

CITY OF MAYWOOD, CALIFORNIA

Financial Statements

Year ended June 30, 2010

Prepared by: City of Maywood, California, Finance Department

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CITY OF MAYWOOD

Financial Statements

Year ended June 30, 2010

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Mayer Hoffman McCann P.C.

An Independent CPA Firm

2301 Dupont Drive, Suite 200
Irvine, California 92612
949-474-2020 ph
949-263-5520 fx
www.mhm-pc.com

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

INDEPENDENT AUDITORS' REPORT

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, 2010, 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 an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the financial statements of the City of Maywood for the year ended June 30, 2009 and, in our report dated December 28, 2009, we expressed an unqualified opinion on those financial statements.

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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Maywood, California, as of June 30, 2010, and the respective changes in financial position of the City of Maywood, California for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the City will continue as a going concern. As discussed in note 14, 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 five of the City's special revenue funds, and those funds have a lack of liquidity to meet obligations as they become due from unrestricted funds that raise 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 14. 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.

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

The City has not presented a 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.

The information identified in the accompanying table of contents as *required supplementary information* is not a required part of the financial statements, but is supplementary information required by the accounting standards generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Maywood's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2011 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Irvine, California
June 30, 2011

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CITY OF MAYWOOD
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Assets:		
Cash and investments (note 2)	\$ 4,814,517	\$ 2,933,151
Cash with fiscal agent (note 2)	1,836,279	7,614,091
Receivables:		
Accounts	1,022,521	986,695
Taxes	570,370	154,785
Notes and loans	200,000	210,000
Accrued interest	24	2,313
Grants	316,186	58,777
Deferred charges	1,249,436	1,287,711
Land held for resale	1,780,000	1,780,000
Prepaid costs	281,248	10,775
Capital assets, not depreciated (note 4)	5,878,619	5,878,619
Capital assets, depreciated, net (note 4)	<u>36,397,418</u>	<u>38,141,077</u>
Total Assets	<u>54,346,618</u>	<u>59,057,994</u>
Liabilities:		
Accounts payable	1,227,372	1,297,370
Accrued liabilities	1,525,513	352,879
Accrued interest	444,008	474,327
Deposits payable	-	15,627
Due to other governments	-	11,556
Unearned revenues	244,588	18,090
Long-term liabilities:		
Portion due within one year (note 5)	497,000	582,664
Portion due in more than one year (note 5)	<u>32,541,571</u>	<u>30,292,181</u>
Total Liabilities	<u>36,480,052</u>	<u>33,044,694</u>
Net Assets:		
Invested in capital assets, net of related debt	42,276,037	44,019,696
Restricted for:		
Low and moderate income	2,770,751	2,087,396
Public works	2,511,355	1,841,825
Unrestricted	<u>(29,691,577)</u>	<u>(21,935,617)</u>
Total Net Assets	<u>\$ 17,866,566</u>	<u>\$ 26,013,300</u>

See accompanying notes to basic financial statements.

CITY OF MAYWOOD
Statement of Activities
Year ended June 30, 2010

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Assets</u>	
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>	<u>Governmental Activities</u>	<u>2009</u>
Governmental Activities:						
General government	\$ 4,346,355	\$ 546,815	\$ 124,811	\$ -	\$ (3,674,729)	\$ (4,058,764)
Public safety	11,646,993	3,413,258	168,201	-	(8,065,534)	(6,126,759)
Community development	6,239,492	302,169	2,194,331	456,705	(3,286,287)	(4,204,060)
Parks and recreation	1,431,948	262,538	-	-	(1,169,410)	(974,447)
Public works	2,194,952	13,340	2,212,264	-	30,652	506,899
Interest on long-term debt	1,073,566	-	-	-	(1,073,566)	(1,395,067)
Total Governmental Activities	\$ 26,933,306	\$ 4,538,120	\$ 4,699,607	\$ 456,705	\$ (17,238,874)	\$ (16,252,198)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net of pass-throughs					3,977,413	3,134,982
Transient occupancy taxes					46,780	55,302
Sales taxes					923,357	1,036,025
Franchise taxes					346,102	363,316
Utility user taxes					1,085,721	1,288,824
Other taxes					110,504	172,242
Motor vehicle in lieu					2,543,084	2,423,795
Use of money and property					42,702	62,059
Other					16,477	62,689
					<u>9,092,140</u>	<u>8,599,234</u>
					Change in Net Assets	(8,146,734)
					Net Assets at Beginning of Year	26,013,300
					<u>Net Assets at End of Year</u>	<u>\$ 17,866,566</u>
						<u>\$ 26,013,300</u>

See accompanying notes to basic financial statements.

**CITY OF MAYWOOD
Governmental Funds**

**Balance Sheet
June 30, 2010**

	General Fund	Debt Service Community Development Commission	Capital Projects Community Development Commission
<u>Assets</u>			
Cash and investments	\$ (137,231)	\$ 2,887,493	\$ -
Cash with fiscal agent	273,574	1,389,093	173,612
Receivables:			
Accounts	614,171	-	-
Taxes	307,670	210,161	52,539
Notes and loans	-	-	200,000
Accrued interest	24	-	-
Grants	-	-	316,186
Due from other funds (note 3)	93,856	3,367,676	1,435,897
Advances to other funds (note 3)	5,623,756	-	1,292,249
Land held for resale	-	-	1,780,000
Prepaid costs	281,248	-	-
Total Assets	<u>7,057,068</u>	<u>7,854,423</u>	<u>5,250,483</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 593,475	\$ 588	\$ 240,633
Accrued liabilities	1,473,079	-	-
Due to other funds (note 3)	154,731	-	4,897,429
Deferred revenue	5,850,254	-	316,186
Advances from other funds (note 3)	-	1,292,249	6,437,379
Deposits payable	-	-	-
Due to other governments	-	-	-
Total Liabilities	<u>8,071,539</u>	<u>1,292,837</u>	<u>11,891,627</u>
Fund Balances:			
Reserved:			
Prepaid costs	281,248	-	-
Land held for resale	-	-	1,780,000
Notes and loans receivable	-	-	200,000
Advances to other funds	-	-	-
Unreserved, reported in:			
General fund	(1,295,719)	-	-
Special revenue funds	-	-	-
Debt service funds	-	6,561,586	-
Capital projects funds	-	-	(8,621,144)
Total Fund Balances	<u>(1,014,471)</u>	<u>6,561,586</u>	<u>(6,641,144)</u>
Total Liabilities and Fund Balances	<u>\$ 7,057,068</u>	<u>\$ 7,854,423</u>	<u>\$ 5,250,483</u>

See accompanying notes to basic financial statements.

**Other Nonmajor
Governmental
Funds**

Totals

	<u>2010</u>	<u>2009</u>
\$ 1,618,904	\$ 4,369,166	\$ 2,933,151
-	1,836,279	7,614,091
408,350	1,022,521	986,695
-	570,370	154,785
-	200,000	210,000
-	24	2,313
-	316,186	58,777
872,194	5,769,623	6,413,216
813,623	7,729,628	7,184,834
-	1,780,000	1,780,000
-	281,248	10,775
<u>3,713,071</u>	<u>23,875,045</u>	<u>27,348,637</u>
\$ 392,676	\$ 1,227,372	\$ 1,297,370
52,434	1,525,513	352,879
717,463	5,769,623	6,413,216
831,713	6,998,153	5,852,924
-	7,729,628	7,184,834
-	-	15,627
-	-	11,556
<u>1,994,286</u>	<u>23,250,289</u>	<u>21,128,406</u>
-	281,248	10,775
-	1,780,000	1,780,000
-	200,000	328,154
-	-	1,350,000
-	(1,295,719)	476,755
1,236,947	1,236,947	1,435,169
-	6,561,586	6,105,459
-	(8,621,144)	(5,266,081)
<u>1,236,947</u>	<u>142,918</u>	<u>6,220,231</u>
<u>\$ 3,231,233</u>	<u>\$ 23,393,207</u>	<u>\$ 27,348,637</u>

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**CITY OF MAYWOOD
Governmental Funds
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2010**

Fund balances of governmental funds	\$ 142,918
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets have not been included as financial resources in governmental fund activity:	
Capital assets	69,108,733
Accumulated depreciation	(26,832,696)
Long-term debt and compensated absences that have not been included in governmental fund activity:	
Bonds payable	(22,820,000)
Installment agreement	(216,000)
Claims payable	(10,002,571)
Unamortized bond issuance costs	1,249,436
Accrued interest payable for the current portion of interest due on bonds payable has not been reported in the governmental funds.	(444,008)
Deferred revenue balances relating to certain receivables are not reported as liabilities in the Statement of Net Assets since revenue recognition is not based upon measurable and available criteria.	<u>6,753,565</u>
Net assets of governmental activities	<u>\$ 16,939,377</u>

See accompanying notes to basic financial statements.

CITY OF MAYWOOD
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2010

	<u>General Fund</u>	<u>Debt Service Community Development Commission</u>	<u>Capital Projects Community Development Commission</u>
Revenues:			
Taxes	\$ 3,683,808	\$ 3,473,578	\$ 868,394
Licenses and permits	2,897,858	-	-
Intergovernmental	138,175	-	1,350,814
Charges for services	2,994,327	-	-
Use of money and property	58,088	28,121	7,828
Fines and forfeitures	489,387	-	-
Miscellaneous	333,171	-	25
Total Revenues	<u>10,594,814</u>	<u>3,501,699</u>	<u>2,227,061</u>
Expenditures			
Current:			
General government	3,222,423	139,180	-
Public safety	8,484,515	-	-
Community development	312,828	7,471	4,474,544
Parks and recreation	1,189,361	-	-
Public works	204,937	-	-
Capital outlay	-	-	-
Debt service:			
Principal	31,254	1,595,000	-
Pass-through agreement payments	-	284,652	-
Interest and fiscal charges	1,497	844,600	-
SERAF	-	1,292,249	-
Cost of issuance	-	-	-
Total Expenditures	<u>13,446,815</u>	<u>4,163,152</u>	<u>4,474,544</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>(2,852,001)</u>	<u>(661,453)</u>	<u>(2,247,483)</u>
Other financing sources (uses):			
Transfers - in (note 3)	-	1,117,580	-
Transfers - out (note 3)	-	-	(1,117,580)
Original discount on debt	-	-	-
Advance refunding of COP	-	-	-
Proceeds from refunding debt	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,117,580</u>	<u>(1,117,580)</u>
Net Change in Fund Balances	(2,852,001)	456,127	(3,365,063)
Fund Balances (Deficits) at Beginning of Year	<u>1,837,530</u>	<u>6,105,459</u>	<u>(3,276,081)</u>
Fund Balances (Deficits) at End of Year	<u>\$ (1,014,471)</u>	<u>\$ 6,561,586</u>	<u>\$ (6,641,144)</u>

See accompanying notes to basic financial statements.

Other Nonmajor Governmental Funds	Totals	
	2010	2009
\$ 665,018	\$ 8,690,798	\$ 8,127,997
-	2,897,858	806,960
1,808,952	3,297,941	3,768,495
13,340	3,007,667	3,587,258
2,610	96,647	172,962
141,212	630,599	155,995
43,901	377,097	522,152
<u>2,675,033</u>	<u>18,998,607</u>	<u>17,141,819</u>
-	3,361,603	3,832,406
373,749	8,858,264	8,229,196
-	4,794,843	6,340,629
-	1,189,361	1,107,525
798,613	1,003,550	1,064,036
1,082,696	1,082,696	1,489,768
35,000	1,661,254	475,000
-	284,652	1,777,979
219,513	1,065,610	983,858
-	1,292,249	-
-	-	172,798
<u>2,509,571</u>	<u>24,594,082</u>	<u>25,473,195</u>
<u>165,462</u>	<u>(5,595,475)</u>	<u>(8,331,376)</u>
-	1,117,580	2,346,416
-	(1,117,580)	(2,346,416)
-	-	(218,307)
-	-	(2,540,000)
-	-	3,185,000
-	-	<u>426,693</u>
165,462	(5,595,475)	(7,904,683)
1,071,485	5,738,393	14,124,914
<u>\$ 1,236,947</u>	<u>\$ 142,918</u>	<u>\$ 6,220,231</u>

**CITY OF MAYWOOD
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, 2010**

Changes in fund balances of governmental funds \$ (5,595,475)

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 these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	72,933
Depreciation	(1,816,592)

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal	1,630,000
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Issuance of debt increases liabilities in the Statement of Net Assets and do not result in a revenue in the Statement of Activities:

Other charges	(38,275)
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Compensated absences, capital leases and 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 the governmental funds. The following represents the net change for the current period:

Capital lease payments	31,254
Claims payable	(4,882,159)
Compenated absences	1,057,179

Accrued interest expense related to the long-term liabilities. This amount is the difference between the amount of interest paid and the amount of interest incurred on long-term liabilities.

30,319

Revenues that are measurable but not available are recorded as deferred revenue under the modified accrual basis of accounting.

918,731

Changes in net assets of governmental activities	<u>\$ (8,592,085)</u>
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See accompanying notes to basic financial statements.

CITY OF MAYWOOD

Notes to Financial Statements

Year ended June 30, 2010

(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 Governmental Accounting Standards Board (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 accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the 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 an 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 execution would cause the City's financial statements to be misleading or incomplete. A brief description of the City's component unit is as follows:

Blended Component Unit:

- 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 of Maywood. Even though the Commission is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Commission. Separate financial statements for the Commission have been issued and are available at City Hall.

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(a) Reporting Entity, (Continued)

- **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 Agency 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.

Since the City Council serves as the governing board for these component units, they 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 primary government.

(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

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).

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Government-Wide Financial Statements, (Continued)

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, revenues, 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

(Continued)

(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 of 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.

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(b) Measurement Focus and Basis of Accounting, (Continued)

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.

Recognition of governmental fund type revenue represented by non-current receivables are deferred until they become current receivables. Non-current portions of long-term receivables are offset by fund balance reserve accounts.

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 an *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.

(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 – The General 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.

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(c) Fund Classifications, (Continued)

Community Development Commission Capital Projects Fund – This fund is used to account for the financing, construction and administrative activities of the Commission

(d) Budgetary Comparisons

Under GASBS No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget.

(e) Appropriations Limit

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. For the fiscal year ended June 30, 2010, proceeds of taxes did not exceed appropriations.

(f) Investments

Investments are reported in the accompanying balance sheet at fair value, except for certain 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 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.

(g) 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). All other outstanding balances between funds are reported as "advances to/from other funds."

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(g) Interfund Receivables and Payables

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

(h) 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. The fund balances in the governmental fund types have been reserved for amounts equal to the prepaid items in the fund-level statements since these amounts are not available for appropriation.

(i) 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 market 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:

<u>Capital Assets</u>	<u>Years</u>
Buildings	50
Land Improvements	50
Machinery and Equipment	5-15
Vehicles	8-15
Infrastructure:	
Sewer, Curbs and Sidewalks	50
Roadways	35
Traffic lights	25

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

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(i) Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. On the anniversary date of each year, management employees with more than 280 hours of vacation for the CAO, ACAO, and DBP and more than 300 hours for the COP and PC shall receive payment for the excess at a rate of 100%.

In accordance with GASB Statement No. 16, a 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.

Sick leave is payable when an employee is unable to work because of illness. On December 1st of each year, City employees with more than 480 hours of sick leave shall receive payment for the excess at a rate of 100% for police department employees and employees at the management level. All other City employees will receive payment for the excess at a rate of 75%.

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. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. 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. The General Fund is typically used to liquidate the liability for compensated absences.

A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to year end. All other amounts are recorded in the government-wide financial statements. These non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due.

CITY OF MAYWOOD
Notes to Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(k) 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 fund types 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.

(l) Fund Equity

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose in the fund financial statements. Designations of fund balance represent tentative management plans that are subject to change.

(m) 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

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(m) Property Taxes, (Continued)

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

(n) 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.

(o) Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

(2) Cash and Investments

Cash and investments as of June 30, 2010 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and Investments	\$ 4,814,518
Cash and Investments held by bond trustee	<u>1,836,279</u>
Total Cash and Investments	<u>\$ 6,650,797</u>

Cash and investments as of June 30, 2010 consist of the following:

Cash on Hand	\$ 200
Deposits with financial institutions	4,793,678
Investments	<u>1,856,919</u>
Total Cash and Investments	<u>\$ 6,650,797</u>

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(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.

<u>Investment Types Authorized by State Law</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment In One Issuer*</u>
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	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

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

CITY OF MAYWOOD
Notes to Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment In One Issuer</u>
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

Disclosures Relating to Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturing (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13 to 36 Months</u>	<u>36 to 60 Months</u>	<u>More Than 60 Months</u>
State Investment Pool Held by Bond Trustee:	\$ 20,640	\$ 20,640	\$ -	\$ -	\$ -
Money Market Funds	<u>1,836,279</u>	<u>1,836,279</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,856,919</u>	<u>\$1,856,919</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Disclosures Relating to Credit Risk

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

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
State Investment Pool Held by Bond Trustee:	\$ 20,640	N/A	\$ -	\$ -	\$ -	\$ 20,640
Money Market Funds	<u>1,836,279</u>	AAA	-	<u>1,836,279</u>	-	-
Total	<u>\$1,856,919</u>		<u>\$ -</u>	<u>\$1,836,279</u>	<u>\$ -</u>	<u>\$ 20,640</u>

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 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.

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Investment in State Investment Pool

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

(3) Interfund Receivables, Payables and Transfers

Current interfund receivables and payables as of June 30, 2010 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Redevelopment Capital Projects	\$ 93,856
Redevelopment Debt Service	Redevelopment Capital Projects	3,367,676
Redevelopment Capital Projects	Redevelopment Capital Projects	<u>1,435,897</u>
		<u>4,803,573</u>
Non-major governmental fund	General Fund	154,731
	Non-major governmental fund	<u>717,463</u>
		<u>872,194</u>
Total		<u>\$ 5,769,623</u>

The purpose of this short-term interfund borrowings was to cover cash deficits at June 30, 2010.

CITY OF MAYWOOD
Notes to Financial Statements
(Continued)

(3) Interfund Receivables, Payables and Transfers, (Continued)

Long-term interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Development Commission Capital Projects Fund	\$5,623,756
Community Development Commission Capital Projects Fund	Community Development Commission Debt Service Fund	1,292,249
Non-major Governmental Funds	Community Development Commission Capital Projects Fund	<u>813,623</u>
	Total	<u>\$7,729,628</u>

The advances that are payable to the City of Maywood represent loans from the City that took place in previous fiscal years and interest that has accrued on the outstanding advance balances (\$5,860,807). Interest on the outstanding advances payable balance accrues at 12% annually. 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.

Transfers in and out for the year ended June 30, 2010 were as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
Community Development Commission Capital Project Fund	Community Development Commission Debt Service Fund	\$1,117,580 (a)
	Total	<u>\$1,117,580</u>

(a) Transfers related to housing rehabilitation reimbursements.

CITY OF MAYWOOD
Notes to Financial Statements
(Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2010 is as follows:

Governmental Activities:

	<u>Balance at July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2010</u>
Buildings	\$ 12,996,865	\$ -	\$ -	\$ 12,996,865
Land improvements	58,892	29,911	-	88,803
Machinery and equipment	969,520	32,021	-	1,001,541
Vehicles	1,420,857	11,000	-	1,431,857
Infrastructure	<u>47,711,048</u>	<u>-</u>	<u>-</u>	<u>47,711,048</u>
Total cost of depreciable assets	<u>63,157,182</u>	<u>72,932</u>	<u>-</u>	<u>63,230,114</u>
Less accumulated depreciation:				
Buildings	1,490,829	257,664	-	1,748,493
Land improvements	31,160	1,460	-	32,620
Machinery and equipment	607,361	93,099	-	700,460
Vehicles	1,064,470	123,363	-	1,187,833
Infrastructure	<u>21,822,285</u>	<u>1,341,006</u>	<u>-</u>	<u>23,163,291</u>
Total accumulated depreciation	<u>25,016,105</u>	<u>1,816,591</u>	<u>-</u>	<u>26,832,696</u>
Net depreciable assets	38,141,077	(1,743,658)	-	36,397,418
Capital assets not depreciated:				
Construction in progress	100,499	-	-	100,499
Land	<u>5,778,120</u>	<u>-</u>	<u>-</u>	<u>5,778,120</u>
Total costs of non - depreciable assets	<u>5,878,619</u>	<u>-</u>	<u>-</u>	<u>5,878,619</u>
Capital assets, net	<u>\$44,019,696</u>	<u>\$(1,743,658)</u>	<u>\$ -</u>	<u>\$42,276,037</u>

CITY OF MAYWOOD
Notes to Financial Statements
(Continued)

(4) Capital Assets, (Continued)

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

General government	\$ 181,746
Public works	1,373,964
Public safety	170,546
Parks and recreation	<u>90,934</u>
	<u>\$1,816,591</u>

(5) Changes in Long-Term Liabilities

Changes in long-term liabilities during the year ended June 30, 2010 were as follows:

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010	Amount Due Within One Year	Amount Due Beyond One Year
Governmental Activities:						
Capital Leases payable	\$ 31,254	\$ -	(31,254)	\$ -	\$ -	\$ -
Compensated absences	1,057,179	441,025	(1,498,204)	-	-	-
2007 Tax allocation bonds	21,285,000	-	(1,595,000)	19,670,000	415,000	19,255,000
2008 Refunding bonds	3,185,000	-	(35,000)	3,150,000	35,000	3,110,000
Installment agreement	-	216,000	-	216,000	42,000	174,000
Claims liability	<u>5,336,412</u>	<u>4,726,554</u>	<u>(60,395)</u>	<u>10,002,571</u>	<u>-</u>	<u>10,002,571</u>
Total Governmental Activities	<u>\$30,874,845</u>	<u>\$5,383,579</u>	<u>\$(3,219,853)</u>	<u>\$33,038,571</u>	<u>\$492,000</u>	<u>\$32,546,571</u>

CITY OF MAYWOOD
Notes to Financial Statements

(Continued)

(7) 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 (which were used to refund the Agency's \$370,000 Series 1994 TABS and the \$2,630,000 1999 TABS and used to finance the 2003 Redevelopment Projects and 2003 Housing Project Bonds) and fund certain redevelopment projects within the project area to finance and to pay bond issuance costs. These projects consist of property acquisitions, sewer improvements, street improvements, and recreational improvements. The 2007 Bonds will mature on August 1st, 2037. Interest on the 2007 Series Bonds is payable on February 1st and August 1st of each year.

Future principal and interest payments on the 2007 tax allocation bonds are as follows:

<u>Year Ending June 30th</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 415,000	\$ 883,450
2012	425,000	868,330
2013	440,000	852,705
2014	460,000	835,990
2015	475,000	817,750
2016-2020	2,495,000	3,785,425
2021-2025	2,735,000	3,232,194
2026-2030	3,685,000	2,531,288
2031-2035	5,210,000	1,426,863
2036-2038	<u>3,330,000</u>	<u>238,700</u>
Total	<u>\$19,670,000</u>	<u>\$15,472,694</u>

(8) 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 on September 1, 2038. Interest on the 2008 Lease Revenue Refunding Bonds are payable on March 1st and September 1st of each year. The bonds accrue interest at rates that range from 6.50% to 7.00% annually.

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(8) Refunding Bonds, (Continued)

Future principal and interest payments on the 2008 refunding bonds are as follows:

<u>Year Ending June 30th</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 35,000	\$ 218,375
2012	40,000	216,100
2013	40,000	213,500
2014	45,000	210,900
2015	45,000	207,975
2016-2020	285,000	990,475
2021-2025	400,000	878,500
2026-2030	570,000	716,450
2031-2035	805,000	486,500
2036-2039	<u>885,000</u>	<u>160,300</u>
Total	<u>\$3,150,000</u>	<u>\$4,299,075</u>

(9) 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 2009-2010 Rolling Retro Net Deposit/(Refund) owed to the Authority. Although this agreement was executed after June 30, 2010, it 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 as of June 30, 2010. 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:

- \$20,000 on or before 3/1/11;
- \$22,000 on or before 6/1/11;
- \$24,000 on or before 9/1/11;
- \$26,000 on or before 12/1/11;
- \$28,000 on or before 3/1/12;
- \$30,000 on or before 6/1/12;
- \$32,000 on or before 9/1/12;
- \$34,000 on or before 12/1/12

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(10) Liability, Property and Workers' Compensation Protection

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

As of June 30, 2010, the City of Maywood was a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 122 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.

Self-Insurance Programs of the Authority

Liability Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$30,000 of each occurrence is charged directly to the member's primary deposit; (2) costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000; (3) losses from \$750,000 to \$5,000,000 and the associated loss development reserves are pooled based on payroll; (4a) costs of covered claims from \$5,000,000 to \$10,000,000 are paid under reinsurance policies and are subject to a \$2,500,000 annual aggregate deductible; (4b) costs of covered claims from \$10,000,000 to \$50,000,000 are covered through excess insurance policies; (4c) Costs of covered claims for subsidence losses are paid by excess insurance with a sub-limit of \$25,000,000 per occurrence per member. This \$25,000,000 subsidence sub-limit is composed of \$10,000,000 in reinsurance and \$15,000,000 in excess insurance. The excess insurance layer has a \$15,000,000 annual aggregate. The costs associated with 4a, 4b, and 4c are estimated using actuarial models and pre-funded as part of the primary and retrospective deposits.

The overall policy limit for each member including all layers of coverage is \$50,000,000 per occurrence.

Workers' Compensation The City of Maywood also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(10) Liability, Property and Workers' Compensation Protection, (Continued)

public safety. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$50,000 of each loss is charged directly to the member's primary deposit; (2) losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000; (3) losses from \$100,000 to \$2,000,000 and the loss development reserves associated with those losses are pooled based on payroll; (4) losses from \$2,000,000 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Workers' Compensation law.

Employer's Liability losses are pooled among members to \$2,000,000, coverage from \$2,000,000 to \$4,000,000 is purchased as part of an excess insurance policy, and losses from \$4,000,000 to \$10,000,000 are pooled among members.

Purchased Insurance

Environmental Insurance The City of Maywood participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Maywood. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50,000,000 for the 3-year period from July 1, 2008 through July 1, 2011. Each member of the Authority has a \$10,000,000 sub-limit during the 3-year term of the policy.

Property Insurance The City of Maywood participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Maywood property is currently insured according to a schedule of covered property submitted by the City of Maywood to the Authority. City of Maywood property currently has all-risk property insurance protection in the amount of \$16,977,278. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Earthquake and Flood Insurance The City of Maywood purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Maywood property currently has earthquake protection in the amount of \$14,619,985. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(10) Liability, Property and Workers' Compensation Protection. (Continued)

Crime Insurance The City of Maywood purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

Adequacy of Protection

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.

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2008-2009	\$3,039,632	2,918,028	(621,248)	5,336,412
2009-2010	\$5,336,412	4,726,554	(60,395)	10,002,571

Effective July 1, 2010, the City's insurance carrier is Aspen Specialty Insurance Company. The terms that policy are as follows:

- Perils:** All Risks of Direct Physical Loss or Damage Including Earthquake, Earthquake Sprinkler Leakage and Flood
- Covered Property:** Real and Business Property, Business Income, Extra Expense, Building Ordinance or Law-Coverage A, B & C
- Limit of Liability:** \$14,828,400 per occurrence
- Deductibles:** All Perils (including Earthquake Sprinkler Leakage) - \$10,000 per occurrence;

 Except
 Earthquake – 5% per unit of insurance (property damage and time element) of total insured value at risk at 4801 Heliotrope, Maywood, CA all time of loss; 10% per unit other covered locations at time of loss; all subject to \$25,000 minimum per occurrence

 Flood - \$25,000 per occurrence

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(10) Liability, Property and Workers' Compensation Protection, (Continued)

Total Insured Value: \$14,828,400

Valuation: Replacement Cost – Property Damage

Actual Loss Sustained – Time Element

Coinsurance: nil%

Sub-Limits: \$2,500,000 per occurrence as respects Earthquake Sprinkler Leakage
\$2,500,000 per occurrence and annual aggregate, separately, as respects Earthquake and Flood
\$1,000,000 per occurrence as respects Business Income / Extra Expense
\$510,000 per occurrence as respects Business Personal Property.
\$1,000,000 per occurrence as respects Building Ordinance or Law Coverage B & C combined
\$1,000,000 as respects Newly Acquired Property (90 day reporting)
\$100,000 per occurrence, each, as respects Valuable Papers & Records, Accounts Receivable, Fine Arts, Transit

(11) Defined Benefit Plan

Plan Description

The City of Maywood contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan for safety and miscellaneous. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Contributions

Participants are required to contribute 7% of their annual covered salary for the Miscellaneous Plan and 9% for the Safety Plan. The City makes the contributions required of City employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and City contracts with employee bargaining groups.

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(11) Defined Benefit Plan, (Continued)

the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2009 to June 30, 2010 has been determined by an actuarial valuation of the plan as of June 30, 2007. The contribution rate indicated for the period is 46.816% and 7.372% of payroll for the Safety Plan and Miscellaneous Plan, respectively. The City's covered payroll for PERS was \$2,615,070 and \$1,819,007 for the Safety Plan and Miscellaneous Plan, respectively, for the year ended June 30, 2010 while the City's total payroll for all employees was \$4,722,889 during the same period. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2010, this contribution rate would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2009 to June 30, 2010.

Safety Plan

Three-Year Trend Information

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
6/30/08	31.118%	\$893,838	100%	-
6/30/09	41.501%	831,261	100%	-
6/30/10	46.816%	851,586	100%	-

Miscellaneous Plan

Three-Year Trend Information

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
6/30/08	11.412%	\$108,727	100%	-
6/30/09	11.984%	110,835	100%	-
6/30/10	7.372%	113,451	100%	-

(12) 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.

CITY OF MAYWOOD

Notes to Financial Statements

(Continued)

(12) Defined Contribution Retirement Plan, (Continued)

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 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 \$34,028 (5% of covered payroll) and employees contributed \$17,014 (2.5% of covered payroll). The total covered payroll of employees participating in the plan for the year ended June 30, 2010 was \$680,560. The total payroll for the year was \$6,852,906.

(13) Post-Retirement Health Insurance

In addition to the pension benefits described in Notes 11 and 12, 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 2009-2010, the City recognized the cost of providing those benefits by expensing \$32,860 which was the premium paid by the City of Maywood for 7 retirees. The obligation of the City to provide this benefit is not considered to be material to the City.

CITY OF MAYWOOD

Notes to Basic Financial Statements

(Continued)

(14) 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 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. During the fiscal year ended June 30, 2010, the City had a decrease in general fund balance of \$2,852,001 with an ending general fund deficit of \$1,014,471. Additionally, the General Fund has a net interfund liability of \$60,875 and \$137,231 cash deficit. Furthermore, the General Fund has accounts payable of \$593,475 indicating significant liquidity problems at June 30, 2010. The City had the following governmental funds with significant fund deficits as of June 30, 2010:

Community Development Commission Capital Projects Fund	\$6,641,144
Traffic Safety Special Revenue Fund	460,267
Blkeway Grant Special Revenue Fund	2,822
Proposition A Special Revenue Fund	269,210
HCDA Grant Special Revenue Fund	21,426
Air Quality Improvement Special Revenue Fund	38,429

Governmental Funds Net Deficit

At the Government-Wide level, the accompanying financial statements reflect a deficit of \$29,691,577 for the unrestricted net assets of the governmental funds.

Management's Plans to Improve Operations and Limit City Obligations

The new management and staff recognize the severity of the financial stress the City is currently experiencing. The City's new management team is being formed in accordance with goals approved during a strategic planning session with the Council in February 2011. The focus of the session was to develop and approve a set of goals to be achieved over the next two years. Those approved for action are: Stabilize the City's finances; increase organizational effectiveness and efficiency; and, improve the maintenance of the infrastructure and facilities.

An Interim Finance Director was recently hired and has already begun to address internal control issues. City staff expects to present a FY 2011-12 balanced operating budget to Council before June 30, 2011. Particular steps based on best practices will be taken by staff to improve purchasing, payroll, cash receipts and general accounting procedures over the next two years. A more informative and timely set of internal and external reports will begin to be distributed by June 2011.

At the onset of FY 2010-11, the City began a new contract for police services with the Los Angeles County Sheriff's Department. This action alone will reduce the City's General Fund Expenditures in FY 2011-12 by more than \$4.0 million. General Fund expenditures will also be further reduced by an estimated \$500,000 based on a review of all contracts for goods and services. Major payroll expenses will continue to be avoided with the current hiring plan that phases in new hires only as sources of funding to cover the costs are identified.

CITY OF MAYWOOD

Notes to Basic Financial Statements

(Continued)

(14) City's Financial Condition and Management Plans, (Continued)

An approach that emphasizes transparency and accountability is being implemented and will provide the guidance needed to achieve the abovementioned goals over the next two years.

(15) Deficit Fund Balances

The following funds had deficit fund balances for year ended June 30, 2010:

Community Development Commission Capital Projects Fund	\$6,641,144
Traffic Safety Special Revenue Fund	460,267
Bikeway Grant Special Revenue Fund	2,822
Proposition A Special Revenue Fund	269,210
HCDA Grant Special Revenue Fund	21,426
Air Quality Improvement Special Revenue Fund	38,429

See footnote 14 for Managements plan to eliminate these deficits.

(16) Excess of Expenditures over Appropriations

	<u>Amount of Excess</u>
General Fund Departments:	
General Government:	
City Council	\$ 153,197
Finance	159,188
City treasurer	4
City attorney	296,318
Other projects	2,483
Public Safety:	
Police department	1,491,879
Community Development:	
Building and planning	139,953
Park and Recreation:	
Park department	407,661
Public Works:	
Building maintenance	40,392
Street department	348
Sewer	30,225
Non-major special revenue funds:	
Traffic Safety	85,099
Gas Tax	38,259
Police Asset & Seizure	3,519
Prop A	71,760
Air Quality Improvement	12,309
LLEBG	24
Street Lighting	20,753

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MAYWOOD
General Fund
Schedule of Revenues - Budget and Actual
Year ended June 30, 2010

	Budget		Actual	Variance with	Prior Year Actual
	Original	Final		Final Budget Positive (Negative)	
Taxes	\$ 3,550,600	\$ 3,763,700	\$ 3,683,808	\$ (79,892)	\$ 3,190,628
Licenses and permits	2,793,600	2,862,300	2,897,858	35,558	806,960
Intergovernmental	55,500	57,500	138,175	80,675	2,311,141
Charges for services	3,521,800	3,234,100	2,994,327	(239,773)	3,573,346
Use of money and property	73,800	123,800	58,088	(65,712)	110,646
Fines and forfeitures	425,000	600,000	489,387	(110,613)	1,500
Miscellaneous	6,100	157,688	333,171	175,483	373,001
Total revenues	10,426,400	10,799,088	10,594,814	(204,274)	10,367,222
General Government:					
City council	-	-	153,199	(153,199)	220,494
City administrator	277,450	188,600	141,415	47,185	397,008
City clerk	97,600	184,100	141,541	42,559	165,191
Finance	423,973	301,390	460,578	(159,188)	427,872
City treasurer	7,300	7,300	7,304	(4)	7,737
City attorney	165,000	180,000	476,318	(296,318)	338,899
General government services	2,036,900	1,959,000	1,839,711	119,289	2,270,005
Other projects	-	-	2,357	(2,357)	-
Public Safety:					
Police department	7,365,300	6,992,635	8,484,515	(1,491,880)	7,656,653
Community Development:					
Planning commission	6,000	6,000	2,225	3,775	4,311
Building and planning	289,310	170,650	310,603	(139,953)	198,274
Park and Recreation					
Park department	851,750	781,700	1,189,361	(407,661)	1,107,525
Public Works					
Building maintenance	167,000	130,475	170,867	(40,392)	148,883
Street department	3,500	3,500	3,848	(348)	19,544
Sewer	-	-	30,222	(30,222)	-
Capital Outlay	500	1,000	-	1,000	196,845
Debt Service					
Principal	90,000	90,000	31,254	58,746	90,000
Interest and fiscal charges	131,500	131,500	1,497	130,003	-
Cost of issuance	41,000	41,000	-	41,000	172,798
Total expenditures	11,954,083	11,168,850	13,446,815	(2,277,965)	13,422,039
Excess (deficiency) of revenues over (under) expenditures	(1,527,683)	(369,762)	(2,852,001)	(2,482,239)	(3,054,817)
Other financing sources (uses):					
Transfers - in	2,025,000	365,000	-	(365,000)	2,341,078
Transfers - out	-	-	-	-	(5,338)
Original discount on debt	-	-	-	-	(218,307)
Advance refunding of COP	-	-	-	-	(2,540,000)
Proceeds from refunding debt	-	-	-	-	3,185,000
Total other financing sources (uses)	2,025,000	365,000	-	(365,000)	2,762,433
Net change in fund balances	497,317	(4,762)	(2,852,001)	(2,847,239)	(292,384)
Fund balances at beginning of year	1,837,530	1,837,530	1,837,530	-	2,129,914
Fund balances at end of year	\$ 2,334,847	\$ 1,832,768	\$ (1,014,471)	\$ (2,847,239)	\$ 1,837,530

CITY OF MAYWOOD

Notes to the Required Supplementary Information

Year Ended June 30, 2010

(1) 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 general, certain special revenue, certain debt service and certain capital projects funds. Budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.

At June 30, 2010, expenditures exceeded appropriations in the following General Fund Departments:

	<u>Amount of Excess</u>
General Fund Departments:	
General Government:	
City Council	\$ 153,197
Finance	159,188
City treasurer	4
City attorney	296,318
Other projects	2,483
Public Safety:	
Police department	1,491,879
Community Development:	
Building and planning	139,953
Park and Recreation:	
Park department	407,661
Public Works:	
Building maintenance	40,392
Street department	348
Sewer	30,225

SUPPLEMENTARY SCHEDULES

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues and the related expenditures which are legally required to be accounted for in a separate fund. Funds included are:

Traffic Safety Fund – 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 Fund – 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) Fund – To account for the revenues and expenditures related to air pollution mitigation efforts.

C.O.P.S. 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.

NONMAJOR SPECIAL REVENUE FUNDS, (continued)

Local Law Enforcement Block Grant (LLEBG) Fund – To account for the 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**

Nonmajor Special Revenue Funds

June 30, 2010

	<u>Traffic Safety</u>	<u>Gas Tax</u>	<u>Prop 1B</u>	<u>Police Asset & Seizure</u>	<u>Bikeway Grant</u>
<u>Assets</u>					
Cash and investments	\$ -	\$ 529,475	\$ 445,351	\$ 29,572	\$ 15,268
Receivable:					
Accounts	3,523	123,239	-	8,066	-
Accrued interest	-	-	-	-	-
Grants	-	-	-	-	-
Due from other funds	-	-	-	20,109	-
Advances to other funds	-	-	-	-	-
	<u>3,523</u>	<u>652,714</u>	<u>445,351</u>	<u>57,747</u>	<u>15,268</u>
Total Assets	<u>3,523</u>	<u>652,714</u>	<u>445,351</u>	<u>57,747</u>	<u>15,268</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	-	63,717	-	1,535	-
Accrued liabilities	45,235	-	-	-	-
Due to other funds	418,555	9,531	-	-	-
Deferred revenue	-	-	-	-	18,090
	<u>463,790</u>	<u>73,248</u>	<u>-</u>	<u>1,535</u>	<u>18,090</u>
Total Liabilities	<u>463,790</u>	<u>73,248</u>	<u>-</u>	<u>1,535</u>	<u>18,090</u>
Fund Balances:					
Reserved for:					
Notes and loans receivable	-	-	-	-	-
Unreserved:					
Undesignated	(460,267)	97,628	927,189	56,212	(2,822)
	<u>(460,267)</u>	<u>97,628</u>	<u>927,189</u>	<u>56,212</u>	<u>(2,822)</u>
Total Fund Balances (Deficits)	<u>(460,267)</u>	<u>97,628</u>	<u>927,189</u>	<u>56,212</u>	<u>(2,822)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 3,523</u>	<u>\$ 170,876</u>	<u>\$ 927,189</u>	<u>\$ 57,747</u>	<u>\$ 15,268</u>

<u>Proposition A</u>	<u>Proposition C</u>	<u>HCDA Grant</u>	<u>Section 108 Loan</u>	<u>Air Quality Improvement</u>	<u>C.O.P.S. AB 3229</u>
\$ -	\$ 669,105	\$ -	\$ 101,691	\$ -	\$ 15,218
-	-	259,621	-	-	7,548
-	-	-	-	-	-
-	220,080	-	-	-	-
-	-	813,623	-	-	-
<u>-</u>	<u>889,185</u>	<u>1,073,244</u>	<u>101,691</u>	<u>-</u>	<u>22,766</u>
47,705	2,000	255,829	-	1,305	-
-	-	-	-	-	7,199
221,505	-	25,218	-	37,124	5,530
-	-	813,623	-	-	-
<u>269,210</u>	<u>2,000</u>	<u>1,094,670</u>	<u>-</u>	<u>38,429</u>	<u>12,729</u>
-	-	-	-	-	-
<u>(269,210)</u>	<u>887,185</u>	<u>(21,426)</u>	<u>101,691</u>	<u>(38,429)</u>	<u>10,037</u>
<u>(269,210)</u>	<u>887,185</u>	<u>(21,426)</u>	<u>101,691</u>	<u>(38,429)</u>	<u>10,037</u>
<u>\$ -</u>	<u>\$ 889,185</u>	<u>\$ 1,073,244</u>	<u>\$ 101,691</u>	<u>\$ -</u>	<u>\$ 22,766</u>

**CITY OF MAYWOOD
Combining Balance Sheet**

Nonmajor Special Revenue Funds

(Continued)

	Local Law Enforcement		Street Lighting	Totals	
	Grant	Measure R		2010	2009
<u>Assets</u>					
Cash and Investments	\$ 68,228	\$ 190,347	\$ -	\$ 1,618,904	\$ 1,523,799
Receivable:				-	
Accounts	-	-	6,353	408,350	214,032
Interest	-	-	-	-	1,605
Grants	-	-	-	-	58,777
Due from other funds	-	-	632,005	872,194	379,072
Advances to other funds	-	-	-	813,623	813,623
Total Assets	<u>68,228</u>	<u>190,347</u>	<u>638,358</u>	<u>3,713,071</u>	<u>2,990,908</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable	-	-	20,585	392,676	130,193
Accrued liabilities	-	-	-	52,434	30,546
Due to other funds	-	-	-	717,463	445,133
Deferred revenues	-	-	-	831,713	831,713
Total Liabilities	<u>-</u>	<u>-</u>	<u>20,585</u>	<u>1,994,286</u>	<u>1,437,585</u>
Fund Balances:					
Reserved for:					
Notes and loans receivable	-	-	-	-	118,154
Unreserved:					
Undesignated	<u>68,228</u>	<u>190,347</u>	<u>617,773</u>	<u>1,236,947</u>	<u>1,435,169</u>
Total Fund Balances	<u>68,228</u>	<u>190,347</u>	<u>617,773</u>	<u>1,236,947</u>	<u>1,553,323</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 68,228</u>	<u>\$ 190,347</u>	<u>\$ 638,358</u>	<u>\$ 3,231,233</u>	<u>\$ 2,990,908</u>

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CITY OF MAYWOOD
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year ended June 30, 2010

	<u>Traffic Safety</u>	<u>Gas Tax</u>	<u>Prop 1B</u>	<u>Police Asset & Seizure</u>	<u>Bikeway Grant</u>
Revenues:					
Taxes	\$ -	\$ 487,795	\$ -	\$ -	\$ -
Intergovernmental	-	271,274	445,351	-	-
Charges for services	-	-	-	-	-
Use of money and property	-	677	-	18	16
Fines and forfeitures	70,322	-	-	70,890	-
Miscellaneous	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>70,322</u>	<u>759,746</u>	<u>445,351</u>	<u>70,908</u>	<u>16</u>
Expenditures:					
Current:					
Public safety	285,098	-	-	23,619	-
Public works	-	555,297	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	35,000	-	-	-
Interest and fiscal charges	-	219,513	-	-	-
	<u>-</u>	<u>219,513</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>285,098</u>	<u>809,810</u>	<u>-</u>	<u>23,619</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(214,776)</u>	<u>(50,064)</u>	<u>445,351</u>	<u>47,289</u>	<u>16</u>
Other financing sources (uses):					
Transfers - in	-	-	-	-	-
Transfers - out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(214,776)</u>	<u>(50,064)</u>	<u>445,351</u>	<u>47,289</u>	<u>16</u>
Fund Balances (Deficits) at Beginning of Year	<u>(245,491)</u>	<u>147,692</u>	<u>481,838</u>	<u>8,923</u>	<u>(2,838)</u>
Fund Balances (Deficits) at End of Year	<u>\$ (460,267)</u>	<u>\$ 97,628</u>	<u>\$ 927,189</u>	<u>\$ 56,212</u>	<u>\$ (2,822)</u>

<u>Proposition A</u>	<u>Proposition C</u>	<u>HCDA Grant</u>	<u>Section 108 Loan</u>	<u>Air Quality Improvement</u>	<u>C.O.P.S. AB 3229</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
381,312	316,315	456,705	-	24,827	100,000
13,340	-	-	-	-	-
-	784	-	149	-	3
-	-	-	-	-	-
43,901	-	-	-	-	-
<u>438,553</u>	<u>317,099</u>	<u>456,705</u>	<u>149</u>	<u>24,827</u>	<u>100,003</u>
-	-	-	-	-	65,008
53,062	3,000	-	-	-	-
522,256	34,000	478,131	-	48,309	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>575,318</u>	<u>37,000</u>	<u>478,131</u>	<u>-</u>	<u>48,309</u>	<u>65,008</u>
<u>(136,765)</u>	<u>280,099</u>	<u>(21,426)</u>	<u>149</u>	<u>(23,482)</u>	<u>34,995</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(136,765)</u>	<u>280,099</u>	<u>(21,426)</u>	<u>149</u>	<u>(23,482)</u>	<u>34,995</u>
<u>(132,445)</u>	<u>607,086</u>	<u>-</u>	<u>101,542</u>	<u>(14,947)</u>	<u>(24,958)</u>
<u>\$ (269,210)</u>	<u>\$ 887,185</u>	<u>\$ (21,426)</u>	<u>\$ 101,691</u>	<u>\$ (38,429)</u>	<u>\$ 10,037</u>

CITY OF MAYWOOD
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

(Continued)

	Local Law Enforcement		Street Lighting	Totals	
	<u>Grant</u>	<u>Measure R</u>		<u>2010</u>	<u>2009</u>
Revenues:					
Taxes	\$ -	\$ -	\$ 177,223	\$ 665,018	\$ 910,057
Intergovernmental	68,200	190,319	-	1,808,952	1,457,354
Charges for services	-	-	-	13,340	13,912
Use of money and property	28	28	907	2,610	3,558
Fines and forfeitures	-	-	-	141,212	154,495
Miscellaneous	-	-	-	43,901	-
Total revenues	<u>68,228</u>	<u>190,347</u>	<u>178,130</u>	<u>2,675,033</u>	<u>2,539,376</u>
Expenditures:					
Current:					
Public safety	24	-	-	373,749	572,543
Public works	-	-	187,254	798,613	895,609
Capital outlay	-	-	-	1,082,696	1,292,923
Debt service:					
Principal	-	-	-	35,000	-
Interest and fiscal charges	-	-	-	219,513	-
Total expenditures	<u>24</u>	<u>-</u>	<u>187,254</u>	<u>2,509,571</u>	<u>2,761,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>68,204</u>	<u>190,347</u>	<u>(9,124)</u>	<u>165,462</u>	<u>(221,699)</u>
Other financing sources (uses):					
Transfers - in	-	-	-	-	5,338
Transfers - out	-	-	-	-	(141,078)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(135,740)</u>
Net Change in Fund Balances	68,204	190,347	(9,124)	165,462	(357,439)
Fund Balances (Deficits) at Beginning of Year	<u>24</u>	<u>-</u>	<u>626,897</u>	<u>1,071,485</u>	<u>1,910,762</u>
Fund Balances (Deficits) at End of Year	<u>\$ 68,228</u>	<u>\$ 190,347</u>	<u>\$ 617,773</u>	<u>\$ 1,236,947</u>	<u>\$ 1,553,323</u>

CITY OF MAYWOOD
Traffic Safety Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>	Prior Year <u>Actual</u>
Revenues:				
Fine and forfeitures	\$ <u>174,500</u>	\$ <u>70,322</u>	\$ (104,178)	\$ <u>142,064</u>
Total revenues	<u>174,500</u>	<u>70,322</u>	<u>(104,178)</u>	<u>142,064</u>
Expenditures:				
Current:				
Public safety	<u>200,000</u>	<u>285,098</u>	<u>(85,098)</u>	<u>260,788</u>
Total expenditures	<u>200,000</u>	<u>285,098</u>	<u>(85,098)</u>	<u>260,788</u>
Net change in fund balance	(25,500)	(214,776)	(189,276)	(118,724)
Fund balance at beginning of year	<u>(245,491)</u>	<u>(245,491)</u>	<u>-</u>	<u>(126,767)</u>
Fund balance at end of year	<u>\$ (270,991)</u>	<u>\$ (460,267)</u>	<u>\$ (189,276)</u>	<u>\$ (245,491)</u>

CITY OF MAYWOOD
Gas Tax Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>	Prior Year Actual
Revenues:				
Taxes	\$ 525,000	\$ 487,795	\$ (37,205)	\$ 732,560
Use of property and money	1,500	677	(823)	1,111
Intergovernmental	<u>274,739</u>	<u>271,274</u>	<u>(3,465)</u>	<u>-</u>
Total revenues	<u>801,239</u>	<u>759,746</u>	<u>(41,493)</u>	<u>733,671</u>
Expenditures:				
Current:				
Public works	771,550	555,297	216,253	563,000
Capital outlay	-	-	-	152,329
Debt Service				
Principal	-	35,000	(35,000)	-
Interest and fiscal charges	<u>-</u>	<u>219,513</u>	<u>(219,513)</u>	<u>-</u>
Total expenditures	<u>771,550</u>	<u>809,810</u>	<u>(38,260)</u>	<u>715,329</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29,689</u>	<u>(50,064)</u>	<u>(79,753)</u>	<u>18,342</u>
Other financing sources:				
Transfers - in	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,338</u>
Net change in fund balance	29,689	(50,064)	(79,753)	23,680
Fund balance at beginning of year, as restated	<u>147,692</u>	<u>147,692</u>	<u>-</u>	<u>605,850</u>
Fund balance at end of year	<u>\$ 177,381</u>	<u>\$ 97,628</u>	<u>\$ (79,753)</u>	<u>\$ 629,530</u>

CITY OF MAYWOOD
 Prop 1B Special Revenue Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>	Prior Year <u>Actual</u>
Revenues:				
Intergovernmental	\$ -	445,351	445,351	-
Total revenues	<u>-</u>	<u>445,351</u>	<u>445,351</u>	<u>-</u>
Expenditures:				
Current:				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	445,351	445,351	-
Fund balance at beginning of year, as restated	<u>481,838</u>	<u>481,838</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 481,838</u>	<u>\$ 927,189</u>	<u>\$ 445,351</u>	<u>\$ -</u>

CITY OF MAYWOOD
 Police Asset & Seizure Special Revenue Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Prior Year Actual</u>
Revenues:				
Use of money and property	\$ 100	\$ 18	\$ (82)	\$ 12
Fines and forfeitures	<u>39,900</u>	<u>70,890</u>	<u>30,990</u>	<u>12,431</u>
 Total revenues	 <u>40,000</u>	 <u>70,908</u>	 <u>30,908</u>	 <u>12,443</u>
 Expenditures:				
Current:				
Public safety	<u>20,100</u>	<u>23,619</u>	<u>(3,519)</u>	<u>5,929</u>
 Total expenditures	 <u>20,100</u>	 <u>23,619</u>	 <u>(3,519)</u>	 <u>5,929</u>
 Net change in fund balance	 40,000	 47,289	 27,389	 6,514
 Fund balance (deficit) at beginning of year	 <u>8,923</u>	 <u>8,923</u>	 <u>-</u>	 <u>2,409</u>
 Fund balance (deficit) at end of year	 <u>\$ 48,923</u>	 <u>\$ 56,212</u>	 <u>\$ 27,389</u>	 <u>\$ 8,923</u>

CITY OF MAYWOOD
Bikeway Grant Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Use of money and property	\$ -	\$ 16	\$ 16	\$ 30
Total revenues	<u>-</u>	<u>16</u>	<u>16</u>	<u>30</u>
Expenditures:				
Current:				
Public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	16	16	30
Fund balance (deficit) at beginning of year	<u>(2,838)</u>	<u>(2,838)</u>	<u>-</u>	<u>(2,868)</u>
Fund balance (deficit) at end of year	<u>\$ (2,838)</u>	<u>\$ (2,822)</u>	<u>\$ 16</u>	<u>\$ (2,838)</u>

CITY OF MAYWOOD
 Proposition A Special Revenue Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Intergovernmental	\$ 487,558	\$ 381,312	\$ (106,246)	\$ 432,106
Charges for services	12,000	13,340	1,340	13,912
Use of money and property	4,000	-	(4,000)	212
Miscellaneous	<u>-</u>	<u>43,901</u>	<u>43,901</u>	<u>-</u>
Total revenues	<u>503,558</u>	<u>438,553</u>	<u>(65,005)</u>	<u>446,230</u>
Expenditures:				
Current:				
Capital outlay	503,558	522,256	(18,698)	775,698
Public works	<u>-</u>	<u>53,062</u>	<u>(53,062)</u>	<u>132,875</u>
Total expenditures	<u>503,558</u>	<u>575,318</u>	<u>(71,760)</u>	<u>908,573</u>
Net change in fund balance	-	(136,765)	(136,765)	(462,343)
Fund balance (deficit) at beginning of year	<u>(132,445)</u>	<u>(132,445)</u>	<u>-</u>	<u>329,898</u>
Fund balance (deficit) at end of year	<u>\$ (132,445)</u>	<u>\$ (269,210)</u>	<u>\$ (136,765)</u>	<u>\$ (132,445)</u>

CITY OF MAYWOOD
Proposition C Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Prior Year Actual</u>
Revenues:				
Intergovernmental	\$ 397,891	\$ 316,315	\$ (81,576)	\$ 359,206
Use of money and property	<u>5,000</u>	<u>784</u>	<u>(4,216)</u>	<u>742</u>
Total revenues	<u>402,891</u>	<u>317,099</u>	<u>(85,792)</u>	<u>359,948</u>
Expenditures:				
Current:				
Public works	28,800	3,000	25,800	17,859
Capital outlay	<u>50,000</u>	<u>34,000</u>	<u>16,000</u>	<u>89,297</u>
Total expenditures	<u>78,800</u>	<u>37,000</u>	<u>41,800</u>	<u>107,156</u>
Net change in fund balance	324,091	280,099	(43,992)	252,792
Fund balance (deficit) at beginning of year	<u>607,086</u>	<u>607,086</u>	<u>-</u>	<u>354,294</u>
Fund balance (deficit) at end of year	<u>\$ 931,177</u>	<u>\$ 887,185</u>	<u>\$ (43,992)</u>	<u>\$ 607,086</u>

CITY OF MAYWOOD
 HCDA Grant Special Revenue Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Intergovernmental	\$ 531,361	\$ 456,705	\$ (74,656)	\$ 307,920
Total revenues	<u>531,361</u>	<u>456,705</u>	<u>(74,656)</u>	<u>307,920</u>
Expenditures:				
Public Works	-	-	-	1,555
Capital outlay	<u>531,361</u>	<u>478,131</u>	<u>53,230</u>	<u>230,545</u>
Total expenditures	<u>531,361</u>	<u>478,131</u>	<u>53,230</u>	<u>232,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(21,426)</u>	<u>(127,886)</u>	<u>75,820</u>
Other financing sources:				
Transfers- out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,346)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,346)</u>
Net change in fund balance	<u>-</u>	<u>(21,426)</u>	<u>(127,886)</u>	<u>26,474</u>
Fund balance (deficit) at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,474)</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (21,426)</u>	<u>\$ (127,886)</u>	<u>\$ -</u>

CITY OF MAYWOOD
Section 108 Loan Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Use of money and property	\$ -	\$ 149	\$ 149	\$ 198
Total revenues	<u>-</u>	<u>149</u>	<u>149</u>	<u>198</u>
Expenditures:				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	149	149	198
Fund balance at beginning of year	<u>101,542</u>	<u>101,542</u>	<u>-</u>	<u>101,344</u>
Fund balance at end of year	<u>\$ 101,542</u>	<u>\$ 101,691</u>	<u>\$ 149</u>	<u>\$ 101,542</u>

CITY OF MAYWOOD
Air Quality Improvement Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>	Prior Year <u>Actual</u>
Revenues:				
Intergovernmental	\$ 35,000	\$ 24,827	\$ (10,173)	\$ 34,331
Use of money and property	<u>50</u>	<u>-</u>	<u>(50)</u>	<u>-</u>
Total revenues	<u>35,050</u>	<u>24,827</u>	<u>(10,223)</u>	<u>34,331</u>
Expenditures:				
Capital outlay	<u>36,000</u>	<u>48,309</u>	<u>(12,309)</u>	<u>39,207</u>
Total expenditures	<u>36,000</u>	<u>48,309</u>	<u>(12,309)</u>	<u>39,207</u>
Net change in fund balance	(950)	(23,482)	(22,532)	(4,876)
Fund balance (deficit) at beginning of year	<u>(14,947)</u>	<u>(14,947)</u>	<u>-</u>	<u>(10,071)</u>
Fund balance (deficit) at end of year	<u>\$ (15,897)</u>	<u>\$ (38,429)</u>	<u>\$ (22,532)</u>	<u>\$ (14,947)</u>

CITY OF MAYWOOD
C.O.P.S. AB 3229 Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>	Prior Year <u>Actual</u>
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Use of money and property	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Total revenues	<u>100,000</u>	<u>100,003</u>	<u>3</u>	<u>100,000</u>
Expenditures:				
Public safety	<u>103,800</u>	<u>65,008</u>	<u>38,792</u>	<u>82,035</u>
Total expenditures	<u>103,800</u>	<u>65,008</u>	<u>38,792</u>	<u>82,035</u>
Net change in fund balance	(3,800)	34,995	38,795	17,965
Fund balance (deficit) at beginning of year	<u>(24,958)</u>	<u>(24,958)</u>	<u>-</u>	<u>(42,923)</u>
Fund balance (deficit) at end of year	<u>\$ (28,758)</u>	<u>\$ 10,037</u>	<u>\$ 38,795</u>	<u>\$ (24,958)</u>

CITY OF MAYWOOD
Local Law Enforcement Grant Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Intergovernmental	\$ -	\$ 68,200	\$ -	\$ 17,524
Use of money and property	<u>-</u>	<u>28</u>	<u>28</u>	<u>10</u>
Total revenues	<u>-</u>	<u>68,228</u>	<u>28</u>	<u>17,534</u>
Expenditures:				
Public safety	<u>-</u>	<u>24</u>	<u>(24)</u>	<u>17,524</u>
Total expenditures	<u>-</u>	<u>24</u>	<u>(24)</u>	<u>17,524</u>
Net change in fund balance	<u>-</u>	<u>68,204</u>	<u>68,204</u>	<u>10</u>
Fund balance at beginning of year	<u>24</u>	<u>24</u>	<u>-</u>	<u>14</u>
Fund balance (deficit) at end of year	<u>\$ 24</u>	<u>\$ 68,228</u>	<u>\$ 68,204</u>	<u>\$ 24</u>

CITY OF MAYWOOD
Measure R Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Intergovernmental	\$ -	\$ 190,319	190,319	\$ -
Use of money and property.	-	28	28	-
Total revenues	<u>-</u>	<u>190,347</u>	<u>190,347</u>	<u>-</u>
Expenditures:				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>190,347</u>	<u>190,347</u>	<u>-</u>
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 190,347</u>	<u>\$ 190,347</u>	<u>\$ -</u>

CITY OF MAYWOOD
 Street Lighting Special Revenue Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Prior Year Actual</u>
Revenues:				
Taxes	\$ 163,000	\$ 177,223	\$ 14,223	\$ 177,497
Use of money and property	<u>3,500</u>	<u>907</u>	<u>(2,593)</u>	<u>1,243</u>
Total revenues	<u>166,500</u>	<u>178,130</u>	<u>11,630</u>	<u>178,740</u>
Expenditures:				
Capital outlay	-	-	-	5,847
Public works	<u>166,500</u>	<u>187,254</u>	<u>(20,754)</u>	<u>180,320</u>
Total expenditures	<u>166,500</u>	<u>187,254</u>	<u>(20,754)</u>	<u>186,167</u>
Net change in fund balance	<u>-</u>	<u>(9,124)</u>	<u>(9,124)</u>	<u>(7,427)</u>
Fund balance at beginning of year	<u>626,897</u>	<u>626,897</u>	<u>-</u>	<u>634,324</u>
Fund balance (deficit) at end of year	<u>\$ 626,897</u>	<u>\$ 617,773</u>	<u>\$ (9,124)</u>	<u>\$ 626,897</u>