$ -	\$ 645
Accrued Liabilities	122,268	-	-
Due to Other Funds	392,875	-	5,902,931
Deferred Revenue	4,773,778	-	-
Advances from Other Funds	-	1,292,249	5,503,478
Deposits Payable	-	-	-
Due to Other Governments	-	-	18,771
	6,915,200	1,292,249	11,425,825
Fund Balances:			
Nonspendable	4,690,825	5,905,431	3,272,249
Restricted	267,668	1,477,291	2,346,654
Committed	-	-	-
Assigned	-	-	-
Unassigned	(5,809,210)	-	(11,406,409)
	(850,717)	7,382,722	(5,787,506)
Total Fund Balances	(850,717)	7,382,722	(5,787,506)
	\$ 6,064,483	\$ 8,674,971	\$ 5,638,319

The accompanying notes are an integral part of this statement.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,678,697	\$ 6,223,455
-	1,820,230
44,537	262,822
120,052	1,028,751
118,154	318,154
-	21
1,319,481	7,239,687
813,623	6,795,727
-	1,780,000
-	3,470
<u>\$ 5,094,544</u>	<u>\$ 25,472,317</u>
\$ 291,040	\$ 1,917,964
3,373	125,641
943,881	7,239,687
949,867	5,723,645
-	6,795,727
-	-
-	18,771
<u>2,188,161</u>	<u>21,821,435</u>
-	13,868,505
3,964,069	8,055,682
-	-
-	-
<u>(1,057,686)</u>	<u>(18,273,305)</u>
<u>2,906,383</u>	<u>3,650,882</u>
<u>\$ 5,094,544</u>	<u>\$ 25,472,317</u>

The accompanying notes are an integral part of this statement.

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

Fund Balances of Governmental Funds	\$	3,650,882
 Amounts reported for governmental activities in the Statement of Net Assets are different because:		
 Capital assets of governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital Assets		67,144,928
Accumulated Depreciation		(27,317,747)
 Revenues not received soon enough after year-end to be considered available are deferred in the funds. The availability criteria does not apply to the government-wide financial statements.		
		5,723,645
 Interest expenditures are recognized when due, and therefore, interest payable is not recorded in the governmental funds.		
		(437,025)
 Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Tax Allocation Bonds		(19,255,000)
2008 Refunding Bonds		(3,115,000)
Installment Agreement		(174,000)
Claims Liability		(10,051,530)
 Issuance costs net of accumulated amortization were recorded as expenditures in the governmental funds.		
		1,211,161
 Net Assets of Governmental Activities	 \$	 17,380,314

The accompanying notes are an integral part of this statement.

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City of Maywood
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2011

	General Fund	Debt Service Community Development Commission	Capital Projects Community Development Commission
REVENUES			
Taxes	\$ 3,159,105	\$ 2,672,419	\$ 668,104
Licenses and Permits	2,540,053	-	-
Intergovernmental	599,305	-	316,186
Charges for Services	480,878	-	-
Use of Money and Property	1,144,515	35,523	21
Fines and Forfeitures	248,773	-	-
Miscellaneous	67,133	-	3,786
Total Revenues	8,239,762	2,707,942	988,097
EXPENDITURES			
Current:			
General Government	3,508,443	6,103	-
Public Safety	3,754,079	-	-
Community Development	6,723	585	155,814
Parks and Recreation	669,093	-	-
Public Works	11,586	-	-
Capital Outlay	1,369	-	-
Debt Service:			
Principal	35,000	415,000	-
Pass-through Agreement Payments	-	197,075	-
Interest and Fiscal Charges	217,238	885,950	23,524
SERAF	-	266,051	-
Cost of Issuance	-	-	-
Total Expenditures	8,203,531	1,770,764	179,338
Excess of Revenues Over (Under) Expenditures	36,231	937,178	808,759
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Change in Fund Balances	36,231	937,178	808,759
Fund Balances - Beginning of Year	(1,014,471)	6,561,586	(6,641,144)
Prior Year Adjustment	127,523	(116,042)	44,879
Fund Balances - End of Year	\$ (850,717)	\$ 7,382,722	\$ (5,787,506)

The accompanying notes are an integral part of this statement.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,764,668	\$ 8,264,296
-	2,540,053
175,514	1,091,005
193,549	674,427
259	1,180,318
195,657	444,430
-	70,919
<u>2,329,647</u>	<u>14,265,448</u>
-	3,514,546
305,984	4,060,063
124,865	287,987
-	669,093
364,256	375,842
792,295	793,664
-	450,000
-	197,075
-	1,126,712
-	266,051
-	-
<u>1,587,400</u>	<u>11,741,033</u>
<u>742,247</u>	<u>2,524,415</u>
-	-
-	-
-	-
<u>742,247</u>	<u>2,524,415</u>
1,236,947	142,918
<u>927,189</u>	<u>983,549</u>
<u>\$ 2,906,383</u>	<u>\$ 3,650,882</u>

The accompanying notes are an integral part of this statement.

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

Net Change in Fund Balances - Total Governmental Funds \$ 2,524,415

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. The activity is reconciled as follows:

Cost of assets capitalized	-
Depreciation expense	(1,788,751)

Governmental funds report only proceeds from the sale of capital assets. The statement of activities reports a gain or loss on disposal based on the net book value at the time of disposal. Disposal activity included the following:

Costs of Assets Disposed	(1,433,255)
Accumulated Depreciation on Disposed Assets	1,303,700

Revenues not received soon enough after year-end to be considered are deferred in the funds. The availability criteria does not apply to the government-wide financial statements. (1,029,920)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of Deferred Charges	(38,275)
Principal Paid on Long-term Debt	492,000

Accrued interest for tax allocation bonds is not recorded in the governmental funds. This is the net change in accrued interest for the current period. 6,983

Claims payable expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The following represents the net change: (48,959)

Change in Net Assets of Governmental Activities \$ (12,062)

The accompanying notes are an integral part of this statement.

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

ASSETS

Cash and Investments

\$ 110,165

Total Assets

\$ 110,165

LIABILITIES

Deposits

\$ 110,165

Total Liabilities

\$ 110,165

The accompanying notes are an integral part of this statements.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Maywood, California (City) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

A) Reporting Entity

The City of Maywood was incorporated on September 2, 1924, under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. It is governed by an elected five member board.

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

All of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are reported with the interfund data of the City. The following organizations are considered to be component units of the City:

Maywood Community Development Commission

The Maywood Community Development Commission ("Commission") was established on May 16, 1978 by the City of Maywood pursuant to the State of California Health and Safety Code Section 33000 entitled "Community Redevelopment Law". The primary purpose of the Commission is to prepare and carry out plans for the improvement, rehabilitation and development of blighted areas within the territorial limits of the City Maywood. Even though the Commission is legally separate, it is reported as if it were part of the City because the City Council also services as the governing board of the Commission. Separate financial statements for the Commission have been issued and are available at City Hall.

Maywood Financing Authority

The Maywood Financing Authority ("Authority") is a joint exercise of powers authority organized and existing under and by virtue of the Joint Exercise of Powers Act. The City and the Commission formed the Authority by the execution of a joint exercise of powers agreement dated as of October 25, 1988. Pursuant to the Joint Exercise of Powers Act, the Authority is authorized to issue revenue bonds to provide funds to make loans to public entities; such revenue bonds are to be repaid from the repayments of such loans. The Authority is governed by a five-member Board which consists of all members of the City Council. The Mayor of the City is the Chairperson of the Authority. The City's Chief Administrative Officer (CAO) acts as the Executive Director, the City Clerk acts as the Secretary and the Finance Director of the City acts as the Treasurer of the Authority. Separate financial statements of the Authority are not prepared.

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Measurement Focus and Basis of Accounting

The financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Government-Wide Financial Statements: The government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include the governmental activities of the primary government (including its blended component units). For the most part, the effect of interfund activity has been removed from these statements.

Government-wide financial statements are presented using the *economic resources measurement focus and accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. The basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenue, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services and payments made by parties outside the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements: The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental and fiduciary funds are represented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Measurement Focus and Basis of Accounting - Continued

Governmental Funds: Governmental funds are presented using the *modified-accrual basis of accounting* in the fund financial statements. Revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period for 60 days.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the *measurable* and *available* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* (special assessments) are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange* (special fees) transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

Governmental funds are presented using the *current financial resources measurement focus* in the fund financial statements. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Fund Classifications

The funds designated as major funds are determined by a mathematical calculation consistent with GASB 34. The City reports the following major governmental funds:

General Fund

This fund is used to account for resources traditionally associated with governments, which are not legally required, or by sound financial management, to be accounted for in another fund.

Community Development Commission Debt Service Fund

This fund is used to account for the payment of principal and interest of bond indebtedness. It accounts for tax increment received by the Commission that is restricted for repayment of indebtedness.

The Community Development Commission Capital Projects Fund

This fund is used to account for the financing, construction and administrative activities of the Commission.

Additionally, the City reports the following fund types:

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Net Assets. The fiduciary fund is used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. Since these assets are being held for the benefit of a third party, these funds are not incorporated into the government-wide statements.

The City's only fiduciary fund is an agency fund, which uses the accrual basis of accounting to account for developer deposits. The agency fund is custodial in nature (assets equal liabilities) and therefore does not involve measurement of results of operations.

D) Investments

Investments are reported in the accompanying balance sheet at fair value, except for nonparticipating certificates of deposit and investment contracts that would be 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 for 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.

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E) Interfund 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 either "due to/from other funds" (i.e., the current portion of interfund loans), or "advances to/from funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

F) Prepaid Costs

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Nonspendable fund balances are reported in the governmental funds for amounts equal to the prepaid items since these amounts are not available for appropriation.

G) Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution.

Capital assets, other than infrastructure assets, in excess of \$5,000 are capitalized if they have an expected useful life of one year or more. Infrastructure assets have a capitalization threshold of \$100,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

The following schedule summarizes the useful lives of capital assets:

Buildings	50 years
Land Improvements	50 years
Machinery and Equipment	5-15 years
Vehicles	8-15 years
Infrastructure	
Sewer, Curbs and Sidewalks	50 years
Roadways	35 years
Traffic Lights	25 years

Depreciation is calculated using the straight-line method over the estimated useful life of the asset in the government-wide financial statements.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H) Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the governmental activities column of the statement of net assets in the government-wide financial statements. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period in the fund financial statements. 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.

I) Classification of Net Assets and Fund Balance

A) Net Assets

In the Government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets

This category groups all assets, including infrastructure, into one component of net assets. Accumulated depreciation on these assets reduces this category.

Restricted Net Assets

This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets

This category represents the net assets of the City that are not externally restricted for any project or other purpose.

B) Fund Balance

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* as of June 30, 2011. Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I) Classification of Net Assets and Fund Balance - Continued

B) Fund Balance - Continued

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the City Council by ordinance or resolution to formally commit part of the City's fund balances or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal City Council's action utilizing the same type of action that was originally used.

Assigned Fund Balance - Amounts that are constrained by the Council's intent to use specified financial resources for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances.

The City's governmental fund balances at June 30, 2011, are presented below:

	<u>General Fund</u>	<u>Community Development Debt Service Fund</u>	<u>Community Development Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable:					
Prepaid Items	\$ 970	\$ 2,500	\$	\$	\$ 3,470
Advances	4,689,855	5,902,931	1,292,249		11,885,035
Property Held for Resale			1,780,000		1,780,000
Notes and Loans			200,000		200,000
Restricted for:					
Community Development				3,964,069	3,964,069
Debt Service	267,668	1,477,291	173,634		1,918,593
Low and Moderate Housing			2,173,020		2,173,020
Committed to:					
Assigned to:					
Unassigned	<u>(5,809,210)</u>		<u>(11,406,409)</u>	<u>(1,057,686)</u>	<u>(18,273,305)</u>
Total Fund Balance	<u>\$ (850,717)</u>	<u>\$ 7,382,722</u>	<u>\$ (5,787,506)</u>	<u>\$ 2,906,383</u>	<u>\$ 3,650,882</u>

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J) Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property tax calendar is as follows:

Lien Date	January 1 st	
Levy Date	July 1 st	
Due Date	First Installment - November 1 st	Second Installment - March 1 st
Delinquent Date	First Installment - December 11 th	Second Installment - April 11 th

Taxes are collected by Los Angeles County and are remitted to the City periodically. Dates and percentages are as follows:

December 10 th	30% Advance
January 16 th	Collection No. 1
April 10 th	10% Advance
May 15 th	Collection No. 2
July 31 st	Collection No. 3

K) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and Investments	\$ 6,223,455
Cash and Investments Held by Bond Trustee	1,820,230
Statement of Fiduciary Assets and Liabilities	<u>110,165</u>
Total Cash and Investments	<u>\$ 8,153,850</u>

Cash and Investments consist of the following:

Cash on Hand	\$ 300
Deposits with Financial Institutions	6,311,851
Investments	<u>1,841,699</u>
Total Cash and Investments	<u>\$ 8,153,850</u>

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

2) CASH AND INVESTMENTS - Continued

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 and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer*
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	2 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Certificates of Deposit	Yes	2 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee 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 table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Repurchase Agreements	270 days	None	None
Investment Contracts	30 years	None	None
Municipal Obligations	None	None	None

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 36 Months	36 to 60 Months	More Than 60 Months
LAIF	\$ 21,469	\$ 21,469	\$ -	\$ -	\$ -
Held by Fiscal Agent:					
Money Market Funds	1,556,980	1,556,980	-	-	-
Investment Agreement	263,250		263,250	-	-
Total	\$ 1,841,699	\$ 1,578,449	\$ 263,250	\$ -	\$ -

Disclosures Relating to Credit Risk

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

Investment Type	Total	Minimum Legal Rating	Rating as of Year End		
			AAA	Aa	Not Rated
State Investment Pool	\$ 21,469	N/A	\$ -	\$ -	\$ 21,469
Held by Fiscal Agent:					
Money Market Funds	1,556,980	AAA	1,556,980	-	-
Investment Agreement	263,250	N/A	-	-	263,250
Total	\$ 1,841,699		\$ 1,556,980	\$ -	\$ 284,719

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

2) CASH AND INVESTMENTS - Continued

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 government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market 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.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Current interfund receivables and payables as of June 30, 2011 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	\$ 17,275
Redevelopment Debt Service	Redevelopment Capital Projects	5,902,931
Non-Major Governmental Funds	General Fund	392,875
	Non-Major Governmental Funds	926,606
	TOTAL	\$ 7,239,687

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

The purpose of these short-term interfund borrowings was to cover cash deficits at June 30, 2011. However, for the \$5,902,931 owed by the Redevelopment Capital Projects Fund to the Redevelopment Debt Service Fund, it is unclear when, and if the Capital Projects Fund will have sufficient funds to repay this interfund borrowing.

Long-term interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
General Fund	Community Development Commission Capital Projects Fund	\$ 4,689,855
Community Development Commission Capital Projects Fund	Community Development Commission Debt Service Fund	1,292,249
Nonmajor Governmental Funds	Community Development Commission Capital Projects Fund	813,623
	TOTAL	\$ 6,795,727

The advances that are payable to the General Fund and non-major funds from the Commission's Capital Projects Fund represent loans from the City that took place in previous fiscal years (\$915,435); and interest that has accrued on the outstanding advances payable (\$4,588,043). Interest on the outstanding advances payable balance accrues at the current LAIF rate. The LAIF rate has been used in the interest calculation since fiscal year 2010. As described in Note 14, the Supreme Court of California upheld the provisions of ABXI 26, which provides for the dissolution of redevelopment agencies, including the Commission. It also disallows repayment of advances from the City in certain cases. These advances and their repayment will be subject to review by the State. It is uncertain whether the Commission will be able to repay the \$5,503,478 owed to the City, or whether the \$1,100,000 repayment in the 2010-11 fiscal year will be upheld. In addition, supporting documentation for some of the prior years' advances is not currently available.

The Community Development Commission - Capital Project Fund advanced the Community Development Commission Debt Service \$1,292,249 for payment of the Commission's 2010 SERAF obligation.

There were no interfund transfers during the 2010-11 fiscal year.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011

4) CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2011 is as follows:

	Beginning Balance	Increases	Deletions	Ending Balance
Governmental Activities:				
Buildings	\$ 12,996,865	\$ -	\$ -	\$ 12,996,865
Land Improvements	88,803	-	-	88,803
Machinery and Equipment	1,001,541	-	343,202	658,339
Vehicles	1,431,857	-	1,090,053	341,804
Infrastructure	47,711,048	-	-	47,711,048
Total Cost of Depreciable Assets	63,230,114	-	1,433,255	61,796,859
Less Accumulated Depreciation:				
Buildings	1,748,493	257,029	-	2,005,522
Land Improvements	32,620	4,450	-	37,070
Machinery and Equipment	700,460	105,909	312,964	493,405
Vehicles	1,187,833	98,211	990,736	295,308
Infrastructure	23,163,290	1,323,152	-	24,486,442
Total Accumulated Depreciation	26,832,696	1,788,751	1,303,700	27,317,747
Net Depreciable Assets	36,397,418	(1,788,751)	129,555	34,479,112
Capital Assets Not Depreciated:				
Construction in Progress	100,499	-	-	100,499
Land	5,778,120	-	530,550	5,247,570
Total Costs of Non-Depreciable Assets	5,878,619	-	530,550	5,348,069
Capital Assets, Net	\$ 42,276,037	\$ (1,788,751)	\$ 660,105	\$ 39,827,181

Depreciation expense was charged in the following functions in the Statement of Activities:

General Government	\$ 178,875
Public Works	1,359,451
Public Safety	160,988
Parks and Recreation	89,437
	<u>1,788,751</u>
	\$ 1,788,751

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011

5) CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities during the year ended June 30, 2011 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
Governmental Activities:						
2007 Tax Allocation Bonds	\$ 19,670,000	\$ -	\$ (415,000)	\$ 19,255,000	\$ 425,000	\$ 18,830,000
2008 Refunding Bonds	3,150,000	-	(35,000)	3,115,000	40,000	3,075,000
Installment Agreement	216,000	-	(42,000)	174,000	108,000	66,000
Claims Liability	10,002,571	64,790	(15,831)	10,051,530	-	10,051,530
Total Governmental Activities	\$ 33,038,571	\$ 64,790	\$ (507,831)	\$ 32,595,530	\$ 573,000	\$ 32,022,530

6) TAX ALLOCATION BONDS

2007 Tax Allocation Bonds

On May 1, 2007, the Community Development Commission of the City of Maywood issued \$21,650,000 in Tax Allocation Bonds, Series 2007. The 2007 Series proceeds were used to refund the Commission's \$8,485,000 Variable Rate Demand Tax Allocation Bonds, to fund certain redevelopment projects within the project area and to finance and pay bond issuance costs. These projects consist of property acquisitions, sewer improvements, street improvements, and recreational improvements. The 2007 Bonds will mature on August 1, 2037. Interest on the 2007 Series Bonds is payable on February 1 and August 1 of each year.

2007 Tax Allocation Bonds - Continued

Future principal and interest payment on the 2007 Tax Allocation Bonds are as follows:

Year Ended June 30,	Principal	Interest
2012	\$ 425,000	\$ 868,330
2013	440,000	852,705
2014	460,000	835,990
2015	475,000	817,750
2016	495,000	798,350
2017 - 2021	2,505,000	3,680,916
2022 - 2026	2,845,000	3,108,315
2027 - 2031	4,015,000	2,346,875
2032 - 2035	5,325,000	1,172,488
2036 - 2038	2,270,000	107,525
Total	\$ 19,255,000	\$ 14,589,244

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

7) REFUNDING BONDS

2008 Lease Revenue Refunding Bonds, Series A

On November 18, 2008, the Maywood Public Financing Authority of the City of Maywood issued \$3,185,000 in Lease Revenue Refunding Bonds, Series A. The 2008 series was used to advance refund the Authority's 1999 Certificates of Participation of \$2,540,000. The 2008 Lease Revenue Refunding Bonds, Series A will mature September 1, 2038. Interest on the 2008 Lease Revenue Refunding Bonds is payable on March 1 and September 1 of each year. The bonds accrue interest at rates that range from 6.50% to 7.00% annually.

Future principal and interest payments on the 2008 Refunding Bonds are as follows:

Year Ending June 30,	Principal	Interest
2012	\$ 40,000	\$ 214,800
2013	40,000	212,200
2014	45,000	209,437
2015	45,000	206,512
2016	50,000	203,425
2017 – 2021	305,000	961,375
2022 – 2026	430,000	835,450
2027 - 2031	610,000	655,200
2032 – 2036	865,000	399,875
2037 - 2039	685,000	74,375
Total	\$ 3,115,000	\$ 3,972,649

8) INSTALLMENT AGREEMENT

The City of Maywood has entered into an installment agreement with the California Joint Powers Insurance Authority for the repayment of a portion of the City's unpaid 2009-10 Rolling Retro Net Deposit/(Refund) owed to the Authority. This agreement reflects the City's accrued responsibility for risk management costs incurred as of June 30, 2010. Accordingly, the risk management obligation has been reflected as a liability of the City. Under the terms of the installment agreement, the City will make eight quarterly payments to the Authority, including interest at a rate of 3% per annum. The following are the payments required per the installment agreement:

- \$24,000 on or before 09/01/11
- \$26,000 on or before 12/01/11
- \$28,000 on or before 03/01/12
- \$30,000 on or before 06/01/12
- \$32,000 on or before 09/01/12
- \$34,000 on or before 12/01/12

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

9) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City uses the General Fund to account for and finance the related risks.

As of June 30, 2010, the City of Maywood was a member of the California Joint Powers Insurance Agency (Authority). The Authority is composed of various California Public Entities and is organized under a joint powers agreement pursuant to California Government Code 6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee. A significant portion of the claims liability listed below is a result of the City's previous participation in the Authority's programs.

Subsequent to June 30, 2010, for workers' compensation the City has purchased coverage through the State Compensation Insurance Fund. Insurance policies are purchased for the following exposures with the deductible or the amount of risk retention indicated in parenthesis: public employee dishonesty, etc. (\$25,000 deductible); excess liability insurance policy (City retains risks up to \$500,000); property loss or damage (\$10,000 deductible/\$25,000 deductible for flood).

Liabilities are reported in the Statement of Net Assets when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as, inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends, and other economic and social factors.

During the past three fiscal (claims) 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 coverage in the prior year.

Changes in the balance of claims liabilities during the past two years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Claims Liability at Fiscal Year End
2010 - 2011	\$ 10,002,571	\$ 64,790	\$ (15,831)	\$ 10,051,530
2009 - 2010	\$ 5,336,412	\$ 4,726,554	\$ (60,395)	\$ 10,002,571

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

10) CITY EMPLOYEE RETIREMENT PLANS

Miscellaneous Plan and Safety Plan:

Plan Description

The City of Maywood contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members are required to contribute a percentage of their annual covered salary. The City of Maywood pays the member contributions of 7% for the Miscellaneous Plan. Because the City of Maywood no longer has a police department as of 7/1/2010, there were no contributions to the Safety Plan. The City is also required to make additional contributions at an actuarially determined rate. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2010-2011 was 7.372% for the Miscellaneous Plan. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Three Year Trend Information for the City of Maywood Miscellaneous Employees' Retirement Plan

<u>Fiscal Year</u>	<u>Required Contributions</u>	<u>Percent Contributed</u>
6/30/09	\$ 110,835	100%
6/30/10	\$ 113,451	100%
6/30/11	\$ 133,867	100%

Three Year Trend Information for the City of Maywood Safety Employees' Retirement Plan

<u>Fiscal Year</u>	<u>Required Contributions</u>	<u>Percent Contributed</u>
6/30/09	\$ 831,261	100%
6/30/10	\$ 851,586	100%
6/30/11	\$ N/A	100%

Safety Plan

During the fiscal year ended June 30, 2011, the Safety Plan of the City became inactive. The plan is now part of an inactive pool subject to future gains and losses. At any point in the future, the City may be required to make a contribution on the pools gain and losses. Currently the pool has a surplus and no additional contribution is required.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011

11) DEFINED CONTRIBUTION RETIREMENT PLAN

Plan Description

The City contributes to the Public Agency Retirement System (PARS), which is a defined contribution retirement plan. A defined contribution retirement plan provides retirement benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive.

Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions and forfeitures of other participant's benefits that may be allocated to such participant's account.

As established by the plan, all eligible employees of the City will become participants in the plan from the date they are hired. An eligible employee is an employee who, at any time during which the employer maintains this plan, is not accruing a benefit under the Public Employees Retirement System.

Funding Policy

Contributions made by an employee and the employer vest immediately. As determined by the PARS plan, each employee must contribute 2.5% of gross earnings to the plan. The City contributed an additional 5.0% of gross earnings.

Annual Contributions

During the year, the City contributed \$6,709 (5% of covered payroll) and employees contributed \$3,354 (2.5% of covered payroll). The total covered payroll of employees participating in the plan for the year ended June 30, 2011 was \$134,180.

12) POST-RETIREMENT HEALTH INSURANCE

In addition to the pension benefits described in Notes 10 and 11, the City provides certain health insurance benefits, in accordance with City ordinances and resolutions, to all Council Members, their spouses and dependent children; and to any employee holding the position of the Chief Administrative Officer, his/her dependent spouse and dependent children. Council members may become eligible for the benefits if they have served in office after January 1, 1981, and whose total service was no less than 12 years. The Chief Administrative Officer may become eligible for the benefits if he or she retires from the City after 20 years of service. Public safety employees are entitled to medical coverage upon retirement, including spouse, after total service in public safety is at least 20 years. Miscellaneous employees are entitled to medical coverage upon retirement if service exceeds 25 years. For fiscal year 2010-2011, the City recognized the cost of providing those benefits by expensing \$134,682 which was the premium paid by the City of Maywood for 15 retirees.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011

13) CITY'S FINANCIAL CONDITION AND MANAGEMENT PLANS

General Fund of the City of Maywood

The General Fund is typically the focal point in analyzing the financial health of the City because the General Fund is expected to be able to cover both its costs and to act as a financial backstop for other funds in the event of an insufficiency with respect to the other funds. As of June 30, 2011, the general fund has a deficit of \$850,717 and amounts due to other funds of \$392,875, mostly due to cash deficits. Furthermore, the General Fund has significant accounts payable at year end, indicating significant liquidity problems at June 30, 2011. As described in Note 3, the City's general fund had made significant advances to the Commission. Due to the dissolution of the Commission as of January 31, 2012, it is uncertain when and whether the Commission will be allowed or able to repay these advances. The following governmental funds also had significant fund deficits as of June 30, 2011:

Community Development Commission Capital Projects Fund	\$ 5,787,506
Traffic Safety Special Revenue Fund	\$ 336,102
Proposition A Special Revenue Fund	\$ 376,831
HCDA Grant Special Revenue Fund	\$ 313,818
Air Quality Improvement Special Revenue Fund	\$ 30,935

Management's Plan to Improve the City's Financial Position

The new Administration continues to work on improving the City's fiscal position with primary focus on the health of the General Fund. In February 2011, the City of Maywood held its first strategic planning session since incorporation. As a result of the strategic planning session, four goals were identified as the City's top priority over the next two years.

The four goals include: Stabilize the City's Finances, Increase Organizational Effectiveness and Efficiency, Improve the Maintenance of the Infrastructure and Facilities, and improve internal and external communications. The City Council and management staff with the assistance of an independent facilitator meet every six months to review the progress of the strategic plan and establish the next set of objectives.

Fiscal Year 2011 marked the first year in several years that the General Fund expenditures did not exceed revenues. Staff is committed to continue on its mission of applying prudent fiscal management practices and will continue to monitor the City's cash flow on a monthly basis. In addition, Staff has developed standard financial reports that will be provided on a quarterly basis. The focus will be on managing the City's long term debt while containing expenses. The City will continue to actively pursue partnerships to assist with the delivery of municipal services.

The City Council is committed to continue on the path to improved fiscal health. This effort was demonstrated when the City Council approved an austere budget for the coming years.

14) CONTINGENCIES

Recent Changes in Legislation Affecting California Redevelopment Agencies

On June 29, 2011, the Governor of the State of California signed Assembly Bills X1 26 and 27 as part of the State's budget package. Assembly Bill X1 26 requires each California redevelopment agency to suspend (effective July 1, 2011) nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

14) CONTINGENCIES - Continued

Recent Changes in Legislation Affecting California Redevelopment Agencies - Continued

and prepare for the impending dissolution of the agency. Assembly Bill X1 27 provides a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. Under this program, each local government would adopt an ordinance agreeing to make certain payments to the County Auditor Controller in fiscal year 2011-12 and annual payments each fiscal year thereafter. Assembly Bill X1 26 indicates that the city, special district or county "may use any available funds not otherwise obligated for other uses" to make this payment. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the state legislature.

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by Assembly Bill X1 26.

In the event that Assembly Bill X1 26 is upheld, the receivable recognized by funds of the City that had previously loaned or advanced funds to the redevelopment agency may become uncollectible with a loss recognized to the City. Additionally, the City would be impacted by the elimination of reimbursements previously paid to the City by the redevelopment agency for shared administrative services.

The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bills X1 26 and 27 on the grounds that they violate the California Constitution. On August 11, 2011, the California Supreme Court issued a stay of all of Assembly Bill X1 27 and most of Assembly Bill X1 26. The California Supreme Court stated in its order that "the briefing schedule is designed to facilitate oral argument as early as possible in 2011, and a decision before January 15, 2012." A second order issued by the California Supreme Court on August 17, 2011 indicated that certain provisions of Assembly Bills X1 26 and 27 were still in effect and not affected by its previous stay, including requirements to file an appeal of the determination of the community remittance payment by August 15, the requirement to adopt an Enforceable Obligations Payment Schedule ("EOPS") by August 29, 2011, and the requirement to prepare a preliminary draft of the initial Recognized Obligation Payment Schedule ("ROPS") by September 30, 2011.

Because the stay provided by Assembly Bill X1 26 only affects enforcement, each agency must adopt an Enforceable Obligation Payment Schedule and draft Recognized Obligation Payment Schedule prior to September 30, as required by the statute. Enforceable obligations include bonds, loans and payments required by the federal or State government; legally enforceable payments required in connection with agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in AB1X 26.

As of December 29, 2011, the Supreme Court of California has upheld the provisions of Assembly Bill X1 26 and invalidated Assembly Bill X1 27. The ruling provides for the wind-up and dissolution of redevelopment agencies, as of February 1, 2012.

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2011**

14) CONTINGENCIES - Continued

Other Contingencies

The City and Commission are involved in various litigation, including a claim against the Commission and other defendants in interest, by the Los Angeles Unified School District, regarding the allocation of tax increment funds by the County. The ultimate outcome of this litigation is currently unknown.

15) PRIOR PERIOD ADJUSTMENTS

Prior period adjustments were made in the fund financial statements as follows:

Fund balance in the general fund was increased by \$127,523 to record certain activity in the correct fiscal year; adjustments were made to in the Community Development Commission funds to record activity in the correct funds relating to certain costs and debt payments; fund balance was increased by \$927,189 in the nonmajor funds to report the Prop 1B Fund, which was omitted in the prior year.

REQUIRED SUPPLEMENTARY INFORMATION

City of Maywood
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,162,480	\$ 3,162,480	\$ 3,159,105	\$ (3,375)
Licenses and Permits	3,060,622	3,060,622	2,540,053	(520,569)
Intergovernmental	230,000	230,000	599,305	369,305
Charges for Services	254,251	254,251	480,878	226,627
Use of Money and Property	1,153,700	1,153,700	1,144,515	(9,185)
Fines and Forfeitures	310,548	310,548	248,773	(61,775)
Miscellaneous	70,444	70,444	67,133	(3,311)
Total Revenues	8,242,045	8,242,045	8,239,762	(2,283)
EXPENDITURES				
General Government	2,383,732	2,383,732	3,508,443	(1,124,711)
Public Safety	4,233,081	4,233,081	3,754,079	479,002
Community Development	11,479	11,479	6,723	4,756
Park and Recreation	452,282	452,282	669,093	(216,811)
Public Works	32,000	32,000	11,586	20,414
Capital Outlay			1,369	(1,369)
Debt Service:				
Principal	43,000	43,000	35,000	8,000
Interest and Fiscal Charges	52,287	52,287	217,238	(164,951)
Total Expenditures	7,207,861	7,207,861	8,203,531	(995,670)
Excess of Revenues over (Under) Expenditures	1,034,184	1,034,184	36,231	(997,953)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	1,034,184	1,034,184	36,231	(997,953)
Fund Balance, Beginning of Year	(1,014,471)	(1,014,471)	(1,014,471)	-
Prior Period Adjustment			127,523	127,523
Fund Balance, End of Year	\$ 19,713	\$ 19,713	\$ (850,717)	\$ (870,430)

City of Maywood
Notes to Required Supplementary Information
Year Ended June 30, 2011

BUDGETS AND BUDGETARY DATA

Before the beginning of the fiscal year, the Finance Director submits to the City Council a proposed budget for the year commencing the following July 1st. Public hearings are then conducted to obtain taxpayer comments and the budget is subsequently adopted through passage of a resolution.

All appropriated amounts are as originally adopted or as amended by the City Council and lapse at year-end. Encumbrances and continuing appropriations are rebudgeted on July 1st by Council action. Original appropriations may be modified by supplementary budget revisions and transfers among budget categories. The City Council approves all budget changes at the department level. The Finance Director is authorized to make budget transfers within departments. There were no significant budget amendments during the fiscal year.

Formal budgetary integration is employed as a management control device during the year for the general fund, and certain special revenue, debt service and capital projects funds. Budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.

At June 30, 2011, expenditures exceeded appropriations in the General Fund by \$995,670.

SUPPLEMENTARY INFORMATION

**City of Maywood
Nonmajor Governmental Funds**

SPECIAL REVENUE FUNDS

Traffic Safety - To account for the revenue and expenditures of the Strategic Traffic Offender Program. This Program shall include the enforcement of, education for, and prosecution of a suspended or revoked driving privilege, unlicensed driver and persons driving under the influence of alcohol and/or drugs.

Gas Tax - To account for the revenues and expenditures of the City's proportionate share of gas tax monies collected by the State of California which are used for street construction and maintenance.

Prop 1B - To account for the revenues and expenditures of Prop 1B activities.

Police Asset & Seizure - To account for assets and cash confiscated in police narcotic raids that are restricted for public safety expenditures.

Bikeway Grant - To account for the revenues and expenditures of the City's share of Transportation Development Act allocations restricted for design and construction of pedestrian and bicycle facilities and amenities.

Proposition A - To account for the revenues and expenditures of the City's proportionate share of funds from the Metropolitan Transportation Authority funded by the ½ cent sales tax measure to be used exclusively to benefit public transit (such as fixed route and paratransit services and transportation demand management).

Proposition C - To account for the revenues and expenditures of the City's proportionate share of funds from the Metropolitan Transportation Authority funded by the ½ cent sales tax measure to be used for eligible project expenditures (such as congestion management programs, bikeways and bike lanes, and pavement management system).

HCDA Grant - To account for the revenues and expenditures of the City's proportionate share of funds from the Housing Community Development Authority for street improvements, housing programs and incentives, sidewalk repair program, fair housing, code enforcement, and other related projects.

Section 108 Loan - To account for revenues and expenditures related to the HUD Section 108 Loan.

Air Quality (AB2766/AQMD) - To account for the revenues and expenditures related to air pollution mitigation efforts.

COPS AB 3229 - To account for the revenues and expenditures of the City's grant funds to provide knowledge, resources products, and learning for police personnel.

Local Law Enforcement Block Grant (LLEBG) - To account for revenues and expenditures of the Local Law Enforcement Block Grant.

Measure R - To account for the revenues and expenditures of Measure R activities.

Street Lighting - To account for the revenues of the City's special assessments and expenditures relating to lighting improvements.

City of Maywood
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2011

	<u>Traffic Safety</u>	<u>Gas Tax</u>	<u>Prop 1B</u>	<u>Police Asset and Seizure</u>
ASSETS				
Cash and Investments	\$ -	\$ 685,746	\$ 879,872	\$ -
Receivables:				
Accounts	-	-	-	-
Accrued Interest	-	-	-	-
Due from Other Governments	10,512	91,460	-	-
Notes and Loans	-	-	-	-
Due from Other Funds	-	-	-	-
Advances to Other Funds	-	-	-	-
Total Assets	<u>\$ 10,512</u>	<u>\$ 777,206</u>	<u>\$ 879,872</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 31,013	\$ -	\$ -
Accrued Liabilities	298	1,318	-	-
Due to Other Funds	346,316	750	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>346,614</u>	<u>33,081</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	744,125	879,872	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(336,102)	-	-	-
Total Fund Balances	<u>(336,102)</u>	<u>744,125</u>	<u>879,872</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 10,512</u>	<u>\$ 777,206</u>	<u>\$ 879,872</u>	<u>\$ -</u>

<u>Bikeway Grant</u>	<u>Proposition A</u>	<u>Proposition C</u>	<u>HCDA Grant</u>	<u>Section 108 Loan</u>	<u>Air Quality Improvement</u>	<u>COPS AB 3229</u>
\$ 32,551	\$ -	\$ 307,480	\$ -	\$ 101,698	\$ -	\$ -
-	-	-	44,537	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	12,706
-	-	-	118,154	-	-	-
-	-	899,221	1,733	-	-	-
-	-	-	813,623	-	-	-
<u>\$ 32,551</u>	<u>\$ -</u>	<u>\$ 1,206,701</u>	<u>\$ 978,047</u>	<u>\$ 101,698</u>	<u>\$ -</u>	<u>\$ 12,706</u>
\$ -	\$ 40,055	\$ 2,571	\$ 142,193	\$ -	\$ -	\$ -
-	1,757	-	-	-	-	-
-	335,019	260	217,895	-	30,935	12,706
18,090	-	-	931,777	-	-	-
<u>18,090</u>	<u>376,831</u>	<u>2,831</u>	<u>1,291,865</u>	<u>-</u>	<u>30,935</u>	<u>12,706</u>
-	-	-	-	-	-	-
14,461	-	1,203,870	-	101,698	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(376,831)	-	(313,818)	-	(30,935)	-
<u>14,461</u>	<u>(376,831)</u>	<u>1,203,870</u>	<u>(313,818)</u>	<u>101,698</u>	<u>(30,935)</u>	<u>-</u>
<u>\$ 32,551</u>	<u>\$ -</u>	<u>\$ 1,206,701</u>	<u>\$ 978,047</u>	<u>\$ 101,698</u>	<u>\$ -</u>	<u>\$ 12,706</u>

Continued

City of Maywood
Combining Balance Sheet
Non-major Special Revenue Funds - Continued
June 30, 2011

	Local Law Enforcement Block Grant	Measure R	Street Lighting	Total
ASSETS				
Cash and Investments	\$ -	\$ 441,799	\$ 229,551	\$ 2,678,697
Receivables:				
Accounts	-	-	-	44,537
Accrued Interest	-	-	-	-
Due from Other Governments	-	-	5,374	120,052
Notes and Loans	-	-	-	118,154
Due from Other Funds	-	-	418,527	1,319,481
Advances to Other Funds	-	-	-	813,623
	<u>-</u>	<u>-</u>	<u>-</u>	<u>813,623</u>
Total Assets	<u>\$ -</u>	<u>\$ 441,799</u>	<u>\$ 653,452</u>	<u>\$ 5,094,544</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 10,000	\$ 65,208	\$ 291,040
Accrued Liabilities	-	-	-	3,373
Due to Other Funds	-	-	-	943,881
Deferred Revenue	-	-	-	949,867
	<u>-</u>	<u>-</u>	<u>-</u>	<u>949,867</u>
Total Liabilities	<u>-</u>	<u>10,000</u>	<u>65,208</u>	<u>2,188,161</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	431,799	588,244	3,964,069
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(1,057,686)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,057,686)</u>
Total Fund Balances	<u>-</u>	<u>431,799</u>	<u>588,244</u>	<u>2,906,383</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 441,799</u>	<u>\$ 653,452</u>	<u>\$ 5,094,544</u>

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City of Maywood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year Ended June 30, 2011

	<u>Traffic Safety</u>	<u>Gas Tax</u>	<u>Prop 1B</u>	<u>Police Asset and Seizure</u>
REVENUES				
Taxes	\$ -	\$ 745,256	\$ -	\$ -
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Use of Money and Property	-	30	64	6
Fines and Forfeitures	152,331	-	-	43,326
Miscellaneous	-	-	-	-
	<u>152,331</u>	<u>745,286</u>	<u>64</u>	<u>43,332</u>
Total Revenues	152,331	745,286	64	43,332
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	28,166	-	-	99,544
Community Development	-	-	-	-
Parks and Recreation	-	-	-	-
Public Works	-	146,170	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	<u>28,166</u>	<u>146,170</u>	<u>-</u>	<u>99,544</u>
Total Expenditures	28,166	146,170	-	99,544
Excess (Deficiency) of Revenues Over Expenditures	124,165	599,116	64	(56,212)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	124,165	599,116	64	(56,212)
Fund Balances, Beginning of Year	(460,267)	97,628	-	56,212
Prior Period Adjustments	-	47,381	879,808	-
Fund Balances, End of Year	\$ (336,102)	\$ 744,125	\$ 879,872	\$ -

<u>Bikeway Grant</u>	<u>Proposition A</u>	<u>Proposition C</u>	<u>HCDA Grant</u>	<u>Section 108 Loan</u>	<u>Air Quality Improvement</u>	<u>COPS AB 3229</u>
\$ -	\$ 405,526	\$ 336,686	\$ -	\$ -	\$ 25,771	\$ -
17,281	-	-	58,233	-	-	100,000
-	15,037	-	-	-	-	-
2	-	73	-	7	-	3
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>17,283</u>	<u>420,563</u>	<u>336,759</u>	<u>58,233</u>	<u>7</u>	<u>25,771</u>	<u>100,003</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	110,040
-	-	-	124,865	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	528,184	20,074	225,760	-	18,277	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	528,184	20,074	350,625	-	18,277	110,040
<u>17,283</u>	<u>(107,621)</u>	<u>316,685</u>	<u>(292,392)</u>	<u>7</u>	<u>7,494</u>	<u>(10,037)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
17,283	(107,621)	316,685	(292,392)	7	7,494	(10,037)
(2,822)	(269,210)	887,185	(21,426)	101,691	(38,429)	10,037
-	-	-	-	-	-	-
<u>\$ 14,461</u>	<u>\$ (376,831)</u>	<u>\$ 1,203,870</u>	<u>\$ (313,818)</u>	<u>\$ 101,698</u>	<u>\$ (30,935)</u>	<u>\$ -</u>

Continued

City of Maywood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds - Continued
Year Ended June 30, 2011

	Local Law Enforcement Block Grant	Measure R	Street Lighting	Total
REVENUES				
Taxes	\$ -	\$ 251,429	\$ -	\$ 1,764,668
Intergovernmental Revenue	-	-	-	175,514
Charges for Services	-	-	178,512	193,549
Use of Money and Property	6	23	45	259
Fines and Forfeitures	-	-	-	195,657
Miscellaneous	-	-	-	-
	<u>6</u>	<u>251,452</u>	<u>178,557</u>	<u>2,329,647</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	68,234	-	-	305,984
Community Development	-	-	-	124,865
Parks and Recreation	-	-	-	-
Public Works	-	10,000	208,086	364,256
Capital Outlay	-	-	-	792,295
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	<u>68,234</u>	<u>10,000</u>	<u>208,086</u>	<u>1,587,400</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>(68,228)</u>	<u>241,452</u>	<u>(29,529)</u>	<u>742,247</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(68,228)	241,452	(29,529)	742,247
Fund Balances, Beginning of Year	68,228	190,347	617,773	1,236,947
Prior Period Adjustments	-	-	-	927,189
	<u>-</u>	<u>-</u>	<u>-</u>	<u>927,189</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 431,799</u>	<u>\$ 588,244</u>	<u>\$ 2,906,383</u>

City of Maywood
Statement of Changes in Net Assets
Agency Fund
Year Ended June 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
ASSETS				
Cash and Investments	\$ -	\$ 110,165	\$ -	\$ 110,165
Total Assets	<u>\$ -</u>	<u>\$ 110,165</u>	<u>\$ -</u>	<u>\$ 110,165</u>
LIABILITIES				
Deposits	\$ -	\$ 110,165	\$ -	\$ 110,165
Total Liabilities	<u>\$ -</u>	<u>\$ 110,165</u>	<u>\$ -</u>	<u>\$ 110,165</u>