

CITY OF MAYWOOD
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2014

**City of Maywood
Annual Financial Report
Year Ended June 30, 2014**

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Independent Auditor's Report

The Honorable City Council
City of Maywood, California

Report on the Financial Statements

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 (the "City"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying financial statements have been prepared assuming that the City will continue as a going concern. As discussed in Note 12, the City, in prior years, has suffered substantial recurring losses in its General Fund resulting in a deficit fund balance, a deficit in unrestricted net position of the governmental activities and deficits in other special revenue funds. Also, those funds lack liquid resources available to meet obligations as they become due, which raises substantial doubt about the City's ability to continue as a going concern. Management's plans in regards to those matters are also described in Note 12. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or amounts and classifications that might result should the City become unable to continue as a going concern.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented in the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The schedules listed in the Supplementary Information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 6, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering the City's internal control over financial reporting and compliance.

Van Lant & Fankhanel, LLP

April 6, 2015

BASIC FINANCIAL STATEMENTS

**City of Maywood
Statement of Net Position
June 30, 2014**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 8,319,888
Receivables:	
Accounts	634,195
Due from Other Governments	225,143
Notes and Loans	87,704
Due from Successor Agency	126,165
Prepaid Costs	16,484
Net OPEB Asset	42,538
Restricted Cash and Investments	263,245
Capital Assets:	
Non-Depreciable	
Land	5,247,570
Construction in Progress	740,031
Depreciable, Net of Accumulated Depreciation	
Buildings and Improvements	10,265,029
Machinery and Equipment	72,762
Infrastructure	20,199,482
	46,240,236
Total Assets	46,240,236
LIABILITIES	
Accounts Payable and Accrued Liabilities	1,809,856
Deposits Payable	3,697
Interest Payable	68,837
Payable to Successor Agency	2,600,000
Noncurrent Liabilities:	
Due Within One Year	415,296
Due in More Than One Year	20,774,857
	25,672,543
Total Liabilities	25,672,543
NET POSITION	
Net Investment in Capital Assets	33,534,874
Restricted For:	
Public Works	6,029,139
Debt Service	263,245
Unrestricted	(19,259,565)
	(19,259,565)
Total Net Position	\$ 20,567,693

The accompanying notes are an integral part of this statement.

**City of Maywood
Statement of Activities
Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Contributions and Grants	Revenues and Changes in Net Position
					Governmental Activities
Governmental Activities:					
General Government	\$ 1,372,433	\$ 213,934	\$ -	\$ -	\$ (1,158,499)
Public Safety	3,809,054	137,846	201,815	-	(3,469,393)
Community Development	1,354,664	398,813	432,860	454,907	(68,084)
Parks and Recreation	404,912	11,781	-	-	(393,131)
Public Works	2,083,419	199,061	390,191	1,874,465	380,298
Interest and Fiscal Charges	257,647	-	-	-	(257,647)
Total Governmental Activities	\$ 9,282,129	\$ 961,435	\$ 1,024,866	\$ 2,329,372	(4,966,456)
General Revenues:					
Taxes:					
Property taxes, Levied for General Purposes					427,276
Transient Occupancy Taxes					57,018
Sales Taxes					1,229,795
Franchise Taxes					271,223
Utility User Taxes					996,893
Other Taxes					-
Motor Vehicle in Lieu, Unrestricted					2,282,641
Use of Money and Property					127,852
Other					829,583
Total General Revenues					6,222,281
Change in Net Position					1,255,825
Net Position - Beginning of Year					25,384,761
Prior Period Adjustments					(6,072,893)
Net Position - End of Year					\$ 20,567,693

The accompanying notes are an integral part of this statement.

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

	General Fund	Special Revenue	
		Gas Tax	Measure R
ASSETS			
Cash and Investments	\$ 1,642,044	\$ 2,385,065	\$ 1,213,098
Cash with Fiscal Agents	263,245	-	-
Receivables:			
Accounts	542,862	91,333	-
Due from Other Governments	-	-	-
Notes and Loans	-	-	-
Due from Other Funds	518,337	123,271	-
Due from Successor Agency	126,165	-	-
Prepaid Costs	13,778	-	-
Total Assets	\$ 3,106,431	\$ 2,599,669	\$ 1,213,098
LIABILITIES			
Accounts Payable	\$ 1,433,128	\$ 66,235	\$ -
Accrued Liabilities	98,625	1,205	-
Due to Other Funds	77,700	187,562	-
Deposits	3,697	-	-
Payable to Successor Agency	2,600,000	-	-
Total Liabilities	4,213,150	255,002	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Long-term Loans	-	-	-
Unavailable Revenues - Other Receivables	226,498	-	-
Total Deferred Inflows of Resources	226,498	-	-
FUND BALANCES			
Nonspendable	13,778	-	-
Restricted	263,245	2,344,667	1,213,098
Unassigned	(1,610,240)	-	-
Total Fund Balances	(1,333,217)	2,344,667	1,213,098
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,106,431	\$ 2,599,669	\$ 1,213,098

The accompanying notes are an integral part of this statement.

Special Revenue	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Proposition C	Street Projects		
\$ 1,019,046	\$ -	\$ 2,060,635	\$ 8,319,888
-	-	-	263,245
-	-	-	634,195
-	-	225,143	225,143
-	-	87,704	87,704
-	-	1,460	643,068
-	-	-	126,165
2,706	-	-	16,484
<u>\$ 1,021,752</u>	<u>\$ -</u>	<u>\$ 2,374,942</u>	<u>\$ 10,315,892</u>
\$ 70,216	\$ -	\$ 137,075	\$ 1,706,654
1,607	-	1,765	103,202
120,654	30,496	226,656	643,068
-	-	-	3,697
-	-	-	2,600,000
<u>192,477</u>	<u>30,496</u>	<u>365,496</u>	<u>5,056,621</u>
-	-	87,704	87,704
-	-	159,989	386,487
-	-	247,693	474,191
2,706	-	-	16,484
826,569	-	1,836,334	6,483,913
<u>-</u>	<u>(30,496)</u>	<u>(74,581)</u>	<u>(1,715,317)</u>
<u>829,275</u>	<u>(30,496)</u>	<u>1,761,753</u>	<u>4,785,080</u>
<u>\$ 1,021,752</u>	<u>\$ -</u>	<u>\$ 2,374,942</u>	<u>\$ 10,315,892</u>

The accompanying notes are an integral part of this statement.

City of Maywood
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2014

Fund Balances of Governmental Funds	\$ 4,785,080
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets of governmental activities are not financial resources and, therefore, are not reported in governmental funds.</p>	
Capital Assets	68,631,171
Accumulated Depreciation	(32,106,297)
<p>Revenues not received soon enough after year-end to be considered available are deferred in the funds. The availability criteria does not apply to the government-wide financial statements.</p>	
	474,191
<p>The net pension obligation (NPO) and net OPEB asset (NOPEBA) should be adjusted for any difference between contributions made and the annual required contributions (ARC). A positive year-end balance in the NOPEBA and a deficit year-end balance in the NPO should be recognized as a year-end asset and liability, respectively, in relation to the ARC in governmental activities in the statement of net position.</p>	
Net Pension Obligation (NPO)	(1,353,331)
Net OPEB Asset (NOPEBA)	42,538
<p>Interest expenditures are recognized when due, and therefore, interest payable is not recorded in the governmental funds.</p>	
	(68,837)
<p>Long-term liabilities are not due and payable in the current period and are not reported in the funds.</p>	
2008 Refunding Bonds	(2,990,000)
Pension Related Debt	(6,117,384)
Claims Liability	<u>(10,729,438)</u>
Net Position of Governmental Activities	<u>\$20,567,693</u>

The accompanying notes are an integral part of this statement.

City of Maywood
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2014

	General Fund	Special Revenue	
		Gas Tax	Measure R
REVENUES			
Taxes	\$ 3,055,644	\$ 936,922	\$ 290,072
Licenses and Permits	455,208	-	-
Intergovernmental	2,341,632	-	-
Charges for Services	78,296	-	-
Use of Money and Property	126,925	11	221
Fines and Forfeitures	206,535	-	-
Legal Settlements	682,584	-	-
Miscellaneous	134,257	-	-
Total Revenues	7,081,081	936,933	290,293
EXPENDITURES			
Current:			
General Government	1,510,320	-	-
Public Safety	3,048,686	-	-
Community Development	371,270	-	-
Parks and Recreation	305,086	-	-
Public Works	-	517,175	71,575
Capital Outlay	-	204,214	-
Debt Service:			
Principal	45,000	-	-
Interest and Fiscal Charges	258,622	-	-
Total Expenditures	5,538,984	721,389	71,575
Excess of Revenues Over (Under) Expenditures	1,542,097	215,544	218,718
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Change in Fund Balances	1,542,097	215,544	218,718
Fund Balances - Beginning of Year	(2,875,314)	2,129,123	994,380
Fund Balances - End of Year	\$ (1,333,217)	\$ 2,344,667	\$ 1,213,098

The accompanying notes are an integral part of this statement.

Special Revenue	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Proposition C	Street Projects		
\$ 390,191	\$ -	\$ 468,591	\$ 5,141,420
-	-	-	455,208
-	473,798	667,240	3,482,670
9,596	-	179,940	267,832
219	2	474	127,852
-	-	-	206,535
-	-	-	682,584
-	-	-	134,257
<u>400,006</u>	<u>473,800</u>	<u>1,316,245</u>	<u>10,498,358</u>
-	-	-	1,510,320
-	-	159,989	3,208,675
415,737	-	537,207	1,324,214
-	-	-	305,086
-	-	148,339	737,089
4,488	138,066	395,423	742,191
-	-	-	45,000
-	-	-	258,622
<u>420,225</u>	<u>138,066</u>	<u>1,240,958</u>	<u>8,131,197</u>
<u>(20,219)</u>	<u>335,734</u>	<u>75,287</u>	<u>2,367,161</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>(20,219)</u>	<u>335,734</u>	<u>75,287</u>	<u>2,367,161</u>
<u>849,494</u>	<u>(366,230)</u>	<u>1,686,466</u>	<u>2,417,919</u>
<u>\$ 829,275</u>	<u>\$ (30,496)</u>	<u>\$ 1,761,753</u>	<u>\$ 4,785,080</u>

The accompanying notes are an integral part of this statement.

City of Maywood
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 2,367,161

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

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

Cost of assets capitalized	742,191
Depreciation expense	(1,568,840)

Revenues not received soon enough after year-end to be considered available are deferred in the funds. The availability criteria does not apply to the government-wide financial statements.	9,146
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal paid on long-term debt	45,000
Decrease in Pension Related Debt	83,713

Accrued interest on bonds is not recorded in the governmental funds. This is the net change in accrued interest for the current period.	975
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Governmental funds report all contributions in relation to the Annual Required Contribution (ARC) for OPEB as expenditures, however, in the Statement of Activities, only the Annual OPEB Cost (AOC) is an expense. This amount represents the difference between the OPEB contributions and the AOC.	42,538
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Governmental funds report pension expense for the year equal to annual pension cost (APC). The net pension obligation (NPO) should be adjusted for any difference between contributions made and annual required contributions (ARC). This amount represents the difference between the APC and the ARC.	(659,774)
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Claims payable expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The following represents the net change:	<u>193,715</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 1,255,825</u></u>
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**City of Maywood
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014**

	Successor Agency Private-purpose Trust Fund	Agency Funds
ASSETS		
Cash and Investments	\$ 1,688,296	\$ 109,605
Cash with Fiscal Agent	1,534,234	-
Notes Receivable	211,542	-
Interest Receivable	16,715	-
Due from City, Net	-	-
Land Held for Resale	1,780,000	-
Total Assets	5,230,787	\$ 109,605
LIABILITIES		
Accounts Payable	3,474	\$ -
Accrued Liabilities	2,082	-
Deposits Payable	-	109,605
Due to City of Maywood	126,165	-
Interest Payable	344,678	-
Bonds Payable	17,930,000	-
Total Liabilities	18,406,399	\$ 109,605
NET POSITION		
Net Position Held in Trust for Successor Agency	\$ (13,175,612)	

The accompanying notes are an integral part of this statement.

City of Maywood
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2014

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Taxes	\$ 1,994,296
Investment Income	58,930
Other Income	-
	-
Total Additions	2,053,226
DEDUCTIONS	
Administrative Costs	93,325
Interest on Bonds	849,054
	849,054
Total Deductions	942,379
Change in Net Position	1,110,847
Net Position - Beginning of Year	(14,286,459)
Net Position - End of Year	\$ (13,175,612)

The accompanying notes are an integral part of this statement.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A) Reporting Entity

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

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

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

Maywood Financing Authority

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

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Measurement Focus and Basis of Accounting

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

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

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

Government-wide financial statements are presented using the *economic resources measurement focus and accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. The basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, 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 another 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.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund financial statements for the primary government's governmental and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental 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.

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 have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

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

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

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

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

C) Fund Classifications

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

General Fund

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

Gas Tax Special Revenue Fund

This fund is used 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.

Measure R Special Revenue Fund

This fund is used to account for the revenues received from Los Angeles County under Measure R that are to be used exclusively for transportation projects and improvements.

Proposition C Special Revenue Fund

This fund is used to account for the revenues and expenditures of the City's proportionate share of funds from the Los Angeles County Metropolitan Transportation Authority funded by the ½ cent sales tax measure to be used for eligible project expenditures (such as management programs, bikeways and bike lanes, and pavement management systems).

Street Projects Capital Project Fund

This fund is used to account for the revenues and expenditures funded by grants for street related projects.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Additionally, the City reports the following fund types:

Fiduciary Fund Financial Statements

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

The City's fiduciary funds include an agency fund and private-purpose trust fund. The agency fund uses the accrual basis of accounting to account for developer deposits. The agency fund is custodial in nature (assets equal liabilities) and therefore does not involve measurement of results of operations. The private-purpose trust fund accounts for the wind-down activities of the Maywood Community Development Commission.

D) Investments

Investments are reported in the accompanying balance sheet at fair value, except for nonparticipating certificates of deposit and investment contracts that would be reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

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

E) Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans), or "advances to/from funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as ""due to/from other funds."

F) Prepaid Costs

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

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G) Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Capital assets, other than infrastructure assets, in excess of \$5,000 are capitalized if they have an expected useful life of one year or more. Infrastructure assets have a capitalization threshold of \$100,000.

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

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

The following schedule summarizes the useful lives of capital assets:

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

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

H) Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the governmental activities column of the statement of net position in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount.

Governmental funds recognize bond premiums and discounts 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.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I) Classification of Net Position and Fund Balance

1) Net Position

In the Government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position which is represented by the current net book value, less the outstanding balance of any debt issued to finance these assets.

Restricted Net Position

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

Unrestricted Net Position

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

2) Fund Balance

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

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

The City's governmental fund balances at June 30, 2014, are presented below:

	General Fund	Gas Tax Fund	Measure R	Proposition C	Street Projects	Nonmajor Funds	Total
Nonspendable:							
Prepaid Items	\$ 13,778	\$	\$	\$ 2,706	\$	\$	\$ 16,484
Restricted for:							
Community Development						101,698	101,698
Debt Service	263,245						263,245
Public Works		2,344,667	1,213,098	826,569		1,734,636	6,118,970
Committed to:							-
Assigned to:							-
Unassigned:	(1,610,240)				(30,496)	(74,581)	(1,715,317)
Total Fund Balance	<u>\$ (1,333,217)</u>	<u>\$ 2,344,667</u>	<u>\$ 1,213,098</u>	<u>\$ 829,275</u>	<u>\$ (30,496)</u>	<u>\$ 1,761,753</u>	<u>\$ 4,785,080</u>

J) Property Taxes

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

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

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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

K) Use of Estimates

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

L) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City currently has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position.

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

N) Non-major Deficit Fund Balances

The non-major Special Revenue CDBG, Prop 1B, and Public Safety Grants funds have deficit fund balances of \$48,887, \$11,584 and \$14,110 as of June 30, 2014. These deficits will be eliminated when future revenues are recognized.

O) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standards Board Statement No. 68

In June of 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. This statement was issued to improve the financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. Statement No. 68 is effective for periods beginning after June 15, 2014. The City has elected not to early implement GASB No. 68 and has not determined its effect on the City's financial statements.

2) CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and Investments	\$ 8,319,888
Cash and Investments Held by Bond Trustee	263,245
Statement of Fiduciary Net Position:	
Cash and Investments	1,797,901
Cash and Investments Held by Bond Trustee	<u>1,534,234</u>
Total Cash and Investments	<u>\$ 11,915,268</u>

Cash and Investments consist of the following:

Cash on Hand	\$ 300
Deposits with Financial Institutions	10,099,669
Investments	<u>1,815,299</u>
Total Cash and Investments	<u>\$ 11,915,268</u>

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

2) CASH AND INVESTMENTS - Continued

Investments Authorized by the California Government Code and the City's Investment Policy

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

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

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

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014**

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.

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

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 36 Months	36 to 60 Months	More Than 60 Months
LAIF	\$ 17,820	\$ 17,820	\$ -	\$ -	\$ -
Held by Fiscal Agent:					
Money Market Funds	1,534,234	1,534,234	-	-	-
Investment Agreement	263,245	263,245	-	-	-
Total	\$ 1,815,299	\$ 1,815,299	\$ -	\$ -	\$ -

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014**

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 or the City's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End		
			AAA	Aa	Not Rated
LAIF	\$ 17,820	N/A	\$ -	\$ -	\$ 17,820
Held by Fiscal Agent:					
Money Market Funds	1,534,234	AAA	1,534,234	-	-
Investment Agreement	<u>263,245</u>	N/A	<u>-</u>	<u>-</u>	<u>263,245</u>
Total	<u><u>\$ 1,815,299</u></u>		<u><u>\$ 1,534,234</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 281,065</u></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 government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2014, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

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
Year Ended June 30, 2014**

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 on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Current interfund receivables and payables as of June 30, 2014 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Gas Tax Fund	\$ 187,562
	Proposition C Fund	120,654
	Street Projects Fund	30,496
	Other Governmental Funds	179,625
Gas Tax Fund	General Fund	76,970
	Other Governmental Funds	46,301
Other Governmental Funds	General Fund	730
	Other Governmental Funds	730
	Total	<u>\$ 643,068</u>

The purpose of these short-term interfund borrowings was to cover cash deficits at June 30, 2014.

Payable to Successor Agency

The payable to the Successor Agency of \$2,600,000 in the General Fund and the Statement of Net Position is a result of repayments made by the Successor Agency Private-purpose Trust fund to the City of Maywood. The California State Controller's Office reviewed asset transfers by the former Community Development Commission and Successor Agency Private-purpose Trust fund and determined these repayments were not eligible under state law and are subject to repayment by the City to the Successor Agency. Therefore, a liability has been recorded in the General Fund and Statement of Net Position. Given the City's current financial condition, the City does not have the ability to repay the Successor Agency at this time. As a result, the receivable in the Successor Agency Private-purpose Trust Fund of \$2,600,000 is offset with an allowance for doubtful accounts of \$2,600,000.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

4) CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 5,247,570	\$ -	\$ -	\$ 5,247,570
Construction in Progress	765,614	740,031	765,614	740,031
Total Capital Assets Not Depreciated	6,013,184	740,031	765,614	5,987,601
Capital Assets, Being Depreciated:				
Buildings	12,996,865	-	-	12,996,865
Land Improvements	88,803	-	-	88,803
Machinery and Equipment	658,339	-	-	658,339
Vehicles	341,804	-	-	341,804
Infrastructure	47,789,985	767,774	-	48,557,759
Total Capital Assets Being Depreciated	61,875,796	767,774	-	62,643,570
Less Accumulated Depreciation:				
Buildings	\$ 2,518,310	\$ 256,394	\$ -	\$ 2,774,704
Land Improvements	42,980	2,955	-	45,935
Machinery and Equipment	570,666	28,425	-	599,091
Vehicles	316,989	11,301	-	328,290
Infrastructure	27,088,512	1,269,765	-	28,358,277
Total Accumulated Depreciation	30,537,457	1,568,840	-	32,106,297
Total Capital Assets Being Depreciated, Net	31,338,339	(801,066)	-	30,537,273
Governmental Activities Capital Assets, Net	\$ 37,351,523	\$ (61,035)	\$ 765,614	\$ 36,524,874

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014**

4) CAPITAL ASSETS - Continued

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

General Government	\$	98,366
Public Works		1,346,330
Public Safety		24,318
Parks and Recreation		99,826
	\$	1,568,840

5) CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2014 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
2008 Refunding Bonds	\$ 3,035,000	\$ -	\$ (45,000)	\$ 2,990,000	\$ 45,000
Net Pension Obligation	693,557	659,774	-	1,353,331	-
Pension Related Debt	6,201,097	-	(83,713)	6,117,384	89,991
Claims Liability	10,923,153	330,000	(523,715)	10,729,438	280,305
Total Governmental Activities	\$ 20,852,807	\$ 989,774	\$ (652,428)	\$ 21,190,153	\$ 415,296

*The beginning net pension obligation of \$693,557 was restated by (\$128,204). The adjustment is the result of a misstatement in the calculation of the net pension obligation in the prior year. This is a prior period adjustment in the Statement of Activities. In addition, the beginning balance for the Pension Related Debt of \$6,201,097 is a prior period adjustment in the Statement of Activities. See Pension Related Debt Note 11 for more information.

6) REFUNDING BONDS

2008 Lease Revenue Refunding Bonds, Series A

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

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

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

6) REFUNDING BONDS

Year Ending June 30,	Principal	Interest
2015	\$ 45,000	\$ 206,512
2016	50,000	203,425
2017	55,000	200,013
2018	55,000	196,437
2019	60,000	192,700
2020 - 2024	375,000	891,625
2025 - 2029	530,000	735,000
2030 - 2034	750,000	512,750
2035 - 2039	1,070,000	197,750
	<u>\$ 2,990,000</u>	<u>\$ 3,336,212</u>

7) FIDUCIARY FUND LONG-TERM DEBT

2007 Tax Allocation Bonds

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

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

Year Ending June 30,	Principal	Interest
2015	\$ 475,000	\$ 817,750
2016	495,000	798,350
2017	515,000	778,150
2018	535,000	757,150
2019	465,000	736,278
2020 - 2024	2,635,000	3,350,728
2025 - 2029	3,370,000	2,696,575
2030 - 2034	4,965,000	1,675,787
2035 - 2038	4,475,000	421,450
	<u>\$ 17,930,000</u>	<u>\$ 12,032,218</u>

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

8) RISK MANAGEMENT

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

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

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

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

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

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

Fiscal Year	Claims Payable Beginning of Year	Additions	Deletions	Claims Payable End of Year
6/30/13	\$ 11,164,210	\$ -	\$ (241,057)	\$ 10,923,153
6/30/14	10,923,153	330,000	(523,715)	10,729,438

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014**

9) CITY EMPLOYEE RETIREMENT PLANS

Miscellaneous Plan and Safety Plan:

Plan Description

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

Funding Policy

Active plan members are required to contribute a percentage of their annual covered salary. The City of Maywood pays the member contributions of 7% for the Miscellaneous Plan. Because the City of Maywood no longer has a police department as of 7/1/2010, there were no contributions to the Safety Plan. The City is also required to make additional contributions at an actuarially determined rate. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2013-2014 was 8.551% for the Miscellaneous Plan. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Three year trend information for the City of Maywood Miscellaneous Employees' Retirement Plan

<u>Fiscal Year</u>	<u>Required Contributions</u>	<u>Percent Contributed</u>
6/30/12	\$ 91,780	100%
6/30/13	\$ 83,433	100%
6/30/14	\$ 75,052	100%

Three year trend information for the City of Maywood Safety Employees' Retirement Plan

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percent Contributed</u>	<u>Net Pension Obligation</u>
6/30/12	\$ -	100%	\$ -
6/30/13	\$ 693,557	0%	\$ 693,557
6/30/14	\$ 659,774	0%	\$ 1,353,331

During the fiscal year ended June 30, 2011, the Safety Plan of the City became inactive. The plan is now part of an inactive pool subject to future gains and losses. The City's annual pension cost for the inactive plan was \$659,774.

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014**

9) CITY EMPLOYEE RETIREMENT PLANS - Continued

Annual Required Contribution (ARC)	\$	706,837
Interest on Net Pension Obligation (NPO)		52,017
Adjustment to ARC		<u>(99,080)</u>
Annual Pension Cost		659,774
Contribution Made		<u>-</u>
Increase (Decrease) in NPO		659,774
Net Pension Obligation – July 1, 2013		<u>693,557</u>
Net Pension Obligation – June 30, 2014	\$	<u><u>1,353,331</u></u>

10) OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City's single-employer defined benefit postemployment healthcare plan, (DHP), provides medical benefits to eligible retired City employees and spouses through PERS Health. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. DHP selects optional benefit provisions from the benefit menu by contract with PERS Health and adopts those benefits through City resolution. The DHP does not issue a publicly available financial report.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. There are currently 3 subscriber groups receiving benefits. For subscriber group 1, the City pays 100% of the retiree's and spouse's health insurance premium until age 65 and the statutory minimum thereafter. For subscriber groups 2 and 3, the City contributes \$101 per retiree per month towards health premiums.

Annual OPEB Cost

For 2014, the City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

10) OTHER POST EMPLOYMENT BENEFITS - Continued

Annual required contribution	\$	106,853
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
Annual OPEB cost (expense)		106,853
Contributions made		(149,391)
Increase in net OPEB obligation		(42,538)
Net OPEB asset – beginning of the year		-
Net OPEB asset – end of the year	\$	(42,538)

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2014 and the two preceding fiscal years are as follows:

THREE-YEAR TREND INFORMATION			
Fiscal Year	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Asset
6/30/14*	\$ 106,853	133%	\$ (42,538)

*GASB 45 was implemented in the 2013-14 fiscal year.

The net OPEB obligation will be financed by the General Fund.

Funded Status and Funding Progress

As of July 1, 2014, the actuarial valuation accrued liability for benefits was \$1,476,817, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$523,730 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 282 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The measurement method used is the projected unit method. The remaining amortization period at June 30, 2014 was 30 years.

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014**

10) OTHER POST EMPLOYMENT BENEFITS - Continued

The following is a summary of the actuarial assumptions and methods:

Valuation Date	July 1, 2014
Retirement Age	55
Discount Rate	0.04
Inflation Rate	0.03
HealthCare trend rates (initial, ultimate)	0.08, 0.05
Dental	0.04
Vision (tied to dental)	0.04
Other (tied to dental)	0.04
Age-adjustment factor	0
Percent of Retirees with Spouses	0.5

11) PENSION RELATED DEBT

As of June 30, 2003, CalPERS implemented risk pooling for the City's multiple-employer public employee defined benefit pension plan. At that point, in accordance with generally accepted accounting principles, the City's Miscellaneous and Safety Plans converted from an "agent" multiple-employer plan to a "cost-sharing" multiple-employer plan. Although a portion of the City's annual required contributions are actuarially determined and shared by all employers of the risk pool, the City is also required to make annual payments on a "Side Fund" which was created when the City entered the risk pool. The responsibility for funding the Side Fund is specific to the City and is not shared by all employers in the plan. Therefore, the Side Fund falls under the definition of pension-related debt, as described in GASB Statement No. 27. The annual payments on the Side Fund represent principal and interest payments on the pension-related debt. Principal and interest are included in the retirement expenditures in the various functions of the governmental funds and the principal is reported as a reduction of the liability in the proprietary funds.

The future debt service requirements on the Safety Plan Side Fund are as follows:

Year Ending June 30,	Principal	Interest
2015	\$ 89,991	\$ 439,314
2016	5,633	435,800
2017	5,627	435,393
2018	19,767	434,484
2019	35,379	432,499
2020 - 2024	471,743	2,086,807
2025 - 2029	1,165,985	1,800,076
2030 - 2034	2,240,501	1,197,976
2035 - 2037	2,082,758	237,912
	<u>\$ 6,117,384</u>	<u>\$ 7,500,261</u>

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2014

12) CITY'S FINANCIAL CONDITION AND MANAGEMENT'S PLANS

General Fund of the City of Maywood

The General Fund is typically the focal point in analyzing the financial health of the City because the General Fund is expected to be able to cover both its costs and to act as a financial backstop for other funds in the event of an insufficiency with respect to the other funds. As of June 30, 2014, the General Fund has a deficit of \$1,333,217. Also, as described in Note 3, as of June 30, 2014, the Commission has made repayments of \$2,600,000 to the City's General Fund. The State has determined these repayments will need to be returned to the Successor Agency, in accordance with State law. As of June 30, 2014 the General Fund does not have sufficient cash to repay these amounts to the Successor Agency, as required by the State. Furthermore, the City is currently not paying the Annual Required Contribution (ARC) to CalPERS for the inactive Safety Plan. The ARC in the current year was \$706,837. In addition, the City has approximately a \$10.4 million claims liability with CJPIA (see Note 8) and is currently not making payments to CJPIA and is not an active participant in the risk pool.

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

The City's current Administration continues to work on improving the City's fiscal position with primary focus on the health of the General Fund. As a result of the City's ongoing strategic planning process, our goals were identified as the City's top priority over the next three years. The four goals are: 1) Stabilize the City's Finances; 2) Increase Organizational Effectiveness and Efficiency; 3) Improve the Maintenance of the Infrastructure and Facilities; and 4) Improve Internal and External Communications. The City Council and Management Staff with the assistance of an independent facilitator meet every six months to review the progress of the strategic plan and establish the next set of objectives.

The Management Team is committed to continue on its mission of applying prudent fiscal management practices and will continue to monitor the City's cash flow on a monthly basis. The focus in the next year will be managing the City's long term debt while containing expenses. The City has been successful in securing partnerships to offset General Fund expenditures. The City Council approved a long-term lease agreement for its community center with the YMCA of Metropolitan Los Angeles. This successful partnership has yielded increased programming and resources in the community while reducing the financial burden to the General Fund. In 2015, City Administration will seek membership in an insurance pool, which is anticipated to generate a cost savings in the General Fund.

In addition, in 2016, the City Council will consider revenue generating options including tax measures.

The City's Management Team is committed to continue working with the City Council on its course to improve the City's fiscal health.

13) PRIOR PERIOD ADJUSTMENT

The prior period adjustment in the Statement of Activities of (\$6,072,893) is the result of adjusting the beginning Net Pension Obligation (NPO) by \$128,204 and recording the beginning balance of the Pension Related Debt of (\$6,201,097). See Notes 5 and 11 related to the NPO and Pension Related Debt, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

**City of Maywood
Schedule of Funding Progress for DPHP
Year Ended June 30, 2014**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
07/01/14	\$ -	\$ 1,476,817	\$ 1,476,817	0%	\$ 523,730	282%

City of Maywood
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,037,500	\$ 3,037,500	\$ 3,055,644	\$ 18,144
Licenses and Permits	366,050	366,050	455,208	89,158
Intergovernmental	2,200,000	2,200,000	2,341,632	141,632
Charges for Services	117,000	117,000	78,296	(38,704)
Use of Money and Property	25,100	25,100	126,925	101,825
Fines and Forfeitures	412,000	412,000	206,535	(205,465)
Legal Settlements	-	-	682,584	682,584
Miscellaneous	-	-	134,257	134,257
Total Revenues	6,157,650	6,157,650	7,081,081	923,431
EXPENDITURES				
Current:				
General Government	5,329,853	2,150,406	1,510,320	640,086
Public Safety	20,000	3,199,447	3,048,686	150,761
Community Development	334,076	334,076	371,270	(37,194)
Parks and Recreation	569,193	569,193	305,086	264,107
Debt Service:				
Principal	45,000	45,000	45,000	-
Interest and Fiscal Charges	212,500	212,500	258,622	(46,122)
Total Expenditures	6,510,622	6,510,622	5,538,984	971,638
Excess of Revenues Over (Under) Expenditures	(352,972)	(352,972)	1,542,097	1,895,069
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Change in Fund Balances	(352,972)	(352,972)	1,542,097	1,895,069
Fund Balances - Beginning of Year	(2,875,314)	(2,875,314)	(2,875,314)	
Fund Balances - End of Year	\$ (3,228,286)	\$ (3,228,286)	\$ (1,333,217)	\$ 1,895,069

City of Maywood
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Gas Tax Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 682,000	\$ 682,000	\$ 936,922	\$ 254,922
Use of Money and Property	-	-	11	11
Total Revenues	<u>682,000</u>	<u>682,000</u>	<u>936,933</u>	<u>254,933</u>
EXPENDITURES				
Current:				
Public Works	264,263	264,263	517,175	(252,912)
Capital Outlay	-	-	204,214	(204,214)
Total Expenditures	<u>264,263</u>	<u>264,263</u>	<u>721,389</u>	<u>(457,126)</u>
Excess of Revenues Over (Under) Expenditures	417,737	417,737	215,544	(202,193)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balances	417,737	417,737	215,544	(202,193)
Fund Balances - Beginning of Year	<u>2,129,123</u>	<u>2,129,123</u>	<u>2,129,123</u>	
Fund Balances - End of Year	<u>\$ 2,546,860</u>	<u>\$ 2,546,860</u>	<u>\$ 2,344,667</u>	<u>\$ (202,193)</u>

City of Maywood
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Measure R Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 272,000	\$ 272,000	\$ 290,072	\$ 18,072
Use of Money and Property	-	-	221	221
Total Revenues	272,000	272,000	290,293	18,293
EXPENDITURES				
Current:				
Public Works	20,000	20,000	71,575	(51,575)
Total Expenditures	20,000	20,000	71,575	(51,575)
Excess of Revenues Over (Under) Expenditures	252,000	252,000	218,718	(33,282)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Change in Fund Balances	252,000	252,000	218,718	(33,282)
Fund Balances - Beginning of Year	994,380	994,380	994,380	
Fund Balances - End of Year	<u>\$ 1,246,380</u>	<u>\$ 1,246,380</u>	<u>\$ 1,213,098</u>	<u>\$ (33,282)</u>

City of Maywood
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Proposition C Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 365,000	\$ 365,000	\$ 390,191	\$ 25,191
Charges for Services	4,500	4,500	9,596	5,096
Use of Money and Property	-	-	219	219
Total Revenues	369,500	369,500	400,006	30,506
EXPENDITURES				
Current:				
Community Development	301,397	301,397	415,737	(114,340)
Capital Outlay	110,000	110,000	4,488	105,512
Total Expenditures	411,397	411,397	420,225	(8,828)
Change in Fund Balances	(41,897)	(41,897)	(20,219)	21,678
Fund Balances - Beginning of Year	849,494	849,494	849,494	
Fund Balances - End of Year	\$ 807,597	\$ 807,597	\$ 829,275	\$ 21,678

City of Maywood
Notes to Required Supplementary Information
Year Ended June 30, 2014

BUDGETS AND BUDGETARY DATA

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

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

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

EXPENDITURES IN EXCESS OF APPROPRIATIONS

The Gas Tax, Measure R, and Proposition C Special Revenue funds had expenditures in excess of appropriations of \$457,126, \$51,575 and \$8,828 in the current year.

SUPPLEMENTARY INFORMATION

**City of Maywood
Nonmajor Governmental Funds
Year Ended June 30, 2014**

SPECIAL REVENUE FUNDS

CDBG Grant Special Revenue Fund - 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.

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

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).

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

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

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

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

**City of Maywood
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014**

	Special Revenue Funds			
	CDBG	Prop 1B	Bikeway Grant	Proposition A
ASSETS				
Cash and Investments	\$ 112,946	\$ 7,956	\$ 72,054	\$ 920,334
Receivables:				
Due from Other Governments	34,037	-	21,380	-
Notes and Loans	87,704	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	\$ 234,687	\$ 7,956	\$ 93,434	\$ 920,334
LIABILITIES				
Accounts Payable	\$ 16,311	\$ 19,540	\$ 45,942	\$ -
Accrued Liabilities	1,765	-	-	-
Due to Other Funds	177,794	-	-	-
Total Liabilities	195,870	19,540	45,942	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Long-term Loans	87,704	-	-	-
Unavailable Revenues - Grants	-	-	-	-
Total Deferred Inflows of Resources	87,704	-	-	-
FUND BALANCES				
Restricted	-	-	47,492	920,334
Unassigned	(48,887)	(11,584)	-	-
Total Fund Balances	(48,887)	(11,584)	47,492	920,334
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 234,687	\$ 7,956	\$ 93,434	\$ 920,334

Special Revenue Funds

Section 108 Loan	Air Quality Improvement	Public Safety Grants	Street Lighting	Total
\$ 101,698	\$ 72,413	\$ 26,612	\$ 746,622	\$ 2,060,635
-	8,895	159,989	842	225,143
-	-	-	-	87,704
-	1,460	-	-	1,460
<u>\$ 101,698</u>	<u>\$ 82,768</u>	<u>\$ 186,601</u>	<u>\$ 747,464</u>	<u>\$ 2,374,942</u>
\$ -	\$ -	\$ 39,997	\$ 15,285	\$ 137,075
-	-	-	-	1,765
-	730	725	47,407	226,656
-	730	40,722	62,692	365,496
-	-	-	-	87,704
-	-	159,989	-	159,989
-	-	159,989	-	247,693
101,698	82,038	-	684,772	1,836,334
-	-	(14,110)	-	(74,581)
<u>101,698</u>	<u>82,038</u>	<u>(14,110)</u>	<u>684,772</u>	<u>1,761,753</u>
<u>\$ 101,698</u>	<u>\$ 82,768</u>	<u>\$ 186,601</u>	<u>\$ 747,464</u>	<u>\$ 2,374,942</u>

City of Maywood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2014

	Special Revenue Funds			
	CDBG	Prop 1B	Bikeway Grant	Proposition A
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 468,591
Intergovernmental Revenue	371,976	-	60,884	-
Charges for Services	-	-	-	-
Use of Money and Property	-	-	-	474
Total Revenues	<u>371,976</u>	<u>-</u>	<u>60,884</u>	<u>469,065</u>
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
Community Development	380,724	-	31,483	125,000
Public Works	-	4,442	-	-
Capital Outlay	-	395,423	-	-
Total Expenditures	<u>380,724</u>	<u>399,865</u>	<u>31,483</u>	<u>125,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,748)</u>	<u>(399,865)</u>	<u>29,401</u>	<u>344,065</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(8,748)</u>	<u>(399,865)</u>	<u>29,401</u>	<u>344,065</u>
Fund Balances, Beginning of Year	<u>(40,139)</u>	<u>388,281</u>	<u>18,091</u>	<u>576,269</u>
Fund Balances, End of Year	<u>\$ (48,887)</u>	<u>\$ (11,584)</u>	<u>\$ 47,492</u>	<u>\$ 920,334</u>

Special Revenue Funds				
Section 108 Loan	Air Quality Improvement	Public Safety Grants	Street Lighting	Total
\$ -	\$ -	\$ -	\$ -	\$ 468,591
-	32,565	201,815	-	667,240
-	-	-	179,940	179,940
-	-	-	-	474
-	32,565	201,815	179,940	1,316,245
-	-	159,989	-	159,989
-	-	-	-	537,207
-	1,413	-	142,484	148,339
-	-	-	-	395,423
-	1,413	159,989	142,484	1,240,958
-	31,152	41,826	37,456	75,287
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	31,152	41,826	37,456	75,287
101,698	50,886	(55,936)	647,316	1,686,466
<u>\$ 101,698</u>	<u>\$ 82,038</u>	<u>\$ (14,110)</u>	<u>\$ 684,772</u>	<u>\$ 1,761,753</u>

City of Maywood
Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2014

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash and Investments	\$ 109,605	\$ -	\$ -	\$ 109,605
Total Assets	<u>\$ 109,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,605</u>
LIABILITIES				
Deposits	\$ 109,605	\$ -	\$ -	\$ 109,605
Total Liabilities	<u>\$ 109,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,605</u>