

Comprehensive Annual Financial Report

Year Ended June 30, 2000



City of Bellflower
California

<http://www.bellflower.org>

**CITY OF BELLFLOWER
CALIFORNIA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2000**

**TAE G. RHEE
DIRECTOR OF FINANCE/
CITY TREASURER**

CITY OF BELLFLOWER
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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December 4, 2000

Honorable Mayor, Members of the City Council, and Citizens
City of Bellflower
Bellflower, California

The Comprehensive Annual Financial Report (CAFR) for the City of Bellflower for the fiscal year ended June 30, 2000 is hereby respectfully submitted to you. The CAFR was prepared by the City's Department of Finance according to the Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report is organized in four sections: Introductory, Financial, Statistical and Supplemental Information. The Introductory Section will familiarize the reader with the organizational structure of the City, the services it provides and its operating environment. The Financial Section includes the independent auditors' report, general purpose financial statements, and accompanying footnotes to the financial statements. The Statistical Section contains unaudited financial and demographic information for the past ten years, where appropriate and available.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, Findings and Recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulations, is included in the Supplemental Information Section of this report.

The City and Its Services

Incorporated in 1957, "The Friendly City" of Bellflower is a general law city with a council-administrator form of government. The mayor is elected by the five-member Council each year. City Administrator, City Clerk and City Attorney are also appointed by the Council and serve at the will of the City Council.

Bellflower is located in Los Angeles County, 18 miles southeast of the city of Los Angeles, 100 miles north of San Diego, and 450 miles south of San Francisco. The City is 6.1 square miles in size and currently houses more than 68,300 residents. Served by numerous freeways including Route 91, 105, 405, 605, and the 710, residents of "The Friendly City" have easy access to major attractions all over Southern California. Bellflower is less than 20 miles from the downtown Los Angeles area, the Long Beach port, and Santa Ana.

Bellflower residents and business community appreciate the reality of our City motto, "The Friendly City." The City Council and staff listen and respond to residents and businesses, making their input an integral part of the City's approach to public service. Through this process, the Council and staff have effectively carried out the City mission, "To protect and enrich the quality of life to make Bellflower an excellent place to live, work and play."

Bellflower has a diverse business environment including many fine restaurants, major auto dealerships, numerous shopping areas, major medical hospitals, and a number of dental and medical practice groups. A large portion of the business sector is devoted to service rather than retail sales. For families, the City offers appealing residential areas, convenient shopping, an excellent school system, and close proximity to several colleges and universities.

Bellflower is a contract city which provides the following municipal services: street maintenance, public transportation, recreation, planning, landscape/park maintenance, lighting, as well as various youth, senior, and other community service programs. The City contracts with the County of Los Angeles for police and certain maintenance services. Sanitation and fire services are provided through County assessment districts. Library and health services are provided by the County.

Bellflower's Parks and Recreation program boasts several outstanding facilities for residents to enjoy. John S. Simms Park is home to the Simms Senior Club, and T. Mayne Thompson Park houses a community center, indoor and outdoor pools, and a weight room. Ruth R. Caruthers Park features several baseball diamonds, batting cages, and the Carpenter House Museum. Built in 1981, the William Bristol Civic Auditorium seats 378 guests and hosts numerous community events, fine arts productions, and City functions.

Bellflower is serviced by Metropolitan Transit Authority and Long Beach Transit bus lines. In addition, the City provides a fixed-route transportation line and Dial-A-Ride services to seniors and the disabled for their shopping and medical needs.

The Reporting Entity and Fiscal Outlook

This report is prepared in compliance with the entity concept from Code Section 2100 of the Government Accounting Standards Board. Accordingly, this report includes all funds and account groups of the City, Bellflower Redevelopment Agency, and Bellflower Public Facilities Corporation. The financial operations of the City, Bellflower Redevelopment Agency, and Bellflower Public Facilities Corporation are closely related. The City Council has continuing responsibility over the City and the Redevelopment Agency as the City Council also serves as the Board of Directors of the Bellflower Redevelopment Agency. Five independent members serve as the Board of Directors of the Bellflower Public Facilities Corporation, which was organized primarily for the purpose of providing financial assistance to the City to construct a civic center and auditorium complex in addition to making certain park improvements.

The fiscal condition for Bellflower remains favorable as the General Fund balance continues to grow. As of June 30, 2000, the City reported a General Fund balance of \$10,600,351, an increase of \$2,575,351 from the 1998-99 fund balance of \$8,025,000. The current year's increase of \$2,575,351 was attributable to the continuing economic growth, conservative budgeting practices, and carryover of certain capital projects. The General Fund balances for fiscal years 1997-98, 1996-97, and 1995-96 were \$5,885,577, \$5,237,406, and \$4,366,512, respectively.

Over the past four fiscal years, the five largest General Fund revenue sources have performed as follows:

Major General Fund Revenue Sources	<u>1999-2000</u>	<u>1998-1999</u>	<u>1997-1998</u>	<u>1996-1997</u>
Sales tax	\$5,026,873 7.7%	\$4,667,089 9.0%	\$4,280,040 2.1%	\$4,190,847 (2.3%)
Motor vehicle in-lieu fees	3,421,532 10.6%	3,094,702 8.0%	2,865,355 7.5%	2,665,659 7.4%
Utility users' tax	2,551,194 (3.1%)	2,634,142 4.3%	2,525,611 2.3%	2,470,010 (2.6%)
Property tax	1,386,159 2.9%	1,346,709 (0.8%)	1,356,835 1.3%	1,338,810 3.2%
Franchise tax	1,057,004 5.8%	998,691 3.9%	961,305 3.3%	930,338 (0.3%)
Total	\$13,442,762 5.5%	\$12,741,333 6.3%	\$11,989,146 3.4%	\$11,595,664 0.5%

Sales Tax. Sales tax has consistently been the strongest General Fund revenue source with the top sales tax producer being the automobile and transportation industry. The breakdowns of sales tax producers for the past four years are as follows:

	<u>99-00</u>	<u>98-99</u>	<u>97-98</u>	<u>96-97</u>
Automobiles and transportation	53.7%	52.5%	50.0%	45.9%
General consumer goods	12.1	11.2	12.7	14.3
Fuel and service stations	8.4	9.0	10.6	10.3
Restaurants and hotels	9.3	9.9	9.5	10.3
Business and industry	7.5	7.6	8.8	9.3
Food and drugs	7.2	8.5	7.0	8.8
Building and construction	1.7	1.3	1.4	1.2

The 7.7% increase in the sales tax revenue resulted primarily from the continuing growth in the automobile sales and lease revenues in the Automobiles and Transportation category.

Motor vehicle in-lieu fees. Bellflower receives motor vehicle in-lieu (MVIL) fees, net of certain statutory deductions, under Sections 11005(a) and (b) of the California Revenue and Taxation Code. Eighty-one and one-quarter percent (81.25%) of MVIL is allocated based on population to cities and counties under Section 11005(a), and the balance, eighteen and three-quarters (18.75%), is allocated to only no and low property tax cities based on a formula stipulated by Section 11005(b) for which property tax revenue is a factor.

MVIL fees have increased consistently over the past four years. With strong auto sales and the increased popularity of vehicle leases, new car ownerships and turnover rates increased. MVIL fees, therefore, have increased.

Utility users' tax. In November 1993, Bellflower imposed a five percent (5%) utility users' tax on electric, gas and telephone. This tax was subsequently approved by the voters on March 4, 1997. For fiscal year 1999-2000, the City saw a decrease of 3.1%, or \$82,948. The decrease is caused primarily by the change in which Southern California Edison (SCE) remits the tax revenue collected on behalf of the City. In previous years, SCE remitted the tax based on billings rather than actual collections, thereby advancing uncollected tax revenue to the City. During the fiscal year 1999-2000, SCE changed its methodology to remit the tax based on actual collections and reduced tax payments by the amount already advanced to the City. This revenue decrease, however, is only a temporary timing difference rather than a permanent revenue loss.

Property tax. Bellflower, once a "no property tax" city, began receiving property tax allocations under AB 1197 since fiscal year 1989-90. The bill allowed for a 7-year phase-in period in which the qualifying cities received property tax allocations at an annual increment of 1% (with the maximum of 7%) of the base property tax levy of \$1 per \$100 of assessed valuation. The City has been receiving the maximum allocation of 7%, less Los Angeles County administrative fees and other agency transfers, since fiscal year 1995-96. For fiscal year 1999-2000, property tax revenue increased slightly by 2.9%.

MAJOR INITIATIVES FOR THE YEAR

Administration

The City Administrator is responsible for implementing the policies of the City Council and for enforcing the provisions of the Municipal Code. As the administrative head of the city government, the City Administrator makes personnel appointments, coordinates and directs City activities, prepares reports and recommendations to the City Council, and represents the City at conferences, seminars and meetings. The following are accomplishments for the fiscal year:

- Implemented a customer service survey program to gauge public satisfaction of individual calls for service (e.g., public works maintenance, facility reservations, and building services). Survey results are provided to the City Council on a quarterly basis. In the next fiscal year, the City will conduct a citywide survey of residents and business owners' satisfaction with City provided services.
- Continued improvements to the City's web site to better communicate and interact with the public. The web site continues to be a vital source of information to Bellflower's residents and businesses. The City receives approximately 12 service requests weekly via the City web site. The City is exploring the option of online payment for various fees.
- Expanded outreach to members of the community through regular publication of newsletters. Initiated "The Bellflower Files" and the "Bellflower E-Newsletter."
- Initiated the "Bellflower Honors Program" to provide monthly recognition to members of the community who have excelled in their respective fields, or who have demonstrated themselves as community benefactors. Honors include a City Council resolution and hosted reception.

- Consolidated the personnel management function, previously managed by the City Administrator's Office and Public Safety Department, under a newly created full-time Human Resources Coordinator position. This new position will serve to also expand employee training and development.
- Implemented a two-year budget program to minimize administrative costs associated with budget development.
- Negotiated and implemented multi-year labor contracts with all City employee associations.
- Obtained State and County funding for construction of a sound wall along the SR-91 Freeway through a major portion of the City. Construction for the project is expected for late 2001.
- Established a "City Store" enabling the community to purchase City related products (e.g., shirts, coffee mugs, and specialty items).

Finance

The Finance department is responsible for managing and coordinating the financial functions of the City and Redevelopment Agency. It provides financial reporting services and fiscal guidance and solutions on accounting and budgeting issues to other departments. Specifically, the Department is responsible for annual budgets, financial reporting, forecasting, financial and compliance audits, investment of City funds, cash management, accounts payable, accounts receivable, collection, general ledger, payroll, oversight of the decentralized purchasing system, fixed asset list maintenance, revenue monitoring, and other functions.

- Received outstanding financial reporting awards from the Government Finance Officers Association and the California Society of Municipal Finance Officers (six consecutive years).
- Maintained accurate financial records for successful audits. Clean audit letters were received for the City, Redevelopment Agency, Public Facilities Corporation, Federal grants, Proposition A, Proposition C, and Transportation Development Act (TDA) Article 3 funds.
- Prepared the City's first biennial Operating Budget successfully. Both the Management Recommended Budget and Proposed Budget were prepared and distributed timely. The Proposed Budget was adopted at the first City Council Meeting in May.
- Successfully refunded the 1989 Refunding Certificates of Participation in July 1999. The City was able to realize a net present value savings of \$675,964, of which \$632,369 was received in lump-sum for qualified capital projects.
- Managed the citywide computer replacement program to increase productivity and efficiency.

Public Safety

The Public Safety Department is responsible for management of the City's public safety and community policing programs. Bellflower's public safety and community policing programs include the City's contracts for law enforcement law enforcement support services, including Sheriff's, patrol helicopter, animal control, district attorney, probation, crossing guard and special legal services. In addition, the department manages the City's Neighborhood Watch, parking enforcement, crossing guard, WeTip and emergency management programs, and manages the Bellflower Sheriff's Substation.

- Crime Reduction.** The 1999 Part I Crime Rate is down nearly 17% compared with 1998. Part I Crimes include homicide, rape, robbery, aggravated assault, burglary, larceny theft, grand theft auto and arson. The Crime Rate is based on the number of occurrences per 10 thousand of population. The first of the following charts compares Bellflower's Crime Rate to other cities served by the Lakewood Sheriff's Station. The second chart summarizes Part I crimes reported from 1993 through 1999.

Comparison of Region Part I Crime Rates			
Jurisdiction	1998	1999	% Change
Bellflower	454.07	379.54	-16.41%
Artesia	454.07	386.42	-14.90%
Hawaiian Gardens	430.18	327.58	-23.85%
Lakewood	408.13	325.39	-20.27%
Paramount	596.22	463.43	-22.27%
Unincorporated	147.68	150.55	1.94%
Region Station	490.99	403.65	-17.79%

- Calls for Service and Response Times.** During 1999, the City and the Sheriff's Departments have worked to reduce the response times for all types of calls for service. Our goals were an average of three minutes or less for emergency calls, seven minutes or less for priority calls and 25 or less for routine calls. Response times are driven in by the number of calls for service and the available resources. While our resources remained basically the same from 1998 to 1999, the number of calls for service decreased by more than four percent.

The following charts compare calls for service and response times for Bellflower and the other cities in the Lakewood Sheriff's Station region.

Comparison of Region Calls for Service			
Jurisdiction	1998	1999	% Change
Bellflower	32,026	30,944	-3.38%
Artesia	6,326	6,415	1.41%
Hawaiian Gardens	6,776	6,426	-5.17%
Lakewood	28,515	28,425	-0.32%
Paramount	25,874	24,770	-4.27%
Unincorporated	1,140	357	-68.68%
Region Station Total	100,657	97,337	-3.30%

Comparison of Region Response Times - 1999 (in minutes)			
Jurisdiction	Emergency	Priority	Routine
Bellflower	2.8	7.8	27.0
Artesia	2.6	8.0	22.2
Hawaiian Gardens	2.8	7.4	24.9
Lakewood	2.9	6.4	26.3
Paramount	2.7	8.3	27.4
Region Station Average	2.7	7.8	26.3

- **Special Operations to Abate Drug, Gang and Prostitution Activity.** Joint City-Sheriff's Department efforts have continued. These activities have included:
 - 10 Prostitution Stings resulting in 33 arrests.
 - Gang, Parole and Outstanding Warrant Sweeps resulting in 60 arrests.
 - Ongoing saturation patrol efforts in high crime areas resulting in 59 arrests.
- **Eucalyptus/Cornuta/Woodruff Corridor Enrichment Program (CEP).** During 1999, deputies made 497 arrests during CEP-related patrol activity. Although the Corridor Enrichment Program has phased into a maintenance mode, both property improvement and law enforcement efforts continue.
- **Ongoing Special Operations Targeting Quality of Life Issues.** The results of ongoing operations include:
 - Illegal sales of alcoholic beverages to minors resulting in seven arrests.
 - Suppression of drunk driving resulting in 72 arrests.
 - Recovery of stolen and abandoned shopping carts resulting in 34 arrests and the recovery of more than 450 carts.
 - Enforcement of daytime loitering ordinance resulting in 62 arrests.
 - Enforcement of curfew ordinance resulting in 140 arrests.
 - Abatement of illegal vendors resulting in 73 arrests.
- **Traffic Safety.** In 1999, Bellflower's ratio of hazardous cites to fatal and injury accidents continued to improve from 17.2:1 to 17.5:1, a 2% improvement.
- **Emergency Management.** Continued emergency and disaster preparedness training, including exercises, in accordance with California's Standardized Emergency Management System (SEMS). In 1999-2000, emergency preparedness activities included coordinating the City's response to Y2K and the April 2000 storm damage and ongoing planning for potential threats from earthquakes, killer bees, and anthrax.

Community Development

The Community Development Department is responsible for promoting and contributing toward the environmental quality of life for the community. The Department coordinates the functions of planning, building and safety, public works, housing, code enforcement, and economic development. Furthermore, the Department provides staff assistance to the City Council, Planning Commission, Redevelopment Agency Board, and Design Review Committee.

Administration:

- Completed approximately 85% of a job responsibility manual, including establishment of an administrative support element to establish a step-by-step procedural guide for processing discretionary approvals.

Planning:

- Partially completed a full review of all residential and commercial uses and established an organized list of permitted, conditionally permitted, and accessory uses for each zone. Uses will not automatically be allowed in the next less restrictive zone as is currently done (referred to as "pyramid" zoning). The City's "Town Center" has been completed. Other zones are to go before the Planning Commission and City Council by July 2001.
- Completed a draft of citywide parking ordinance. This item is scheduled for Planning Commission consideration in January 2001.
- Completed the project of establishing temporary use permits citywide following uses and procedures allowed by the Town Center Ordinance.
- Completed approximately 90% of reviewing and proposing changes to Planning fees. These changes are expected to be considered by the City Council in fiscal year 2000-01.
- In November 1999, replaced the maps used at the front counter so that one accurate set of maps could show zoning, lot size, address, and current use on one sheet.

Building:

- Completed implementation of the City's plan to meet State law requirements regarding unreinforced masonry buildings. All unreinforced masonry buildings have been retrofitted, pulled building permits to be retrofitted, or have been demolished.

Code Enforcement:

- Established and implemented annual property maintenance and building design standards inspection programs for all home occupations and major apartment buildings within the City.

Public Works:

- Placed 1,400 tons of slurry on local streets as part of an ongoing citywide street maintenance program.

- Placed 3,700 tons of asphalt for maintenance on streets during the fiscal year.
- Began the design work for the construction of storm drain at Bellflower and Somerset. Construction is to start in February 2001.
- Handled 100 plus citizen requests for the fiscal year.
- Numerous design concepts have been prepared for the West Branch Greenway Trails Project and are ready for the design phase. Funding is expected to be released in fiscal year 2001-2002.
- Completed a full presentation of the 91 Freeway/Bellflower Boulevard Congestion Relief Plan. A concept design is scheduled for City Council presentation in December 2000.
- Completed the Roadway illumination project which will be presented to Council for closure in fiscal year 2000-01.
- Completed the bidding process for the modification of traffic signals at Alondra/Clark and Clark/Cedar. Upon City Council approval, the construction is expected to commence in February 2001.

Housing and Grants:

- Assisted with four improvements at Simms Park including door, wall, sidewalk, paver and planter, and replacement totaling \$78,519.
- Assisted 18 nonprofit agencies to provide services to low-moderate income and special needs populations.
- Provided \$52,737 in funding for residential rehabilitation.

Redevelopment:

- Completed negotiations and approved a lease of city property, formerly known as the Bellflower Golf and Tennis Center, to Hollywood Sports Park, LLC for development into a 23 acre commercial regional recreation center.
- Entered into negotiations for assistance of a private development at Lakewood and Rosecrans.
- Made offers to purchase two County-owned parking lots in downtown.
- Entered negotiations for expansion of existing major car dealer.
- Completed economic development web page.
- Conducted marketing study and campaign to bring new restaurants to downtown.
- Funded design of downtown streetscape.
- Funded one City entry sign in the project area.

Parks and Recreation

The Parks and Recreation Department is responsible for the administration, management and implementation of all leisure service programs for residents of the City of Bellflower. This service is provided without discrimination, accommodating a variety of interests, ages, cultures and abilities. Specifically, the department coordinates all recreation programs, classes, adult/youth sports leagues, special events, civic and cultural programs, farmer's market, fixed-route and dial-a-ride transportation services, and volunteer services.

During fiscal year 1999-2000, the Department of Parks and Recreation continued to expend its resources to provide the best possible park facilities and recreation programs to the Bellflower community.

- The Bellflower Volunteer Center continued its growth, and concentrated on expanding recruitment within local church and youth groups. Volunteer Center staff, in conjunction with the local school district, developed a successful tutoring program for elementary school students. The center also identified a record number of needy families within the community and provided them with food baskets on Thanksgiving and Christmas.
- An unused church adjacent to a park was purchased and converted to the City's first Teen Center. The center is quite successful with a growing membership, providing wholesome activities to at-risk teenagers.
- Bellflower's much-anticipated skate park moved closer to becoming a reality. An architect was secured, there were public meetings to solicit design ideas, and the final plans and specifications were approved. It is anticipated that after a contractor is selected, the project will be completed in the spring of 2001.
- Bellflower Unified School District invited the department to provide the recreation component of its federally funded after-school program, known as Project APPLE. Working in conjunction with instructors and tutors, city recreation staff direct supervised sports and crafts at elementary school campuses throughout the city.
- The Department of Parks and Recreation continued to develop and promote special events, most notably the "Snow in Bellflower" event that gave children the opportunity to play in snow brought to Simms Park. This event was well attended, and will be expanded for the next year. Another successful new community event was the residential Holiday Decorating Contest.
- As administrator of the City's contracted transportation system, the department negotiated a five-year extension of the contract with Laidlaw Transit Services, which operates the City's fixed route and Dial-A-Ride systems. Highlights included the replacement of the Dial-A-Ride fleet and the rehabilitation of the fixed route vehicles.

City Clerk

The City Clerk Department is responsible for preparing the minutes and coordinating the compilation of the agenda and agenda materials for the City Council, Bellflower Redevelopment Agency, Bellflower Public Facilities Corporation, and the Building Rehabilitation Appeals Board; providing support services to the City Council and all City departments; election administration; records management; codifying the Bellflower Municipal Code; preparing reports and composing correspondence, memorandums, and other informational materials; responding to public inquiries and satisfying Public Records Act requests; maintaining legislative history of Council actions; performing the duties of Filing Officer/Official under the conflict of interest and campaign provisions of the Political Reform Act; administering oaths of office; overseeing bid openings; and notarizing official City documents.

- Prepared a comprehensive computerized index of all City agreements and franchises detailing commencement/termination dates, franchise/agreement fees, payment schedule, insurance requirements, name and address of the contact person, and the name of the City department responsible for administering the agreement. A monthly report is provided to all City departments relative to the pending expiration of City agreements and franchises to ensure timely renewal.
- Began scanning the City's permanent records in April 2000 to preserve the record, facilitate research projects, allow access of the records to all users on the network, and eliminate duplicate copies.
- Inventoried all of the records at the City's Maintenance.
- Created a computerized index of all City Council ordinances adopted since incorporation.

Election:

- Prepared and scheduled the destruction of the March 2, 1999, General Municipal Election materials, pursuant to the Elections Code and the City's Retention Schedule and Records Management Program and Policies.
- Prepared an analysis of the Precinct Officers' Election Evaluations and reviewed election procedures to identify areas for improvement.

MAJOR INITIATIVES FOR THE FUTURE

Administration

- Continue with the implementation of the Business Retention Task Force.
- Conduct a citywide survey of residents and business owners' satisfaction with the City provided services.
- Establish an effective public recognition/promotion program, recognizing and promoting successful community members, agencies, programs and important events.

- Expand and improve upon community events for the Town Center.
- Establish an effective system for tracking and promoting legislation important to the City.
- Obtain commitment from the state and the Los Angeles Metropolitan Transit Authority for the construction of a sound wall on the 91 freeway from Woodruff Avenue to Lakewood Boulevard.
- Expand upon employee training program to implement specific job related training and employee development.

Finance

- Continue publishing outstanding Comprehensive Annual Financial Report to receive financial reporting excellence awards from the Government Finance Officers Association and California Society of Municipal Finance Officers.
- Continue maintaining accurate financial records for successful completion of financial and special compliance audits including the City, Redevelopment Agency, Public Facilities Corporations, Proposition A, Proposition C, Transportation Development Act (TDA) Article 3, and Federal grants.
- Continue preparing the Operating Budget timely for Council consideration and community participation.
- Continue managing the citywide computer hardware and software replacement program.
- Continue researching options to improve the network connection speed for remote locations.

Public Safety

- 5% reduction in Part I Crime Rate.
- 5% reduction in auto thefts.
- 5% reduction in auto burglaries.
- 5% reduction in residential and other burglaries.
- Maintain average Emergency response time of less than three minutes.
- Reduce average Priority response time to seven minutes or less.
- Reduce average Routine response time to 25-minutes or less.
- Continue special operations to abate drug, gang and prostitution activity.
- Continue ongoing saturation patrol operations, including the Eucalyptus/Cornuta/Woodruff Corridor Enrichment Program (CEP).

- Continue ongoing special operations targeting quality of life issues.
- Expansion of the Neighborhood Watch Program to 220 captains and co-captains.
- Seek additional federal, state and other grant funding.

Community Development

Administration:

- Complete a full line of new public handouts for fees for all divisions.
- Complete step-by-step handouts to assist in starting new businesses.

Planning:

- Complete a full review of all residential and commercial uses and establish an organized list of permitted, conditionally permitted, and accessory uses for each zone. Uses will not automatically be allowed in the next less restrictive zone as is currently done (referred to as "pyramid" zoning).
- Adopt a citywide sign ordinance using concepts used in the Town Center Ordinance.
- Coordinate with other city departments/divisions in installing a Geographic Information System that overlays parcel information, property owner names and addresses, business license information, utility systems layout and traffic engineering information.

Building:

- Review all files for expired permits and send out notices.

Code Enforcement:

- Continue an ongoing program to promote and enforce compliance with municipal code relating to property maintenance.
- Develop a program to educate the public about, and increase efforts to obtain compliance with, building and safety codes as they pertain to illegal construction work and illegal dwelling units such as garage conversions.
- Provide monthly reports to Council on the three areas of highest priority: abandoned properties, multi-family units, and commercial corridors.
- Continue the Property Maintenance Award program.
- Continue the areas of specialization for Community Development Inspectors, namely: Town Center Design Review Board compliance, abandoned properties, Residential Property Maintenance inspection team, and monitoring inspections for all discretionary permits.
- Revise and update the Code Enforcement database and case history tracking system.

- Develop property evaluation program and database to track all legal nonconforming properties and their abatement status.

Public Works:

- Start construction of new sidewalks as part of a five year plan to provide sidewalks throughout the City.
- Construct storm drain at Bellflower and Somerset by February 2001.
- Rehabilitate ball field fencing at Simms, Thompson, and Caruthers parks by December 2000.
- Pending available funds, begin the process of upgrading numerous signals along arterial highways. All new controllers will be installed along with a system to "tie" the signals together to "speak" back and forth by early 2001.
- Further improvements to the already high-quality signal maintenance service (contracted with the City of Santa Fe Springs) will be initiated to continually fine tune the operation of the City's signal system.
- Implement the proposed design process of the West Branch Greenway project.
- Work with Caltrans to move the construction time frame of the sound wall project to an earlier date. The project has been set to begin construction in year 2002.

Housing and Grants:

- Rehabilitate 20 multi-family housing units.
- Assist 30 single family homeowners with residential rehabilitation.
- Assist nonprofit developers to acquire and rehabilitate 40 existing rental housing units.
- Assist 10 first-time home buyers.
- Assist 10 low income families through the mobile home assistance program.
- Fund and provide assistance to local agencies serving homeless and other special needs populations.
- Provide rehabilitation assistance to five businesses within the Town Center with an emphasis on code violation abatement and aesthetic improvement.

Redevelopment:

- Assist in private development of major commercial intersections.
- Create a business retention outreach program.

- Study the Artesia Corridor for viable commercial land uses.
- Seek opportunities for new or expanded automobile, motorcycle, boat or RV dealers.
- Maintain a vacancy listing for the project area.

Parks and Recreation

During fiscal year 2000-2001, the Department of Parks and Recreation will use its resources to provide the best possible park facilities and recreation programs to the Bellflower community.

- The popular Bellflower Recreation in Motion (B.R.I.M.) will add a second team. This program visits neighborhoods throughout the City, bringing recreation staff and equipment to areas not in close proximity to a park.
- Another mobile recreation program, known as "Eu-Cor", will serve the high-density, high-crime Eucalyptus and Cornuta Avenue area. Supported by a grant from the Los Angeles County District Attorney's office, Eu-Cor will provide recreation to children living in crowded apartments. In addition, it is hoped the program will project local law enforcement as a positive, youth-friendly influence in the community.
- The Youth Job Apprentice Program will give junior high school students a chance to gain valuable work experience assisting staff with various aspects of recreation programming. Overseen by Department mentors, children 12 to 15 years of age will learn the importance of good work ethics, working as a team, and the functions of a large municipal department.
- Baseball/softball diamonds at the three major parks will receive a major rehabilitation. The project includes the installation of curbing, replacement of chain-link fencing, addition of new brick dust and pitchers' mounds, and the purchase and installation of new bases.
- The Department of Parks and Recreation will develop a schedule of programs and activities at the new Hollywood Sports Center, slated to open in 2001. As part of the agreement, project developers made components of the facility available to the city for sports leagues and special events. It is anticipated the Sports Center will significantly enhance the Department's ability to deliver quality recreation to Bellflower residents.

City Clerk

- Prepare the records currently housed at the City Yard for off-site storage or destruction pursuant to the City's Retention Schedule and Records Management Program and Policies.
- Scan the City's permanent records to preserve the record, facilitate research projects, allow access of the records to all users on the network, and eliminate duplicate copies.
- Re-label (bar code) the City's active agreement and franchise files.

- Agreement/Franchise Control and Compliance. Continue to monitor compliance with the City's insurance/bond requirements; generate a monthly report to all City departments relative to the pending expiration of City agreements and franchises; and verify that all required documents have been executed and received by the City prior to executing the agreement/franchise and authorizing commencement of services.
- Conduct the annual purge of City records for offsite storage or destruction, pursuant to the City's Retention Schedule and Records Management Program and Policies.

Election:

- Conduct the March 6, 2001, General Municipal Election (two open seats).
- Prepare a comprehensive Nomination Packet for City Council candidates.
- Update the "Frequently Asked Questions: Election Information; Voting Information; Registration Information; and Absentee Ballot Information" for distribution and posting on the City's web site.
- Continue to improve the City's Voter Outreach Program.
- Conduct Precinct Officers' Training Classes and Election Board Training Classes.
- Implement Bellflower's Student Poll Worker Program.
- Coordinate the Oath of Office Ceremony.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting and budgeting records for general government operations are maintained on a modified accrual basis, with revenues recorded when available and measurable, and expenditures recorded when services or goods are received, and liabilities are incurred.

City management is responsible for establishing and maintaining an internal control structure designed to ensure that City assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates, and judgments by management.

Single Audit. As a recipient of federal, state, and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws, and regulations related to those programs. This internal control structure is subject to periodic evaluation by management, and auditors of the City.

As part of the City's single audit, tests are conducted to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended June 30, 2000 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgeting Controls. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of general, special revenue, debt services and capital projects funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. The City also maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Encumbrances lapse at year end; however, they are re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Governmental Fund Type Revenues. The following schedule presents a summary of the General, Special Revenue, Capital Projects, and Debt Service Fund revenues for the fiscal year ended June 30, 2000 and the amount and percentage of increases and decreases in relation to prior year revenues:

Revenues	Amount	Percent of Total	Increase (Decrease) from 1999	Percent of Increase (Decrease)
Taxes	\$11,524,762	47.6%	\$458,169	4.1%
Licenses and Permits	357,217	1.5	(16,457)	(4.4)
Fines and Penalties	866,297	3.6	161,892	23.0
Investment Revenue	1,432,147	5.9	483,305	50.9
Intergovernmental Revenue	7,965,810	32.9	(33,403)	(0.4)
Charges for Services	1,510,844	6.2	(950,897)	(38.6)
Other Revenues	544,749	2.3	208,808	62.2
Total Revenues	\$24,201,826	100.0%	\$311,417	1.3%

Taxes, the largest revenue source, increased by \$458,169, or 4.1%. With the State's strong economy, the City continues to benefit with taxes that are tied to the overall economy. The increase in the sales tax revenue of \$359,784, or 7.7%, contributed to the majority of the increase in this revenue category. Property tax, franchise fees, and transient occupancy tax increased by \$66,040 (3.4%), \$58,313 (5.8%), and \$64,439 (20.0%), respectively.

The utility users' tax (UUT), on the other hand, decreased by \$82,948, or 3.1%. As discussed previously, the decrease is caused primarily by the change in Southern California Edison's (SCE) method of UUT remittance from billings (estimated collections) to actual collections during fiscal year 1999-2000. This revenue decrease, however, is only a temporary timing difference rather than a permanent revenue loss.

Licenses and Permits decreased by \$16,457, or 4.4%. The total number of permits issued was virtually unchanged from 974 in fiscal year 1998-1999 to 979 in fiscal year 1999-2000. However, as permit fees are charged based on project valuation, the permit fee revenue decreased due to the lower total valuation in fiscal year 1999-2000.

Fines and Penalties increased by \$161,892, or 23.0%, due to increases in vehicle traffic fines and parking citations.

Investment Revenue increased by \$483,305, or 50.9%. This drastic increase was attributable to the higher rate of return on investments, greater investable funds, and increased loan repayments. This year, interest income alone grew by \$227,852, or 45.9%. Repayments of HOME and Community Development Block Grant (CDBG) loans also increased by \$153,643 (400.0%) and \$91,749 (51.1%), respectively.

Intergovernmental Revenue, the second largest source of revenue, decreased slightly by \$33,403, or 0.4%. In General Fund, Motor Vehicle In-Lieu fees provided an increase of \$326,830, or 10.6%. Also contributing to the General Fund's increase was the first time return of the Educational Revenue Augmentation Fund from the State in the amount of \$152,418. In Special Revenue Funds, Transportation (Proposition A) and Proposition C Funds had a combined increase of \$123,641, and the Federal COPS Grant Fund also increased by \$92,109. In Capital Projects Funds, Federal CDBG and HOME Funds provided a combined decrease of \$867,035, whereas the Capital Projects Fund provided an increase with the receipt of a Federal grant in the amount of \$140,184.

Charges for Services decreased by \$950,897, or 38.6%, largely due to reduced water sales caused by one of the five local water companies ceasing to purchase water from the City.

Other Revenues increased by \$208,808, or 62.2%. Donations increased by \$273,307; however, insurance refunds decreased by \$63,198.

Governmental Fund Type Expenditures. The following schedule presents a summary of General, Special Revenue, Capital Projects, and Debt Service Fund expenditures for the fiscal year ended June 30, 2000 and the amount and percentage of increases and decreases in relation to prior year amounts:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 1999	Percent of Increase (Decrease)
Current:				
General Government	\$ 2,198,650	9.9%	\$ 167,662	8.3%
Public Safety	7,493,235	33.9	245,403	3.4
Public Works	4,859,882	22.0	368,666	8.2
Community Development	2,478,172	11.2	(129,695)	(5.0)
Parks and Recreation	1,696,505	7.7	119,661	7.6
Public Utilities	1,040,198	4.7	(1,041,676)	(50.0)
Capital Outlay	1,371,988	6.2	397,557	40.8
Debt Service	977,394	4.4	257,502	35.8
Total Expenditures	\$22,116,024	100.0%	\$ 385,080	1.8%

General Government expenditures increased by \$167,662, or 8.3%. The increase was caused primarily by the creation of a new position in Personnel, expansion of computer contract services from half-time to full-time, and additional equipment replacement charges.

Public Safety expenditures increased by \$245,403, or 3.4%. The cost for services provided by the Sheriff's Department increase by 2.13%, and a deputy director position was created.

Public Works expenditures increased by \$368,666, or 8.2%. Street maintenance expenditures increased by \$421,503 while capital expenditures with Air Quality Management District fees decreased by \$115,739. Street maintenance includes residential street resurfacing and slurry seal, street signs, street sweeping, tree trimming, and others.

Community Development expenditures decreased by \$129,695, or 5.0%. Federal HOME program expenditures decreased by \$446,770, whereas redevelopment, community promotions, and code enforcement expenditures increased by \$170,766, \$69,859, and \$99,915, respectively.

Parks and Recreation expenditures increased by \$119,661, or 7.6%. The city-school recreation program added \$90,461 by expanding after-school recreation program hours in support of a newly created, State-funded program known as Project APPLE.

Public Utilities expenditures decreased by \$1,041,676, or 50.0%, mainly due to reduced water sales caused by one of the five local water companies ceasing to purchase water from the City.

Capital Outlay increased by \$397,557, or 40.8%. Capital projects, by their nature, can fluctuate significantly from one year to another.

Debt Service increased by \$257,502, or 35.8%. In July 1999, the Public Facilities Corporation refunded its 1989 Refunding Certificates of Participation, incurring related issuance costs of \$300,846 and reducing the 1999-2000 debt service requirement (principal and interest) by \$44,481.

General Fund Balance. The fund balance of the General Fund increased \$2,575,351, from \$8,025,000 to \$10,600,351. Of the \$2,575,351 increase, the General Fund departments in aggregate saved \$2,090,960, and revenues came in higher than expected by \$2,157,228.

Pension Plan. The City continues to participate in the California Public Employees' Retirement System (CalPERS). The City pays for both the employer and member contributions for full-time management and miscellaneous employees at 0.0% of base salary and 7.0% of salary adjusted for Social Security benefits, respectively.

Long-Term Obligations. The City has oversight responsibilities for the Bellflower Public Facilities Corporation and the Bellflower Redevelopment Agency. As such, all debt instruments issued by these two agencies are included in this report.

In 1981, the City created the Bellflower Public Facilities Corporation under the General Non-Profit Corporation Law of the State of California primarily for the purpose of providing financial assistance to the City to construct a civic center and auditorium complex and to make certain park improvements. In July 1999, the Corporation refunded the 1989 Refunding Certificates of Participation by issuing \$6,360,000 Refunding Certificates of Participation dated July 1, 1999. Refunding proceeds together with other funds aggregating to \$5,482,083 were retire the outstanding 1989 Certificates. The new 20-year Certificates bear interest rates ranging from 3.6% to 5.0% a year and mature serially in increasing amounts on each October 1, through 2019. The City is obligated to annual lease payments through October 1, 2019 ranging from \$461,250 to \$508,115. The outstanding certificates at June 30, 2000 amounted to \$6,110,000.

In 1991, the Redevelopment Agency was established by the City Council pursuant to the California Community Redevelopment Law, Part I of Division 24 (commencing with Section 33000) of the Health and Safety Code to help eliminate blight in the City. Redevelopment Project Area No. 1, which was also adopted in 1991, consists of approximately 600 acres, or 15% of the area of the City. Shortly after its creation, Los Angeles County challenged the legal existence of the Redevelopment Agency. Following a four year legal battle with the County, in early 1995, an appellate court ruled in favor of the Redevelopment Agency. In March 1996, the Redevelopment Agency successfully issued its first Tax Allocation Bonds, in the sum of \$2,115,000. These 30-year bonds bear interest rates ranging from 8.70% to 9.625%. The bonds are secured by future tax increment revenues of the Agency; neither the City nor the Agency are liable for the bonds in any other respect. The annual debt service payments through August 1, 2026 range from \$212,958 to \$217,613. The outstanding bonds at June 30, 2000 amounted to \$2,065,000.

Appropriations Limit. During a special election in 1979, the voters of California approved Article XIII-B of the California State Constitution, known as the "Gann Initiative." Article XIII-B provides limits regarding the total amount of appropriations in any fiscal year from the "proceeds of taxes."

In 1980, the State Legislature added Section 9710 to the Government Code providing that the governing body of each local jurisdiction must establish, by resolution, an appropriation limit for the following year. The appropriation limit for any fiscal year is equal to the previous year's limit, adjusted for city or county population changes, whichever is greater, and the change in California per capita income or the growth in nonresidential assessed valuation due to new construction within the City, whichever is greater. The necessary statistical information is provided by the California Department of Finance.

For fiscal year 1999-2000, the City's Appropriation Limit and the Appropriations Subject to the Limit were \$28,323,437 and \$11,906,024, respectively. The City's appropriations consistently remain considerably below the appropriation limit and are not expected to exceed it in the near future.

Cash Management. The City Treasurer is responsible for investing available cash in accordance with State Government Code and Investment Policy adopted by the City Council. These investments include the State Treasurer's Local Agency Investment Fund, government securities, and money market funds. The cash management system of the City is designed to monitor revenues and expenditures to ensure the investment of monies to the fullest extent possible. The criteria for selecting investments are, in order of priority: (a) safety, (b) liquidity, and (c) yield.

At June 30, 2000, the City had \$10,145,974 in non-restricted cash and investments, largely invested in Local Agency Investment Fund. The average monthly cash and investment balance was \$8,063,413 which earned interest of \$463,364, a net return of 5.7 percent.

General Fixed Assets. The General Fixed Assets for the City are those assets used in the performance of general governmental functions and exclude the fixed assets of the enterprise funds. As of June 30, 2000, the general fixed assets of the City totaled \$21,410,937. This amount represents the original or estimated historical cost of the assets. Depreciation of general fixed assets is not recognized.

Risk Management. The objective of the City is the conservation of its resources from accidental loss and minimizing the effects of losses when they do occur. The City has continuously demonstrated its efforts to uncover significant loss exposures, to apply reasonable and effective risk controls, and to ensure that the financial integrity of the City is not impaired after a loss.

The City is currently a member of the California Joint Powers Insurance Authority (CJPIA) and participates in its general liability, workers' compensation, fidelity bonds, property, and boiler and machinery protection programs. The City self-insures up to varying levels and excess coverage is purchased from third-party carriers through CJPIA. Management believes that sufficient funds are being accumulated in the General Fund to meet expenses as they arise.

OTHER INFORMATION

Independent Audit. State statutes require an annual audit of City's financial records by independent certified public accountants. As a result, the accounting firm of Moss, Levy & Hartzheim was selected to perform the audit for the fiscal year ended June 30, 2000. Because of substantial allocation of Federal Community Development Block Grant funds, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and OMB Circular A-133. The auditors' unqualified (clean) opinion on the general purpose financial statements and accompanying footnotes is included in the Financial Section of this report. The auditors' reports relating specifically to the single audit are included in the Supplemental Information Section.

Awards. GFOA CERTIFICATE OF ACHIEVEMENT AWARD: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bellflower for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such CAFR must satisfy both Generally Accepted Accounting Principles, and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Bellflower has received a Certificate of Achievement for the last six consecutive years. I believe our current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to GFOA to determine its eligibility for a Certificate of Achievement for the fiscal year ended June 30, 2000.

CSMFO CERTIFICATE OF AWARD: The California Society of Municipal Finance Officers (CSMFO) awarded a Certificate of Award for Outstanding Financial Reporting to the City of Bellflower for its CAFR for the fiscal year ended June 30, 1999. I am also submitting the CAFR to CSMFO to determine its eligibility for a Certificate of Award for the fiscal year ended June 30, 2000.

Acknowledgments. The preparation of the City's comprehensive annual financial report could not have been accomplished without the efficient and dedicated services of the entire Finance Department staff. I would like to express appreciation to all members of the department and to Moss, Levy & Hartzheim, our independent auditors, who assisted and contributed to its preparation.

I would also like to thank the Mayor, members of the City Council and the City Administrator for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner, for the best interest of the citizens of the City of Bellflower.

Respectfully submitted,



Tae G. Rhee
Finance Director/
City Treasurer

Certificate of Achievement for Excellence in Financial Reporting

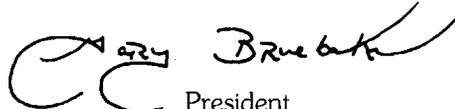
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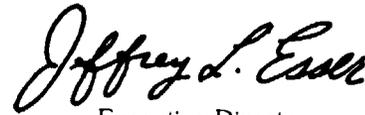
City of Bellflower,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.




Cary Bruebach
President


Jeffrey L. Eselle
Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Outstanding Financial Reporting 1998-99

Presented to the

City of Bellflower



This certificate is issued in recognition of meeting professional standards and criteria in reporting which reflect a high level of quality in the annual financial statements and in the underlying accounting system from which the reports were prepared.

February 28, 2000


Alan J. Brust
Chair, Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management

MISSION STATEMENT

The Mission of the City of Bellflower is:

To protect and enrich the quality of life to make Bellflower an excellent place to live, work and play.

DIRECTORY OF CITY OFFICIALS

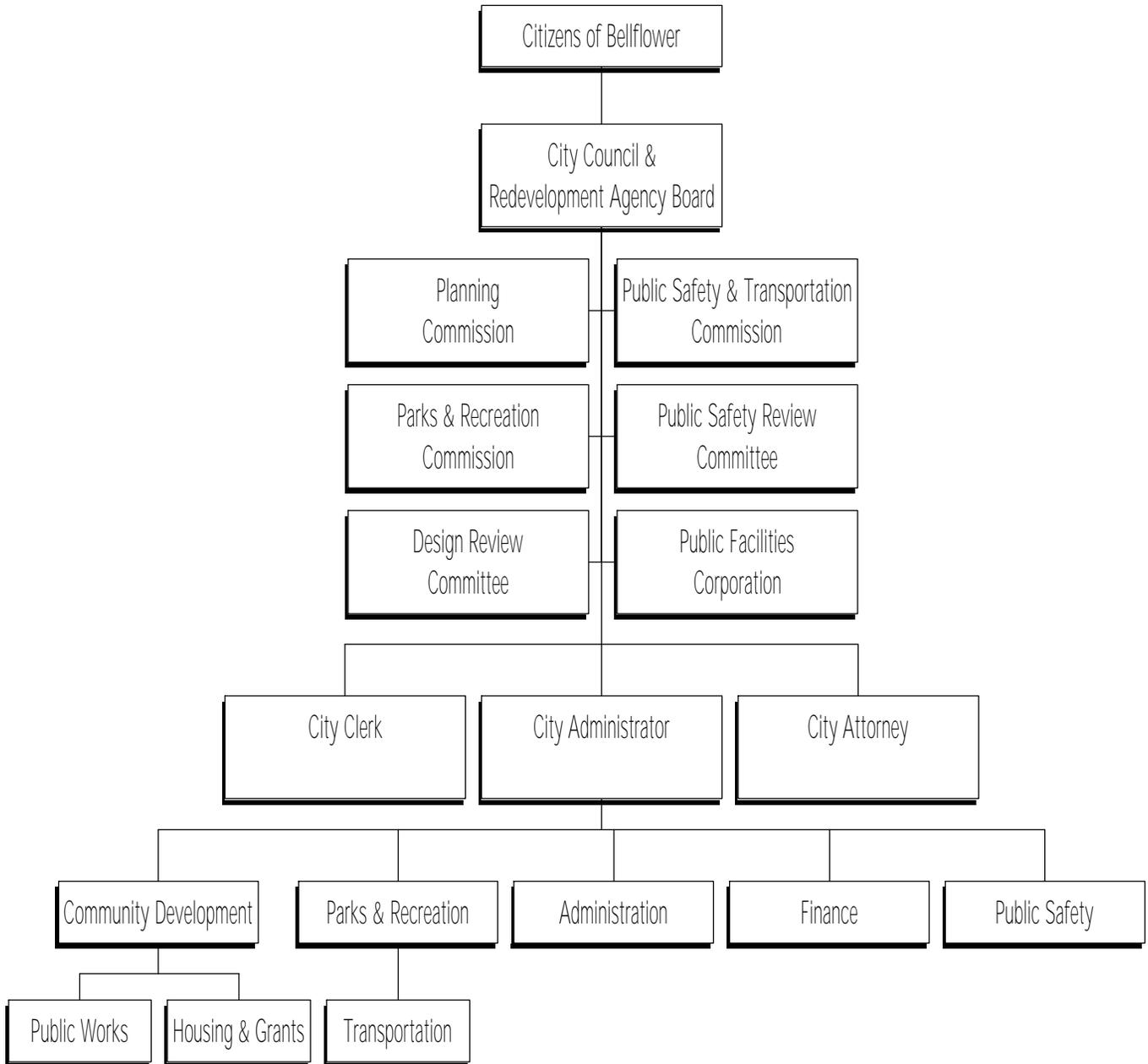
CITY COUNCIL

Randall J. Bomgaars, Mayor
Ray T. Smith, Mayor Pro Tem
Joseph E. Cvetko, Councilman
Ruth A. Gilson, Councilwoman
John K. Pratt, Councilman

PRINCIPAL ADMINISTRATIVE OFFICERS

Michael J. Egan, City Administrator
Debra D. Bauchop, City Clerk
Leo L. Mingle, Assistant City Administrator
Richard A. Pierce, Director of Parks and Recreation
M. Margo Wheeler, Director of Community Development
Tae G. Rhee, Director of Finance/City Treasurer

City of Bellflower Organization Chart





BELLFLOWER

CALIFORNIA



MOSS, LEVY & HARTZHEIM

CERTIFIED PUBLIC ACCOUNTANTS
9107 WILSHIRE BLVD. SUITE 320
BEVERLY HILLS, CALIFORNIA 90210

TELEPHONE (310) 273-2745

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ROBERT M. MOSS, C.P.A.*
RONALD A. LEVY, C.P.A.*
CRAIG A. HARTZHEIM, C.P.A.*
BRETT J. MILLER, C.P.A.
TONI JOKSCH, CPA

MEMBER:

AMERICAN INSTITUTE OF C.P.A.S
CALIFORNIA SOCIETY OF C.P.A.S
CALIFORNIA SOCIETY OF
MUNICIPAL FINANCE OFFICERS
CALIFORNIA ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS

OFFICES:

BEVERLY HILLS, CALIFORNIA
SANTA MARIA, CALIFORNIA
SACRAMENTO, CALIFORNIA
TUSTIN, CALIFORNIA

LINDA N. GRAHAM, C.P.A.

*DENOTES PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

Honorable City Council
Of the City of Bellflower
Bellflower, California

We have audited the accompanying general purpose financial statements of the City of Bellflower as of and for the fiscal year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Bellflower as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the fiscal year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining, individual funds and account groups financial statements and schedules listed in the table of contents are presented for purposes of additional information and are not a required part of the general purpose financial statements of the City of Bellflower. This additional information is the responsibility of the management of the City of Bellflower. Such additional information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole. The statistical section listed in the table of contents was not audited by us and, accordingly, we express no opinion on the statistical section.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2000 on our consideration of the City of Bellflower's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim
Beverly Hills, California
September 21, 2000

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

CITY OF BELLFLOWER
EXPLANATORY COMMENTS

June 30, 2000

COMBINED FINANCIAL STATEMENTS

The following five combined financial statements, along with the Notes to the General Purpose Financial Statements, present an overview of the City's financial position at June 30, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended.

Individual funds and account groups utilized by the City are grouped on these statements into four categories:

GOVERNMENTAL FUND TYPES

These funds (General, Special Revenue, Capital Projects, and Debt Service) are those through which most governmental functions are typically financed. The governmental fund measurement focus is on "financial flow," accounting for sources and uses of available spendable resources, not on net income determination.

PROPRIETARY FUND TYPES

These funds (Internal Service) are used to account for the City's ongoing activities which are similar to those found in the private sector. The proprietary fund measurement focus is "capital maintenance," as in private industry, with the emphasis on net income determination.

AGENCY FUNDS

These funds are used to account for assets held by the City as an agent for private organizations or individuals.

ACCOUNT GROUPS

These accounts (General Fixed Assets and General Long-Term Debt) are used to establish accounting control for the City's general fixed assets and long-term debt.

CITY OF BELLFLOWER
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2000

with Comparative Totals for June 30, 1999

	Governmental Fund Types			
	General	Special	Capital	Debt
	Fund	Revenue Funds	Projects Funds	Service Funds
ASSETS AND OTHER DEBITS				
Cash and investments	\$ 9,175,379	\$ 1,746,700	\$ 662,845	\$ 354,016
Cash and investments with fiscal agents	-	-	2,139,011	558,978
Accounts receivable - net	1,922,836	306,889	244,392	-
Due from other funds	421,785	1,260	14,995	-
Interest receivable	110,582	24,598	16,822	21,327
Notes receivable	-	-	2,309,181	-
Prepaid expenditures	413,186	34,785	17,639	-
Advances receivable	671,837	-	-	-
Fixed assets, net of accumulated depreciation	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-
Total assets and other debits	<u>\$ 12,715,605</u>	<u>\$ 2,114,232</u>	<u>\$ 5,404,885</u>	<u>\$ 934,321</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts and vouchers payable	\$ 1,820,366	\$ 274,825	\$ 238,124	\$ 14,284
Accrued expenditures	160,994	21,890	15,414	-
Due to other funds	-	317,253	105,793	14,994
Deposits	12,259	-	-	-
Deferred revenue	121,635	-	2,483,195	-
Compensated absences	-	-	-	-
Advances payable	-	-	671,837	-
Certificates of participation	-	-	-	-
Bonds payable	-	-	-	-
Total liabilities	<u>2,115,254</u>	<u>613,968</u>	<u>3,514,363</u>	<u>29,278</u>
Fund Equity and Other Credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained Earnings:				
Unreserved	-	-	-	-
Fund Balances:				
Reserved:				
Bond redemption	-	-	-	196,989
Debt service	-	-	-	708,054
Prepaid expenditures	413,186	34,785	17,639	-
Advances to redevelopment agency	671,837	-	-	-
Unreserved:				
Designated for special revenue purposes	-	1,626,244	-	-
Undesignated	9,515,328	(160,765)	1,872,883	-
Total equity and other credits	<u>10,600,351</u>	<u>1,500,264</u>	<u>1,890,522</u>	<u>905,043</u>
Total liabilities, fund equity and other credits	<u>\$ 12,715,605</u>	<u>\$ 2,114,232</u>	<u>\$ 5,404,885</u>	<u>\$ 934,321</u>

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Debt	2000	1999
Internal Service Fund	Agency Funds				
\$ 463,636	\$ 222,714	\$ -	\$ -	\$ 12,625,290	\$ 8,666,945
-	-	-	-	2,697,989	2,253,367
-	1,271	-	-	2,475,388	3,069,458
-	-	-	-	438,040	587,314
5,414	-	-	-	178,743	111,113
-	-	-	-	2,309,181	2,478,737
-	-	-	-	465,610	447,173
-	-	-	-	671,837	671,837
566,981	-	21,410,937	-	21,977,918	20,740,437
-	-	-	905,043	905,043	708,282
-	-	-	7,836,447	7,836,447	7,048,532
<u>\$ 1,036,031</u>	<u>\$ 223,985</u>	<u>\$ 21,410,937</u>	<u>\$ 8,741,490</u>	<u>\$ 52,581,486</u>	<u>\$ 46,783,195</u>
\$ 46,651	\$ -	\$ -	\$ -	\$ 2,394,250	\$ 1,808,552
-	-	-	-	198,298	187,273
-	-	-	-	438,040	587,314
-	223,985	-	-	236,244	226,583
-	-	-	-	2,604,830	2,765,099
-	-	-	566,490	566,490	476,814
-	-	-	-	671,837	671,837
-	-	-	6,110,000	6,110,000	5,195,000
-	-	-	2,065,000	2,065,000	2,085,000
<u>46,651</u>	<u>223,985</u>	<u>-</u>	<u>8,741,490</u>	<u>15,284,989</u>	<u>14,003,472</u>
-	-	21,410,937	-	21,410,937	20,137,792
512,309	-	-	-	512,309	512,309
477,071	-	-	-	477,071	197,160
-	-	-	-	196,989	133,305
-	-	-	-	708,054	574,977
-	-	-	-	465,610	447,173
-	-	-	-	671,837	671,837
-	-	-	-	1,626,244	1,671,298
-	-	-	-	11,227,446	8,433,872
<u>989,380</u>	<u>-</u>	<u>21,410,937</u>	<u>-</u>	<u>37,296,497</u>	<u>32,779,723</u>
<u>\$ 1,036,031</u>	<u>\$ 223,985</u>	<u>\$ 21,410,937</u>	<u>\$ 8,741,490</u>	<u>\$ 52,581,486</u>	<u>\$ 46,783,195</u>

See accompanying notes to the general purpose financial statements

CITY OF BELLFLOWER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Taxes	\$ 10,903,794	\$ -	\$ 128,427	\$ 492,541
Licenses and permits	35,363	321,854	-	-
Fines and penalties	866,297	-	-	-
Investment revenue	583,827	98,755	600,365	149,200
Intergovernmental revenue	3,704,466	3,276,679	984,665	-
Charges for current services	461,392	1,049,452	-	-
Other revenues	485,343	-	59,406	-
Total revenues	<u>17,040,482</u>	<u>4,746,740</u>	<u>1,772,863</u>	<u>641,741</u>
Expenditures:				
Current:				
General government	2,196,309	-	2,341	-
Public safety	6,984,143	509,092	-	-
Public works	3,433,555	1,426,327	-	-
Community development	719,391	221,007	1,537,774	-
Parks and recreation	1,696,505	-	-	-
Public utilities	-	1,040,198	-	-
Capital outlay	329,825	286,895	755,268	-
Debt service	-	-	-	977,394
Total expenditures	<u>15,359,728</u>	<u>3,483,519</u>	<u>2,295,383</u>	<u>977,394</u>
Excess of revenues over (under) expenditures	<u>1,680,754</u>	<u>1,263,221</u>	<u>(522,520)</u>	<u>(335,653)</u>
Other Financing Sources (Uses):				
Operating transfers in	1,858,796	47,433	775,956	497,638
Proceeds of refunding certificates	-	-	-	6,360,000
Payment to refunded certificate escrow agent	-	-	-	(5,482,084)
Operating transfers out	(964,199)	(1,331,345)	(41,139)	(843,140)
Total other financing sources (uses)	<u>894,597</u>	<u>(1,283,912)</u>	<u>734,817</u>	<u>532,414</u>
Excess of revenues and other sources over (under) expenditures and other uses	2,575,351	(20,691)	212,297	196,761
Fund balances - July 1	<u>8,025,000</u>	<u>1,520,955</u>	<u>1,678,225</u>	<u>708,282</u>
Fund balances - June 30	<u>\$ 10,600,351</u>	<u>\$ 1,500,264</u>	<u>\$ 1,890,522</u>	<u>\$ 905,043</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

	<u>2000</u>	<u>1999</u>	
\$	11,524,762	\$ 11,066,593	
	357,217	373,674	
	866,297	704,405	
	1,432,147	948,842	
	7,965,810	7,999,213	
	1,510,844	2,461,741	
	<u>544,749</u>	<u>335,941</u>	
	<u>24,201,826</u>	<u>23,890,409</u>	
	2,198,650	2,030,988	
	7,493,235	7,247,832	
	4,859,882	4,491,216	
	2,478,172	2,607,867	
	1,696,505	1,576,844	
	1,040,198	2,081,874	
	1,371,988	974,431	
	<u>977,394</u>	<u>719,892</u>	
	<u>22,116,024</u>	<u>21,730,944</u>	
	<u>2,085,802</u>	<u>2,159,465</u>	
	3,179,823	2,458,979	
	6,360,000	-	
	(5,482,084)	-	
	<u>(3,179,823)</u>	<u>(2,458,979)</u>	
	<u>877,916</u>	<u>-</u>	
	2,963,718	2,159,465	
	<u>11,932,462</u>	<u>9,772,997</u>	
\$	<u><u>14,896,180</u></u>	<u><u>\$ 11,932,462</u></u>	

See accompanying notes to the general purpose financial statements

CITY OF BELLFLOWER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended June 30, 2000

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 10,078,000	\$ 10,903,794	\$ 825,794
Licenses and permits	22,660	35,363	12,703
Fines and penalties	649,000	866,297	217,297
Investment revenue	419,220	583,827	164,607
Intergovernmental revenue	3,099,676	3,704,466	604,790
Charges for current services	468,920	461,392	(7,528)
Other revenues	145,778	485,343	339,565
Total revenues	<u>14,883,254</u>	<u>17,040,482</u>	<u>2,157,228</u>
Expenditures:			
Current:			
General government	2,282,707	2,196,309	86,398
Public safety	7,028,374	6,984,143	44,231
Public works	3,921,015	3,433,555	487,460
Community development	741,538	719,391	22,147
Parks and recreation	1,922,923	1,696,505	226,418
Public utilities	-	-	-
Capital outlay	1,554,131	329,825	1,224,306
Debt service	-	-	-
Total expenditures	<u>17,450,688</u>	<u>15,359,728</u>	<u>2,090,960</u>
Excess of revenues over (under) expenditures	<u>(2,567,434)</u>	<u>1,680,754</u>	<u>4,248,188</u>
Other Financing Sources (Uses):			
Operating transfers in	1,691,599	1,858,796	167,197
Proceeds of refunding certificates	-	-	-
Payment to refunded certificate escrow agent	-	-	-
Operating transfers out	<u>(835,454)</u>	<u>(964,199)</u>	<u>(128,745)</u>
Total other financing sources (uses)	<u>856,145</u>	<u>894,597</u>	<u>38,452</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (1,711,289)</u>	2,575,351	<u>\$ 4,286,640</u>
Fund balances - July 1, 1999		<u>8,025,000</u>	
Fund balances - June 30, 2000		<u>\$ 10,600,351</u>	

See accompanying notes to the general purpose financial statements

Special Revenue Funds			Capital Projects Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 73,600	\$ 128,427	\$ 54,827
307,700	321,854	14,154	-	-	-
-	-	-	-	-	-
57,220	98,755	41,535	260,000	600,365	340,365
3,057,278	3,276,679	219,401	4,511,103	984,665	(3,526,438)
2,014,800	1,049,452	(965,348)	-	-	-
-	-	-	1,984	59,406	57,422
<u>5,436,998</u>	<u>4,746,740</u>	<u>(690,258)</u>	<u>4,846,687</u>	<u>1,772,863</u>	<u>(3,073,824)</u>
-	-	-	-	2,341	(2,341)
509,422	509,092	330	-	-	-
1,471,406	1,426,327	45,079	-	-	-
202,000	221,007	(19,007)	3,427,619	1,537,774	1,889,845
-	-	-	-	-	-
1,991,986	1,040,198	951,788	-	-	-
765,933	286,895	479,038	3,186,092	755,268	2,430,824
-	-	-	-	-	-
<u>4,940,747</u>	<u>3,483,519</u>	<u>1,457,228</u>	<u>6,613,711</u>	<u>2,295,383</u>	<u>4,318,328</u>
<u>496,251</u>	<u>1,263,221</u>	<u>766,970</u>	<u>(1,767,024)</u>	<u>(522,520)</u>	<u>1,244,504</u>
52,765	47,433	(5,332)	1,210,273	775,956	(434,317)
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,303,200)</u>	<u>(1,331,345)</u>	<u>(28,145)</u>	<u>(293,090)</u>	<u>(41,139)</u>	<u>251,951</u>
<u>(1,250,435)</u>	<u>(1,283,912)</u>	<u>(33,477)</u>	<u>917,183</u>	<u>734,817</u>	<u>(182,366)</u>
<u>\$ (754,184)</u>	(20,691)	<u>\$ 733,493</u>	<u>\$ (849,841)</u>	212,297	<u>\$ 1,062,138</u>
	<u>1,520,955</u>			<u>1,678,225</u>	
	<u>\$ 1,500,264</u>			<u>\$ 1,890,522</u>	

See accompanying notes to the general purpose financial statements

Continued

CITY OF BELLFLOWER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended June 30, 2000
(Continued)

	Debt Service Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 282,400	\$ 492,541	\$ 210,141
Licenses and permits	-	-	-
Fines and penalties	-	-	-
Investment revenue	83,100	149,200	66,100
Intergovernmental revenue	-	-	-
Charges for current services	-	-	-
Other revenues	-	-	-
Total revenues	<u>365,500</u>	<u>641,741</u>	<u>276,241</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	-
Parks and recreation	-	-	-
Public utilities	-	-	-
Capital outlay	-	-	-
Debt service	982,632	977,394	5,238
Total expenditures	<u>982,632</u>	<u>977,394</u>	<u>5,238</u>
Excess of revenues over (under) expenditures	<u>(617,132)</u>	<u>(335,653)</u>	<u>281,479</u>
Other Financing Sources (Uses):			
Operating transfers in	505,506	497,638	(7,868)
Proceeds of refunding certificates	6,360,000	6,360,000	-
Payment to refunded certificate escrow agent	(5,482,084)	(5,482,084)	-
Operating transfers out	(1,028,399)	(843,140)	185,259
Total other financing sources (uses)	<u>355,023</u>	<u>532,414</u>	<u>177,391</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (262,109)</u>	196,761	<u>\$ 458,870</u>
Fund balances - July 1, 1999		<u>708,282</u>	
Fund balances - June 30, 2000		<u>\$ 905,043</u>	

See accompanying notes to the general purpose financial statements

Combined Totals (Memorandum Only)

Budget	Actual	Variance Favorable (Unfavorable)
\$ 10,434,000	\$ 11,524,762	\$ 1,090,762
330,360	357,217	26,857
649,000	866,297	217,297
819,540	1,432,147	612,607
10,668,057	7,965,810	(2,702,247)
2,483,720	1,510,844	(972,876)
147,762	544,749	396,987
<u>25,532,439</u>	<u>24,201,826</u>	<u>(1,330,613)</u>
2,282,707	2,198,650	84,057
7,537,796	7,493,235	44,561
5,392,421	4,859,882	532,539
4,371,157	2,478,172	1,892,985
1,922,923	1,696,505	226,418
1,991,986	1,040,198	951,788
5,506,156	1,371,988	4,134,168
982,632	977,394	5,238
<u>29,987,778</u>	<u>22,116,024</u>	<u>7,871,754</u>
<u>(4,455,339)</u>	<u>2,085,802</u>	<u>6,541,141</u>
3,460,143	3,179,823	(280,320)
6,360,000	6,360,000	-
(5,482,084)	(5,482,084)	-
<u>(3,460,143)</u>	<u>(3,179,823)</u>	<u>280,320</u>
<u>877,916</u>	<u>877,916</u>	<u>-</u>
<u>\$ (3,577,423)</u>	2,963,718	<u>\$ 6,541,141</u>
	<u>11,932,462</u>	
	<u>\$ 14,896,180</u>	

See accompanying notes to the general purpose financial statements

CITY OF BELLFLOWER
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	Proprietary Fund Type	Totals (Memorandum Only)	
	Internal Service	2000	1999
Revenues:			
Department charges	\$ 480,518	\$ 480,518	\$ 238,759
Investment earnings	20,852	20,852	-
Total revenues	<u>501,370</u>	<u>501,370</u>	<u>238,759</u>
Expenses:			
Depreciation	<u>221,459</u>	<u>221,459</u>	<u>197,661</u>
Total expenses	<u>221,459</u>	<u>221,459</u>	<u>197,661</u>
Operating income (loss)	<u>279,911</u>	<u>279,911</u>	<u>41,098</u>
Non-Operating Revenues and Expenses:			
Loss on sale of fixed assets	<u>-</u>	<u>-</u>	<u>(8,931)</u>
Total non-operating revenues and expenses	<u>-</u>	<u>-</u>	<u>(8,931)</u>
Net income (loss)	279,911	279,911	32,167
Retained earnings - July 1	<u>197,160</u>	<u>197,160</u>	<u>164,993</u>
Retained earnings - June 30	<u><u>\$ 477,071</u></u>	<u><u>\$ 477,071</u></u>	<u><u>\$ 197,160</u></u>

See accompanying notes to the general purpose financial statements

CITY OF BELLFLOWER
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	Proprietary Fund Type	Totals (Memorandum Only)	
	Internal Service	2000	1999
Operating income	\$ 279,911	\$ 279,911	\$ 41,098
Adjustments to Reconcile Operating Income to Net Cash Provided:			
Add depreciation	221,459	221,459	197,661
Increase (Decrease) in Operating Assets:			
Interest receivable	(5,414)	(5,414)	-
Increase (Decrease) in Operating Liabilities:			
Accounts payable	<u>7,367</u>	<u>7,367</u>	<u>27,334</u>
Net cash provided (used) by operating activities	503,323	503,323	266,093
Cash Flows from Capital and Related Financing Activities:			
Acquisitions of fixed assets	(185,795)	(185,795)	(257,324)
Proceeds from sale of fixed assets	<u>-</u>	<u>-</u>	<u>1,845</u>
Net increase (decrease) in cash and cash equivalents	317,528	317,528	10,614
Cash and cash equivalents at beginning of year	<u>146,108</u>	<u>146,108</u>	<u>135,494</u>
Cash and cash equivalents at end of year	<u><u>\$ 463,636</u></u>	<u><u>\$ 463,636</u></u>	<u><u>\$ 146,108</u></u>

See accompanying notes to the general purpose financial statements

**NOTES TO THE
GENERAL PURPOSE
FINANCIAL STATEMENTS**

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The City of Bellflower incorporated in 1957, is a general law city covering approximately 6.1 square miles. The City is governed by a city council of five members. As required by generally accepted accounting principles, these general purpose financial statements present the City of Bellflower (the primary government) and its component units. The component units discussed in Note B are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

B. Individual Component Unit Disclosures

Blended Component Units. The Redevelopment Agency of the City of Bellflower (the "Agency") is governed by the City Council of the City of Bellflower. Although it is legally separate from the City, the Agency is reported as if it were part of the primary government because the City Council is the governing board, and is able to impose its will on the Agency. The Agency is reported as separate funds in the Capital Projects and Debt Service Funds.

The Bellflower Public Facilities Corporation (the "Corporation") is governed by City officers. Although it is legally separate from the City, the Corporation is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public facilities. The Corporation is reported as a separate fund in the Debt Service Funds.

Separate Redevelopment Agency and Public Facilities Corporation financial statements may be obtained by writing Finance Director, City of Bellflower, 16600 Civic Center Drive, Bellflower, CA 90706, or by phone: (562) 804-1424.

Discretely Presented Component Units. There are no entities which meet the *Governmental Accounting Standards Board Statement No. 14* criteria for discrete disclosure within these financial statements.

C. Accounting Policies

The accounting policies of the City conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

D. Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered 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. Government 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. The various funds are grouped, in the financial statements in this report, into four broad categories which in aggregate include six fund types and two account groups as follows:

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

GOVERNMENTAL FUNDS

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

PROPRIETARY FUND

Internal Service Fund

The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency for other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds

Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental and/or other funds. The City uses only agency funds, which are custodial in nature (assets equal liabilities) and do not reflect the measurement of results of operations.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

ACCOUNT GROUPS

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheet. Their reported fund balance is considered a measure of "available spendable resources." Thus, the fixed assets and long-term liabilities associated with governmental funds are accounted for in the account groups of the City.

General Fixed Assets Account Group accounts for fixed assets used in governmental fund type operations.

General Long-Term Debt Account Group accounts for long-term liabilities expected to be financed from governmental funds.

E. Basis of Accounting

Basis of accounting refers to revenues and expenditures or expenses being recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become measurable and available. The City considers interest, certain taxes, subventions, and grant revenues earned, but not received, as susceptible to accrual under this method.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this rule is that principal and interest on general long-term debt is recognized when due.

The internal service fund is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned and become measurable, and its expenses are recognized when they are incurred. Unbilled receivables are recorded as accounts receivable and as revenue when earned. There were no unbilled receivables at June 30, 2000.

In accordance with GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the City has opted to apply to the proprietary fund all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgets and Budgetary Accounting

The City Council has the responsibility for adoption of the City's budget. Budgets are adopted for governmental funds. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during each fiscal year. The city administrator is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the City are subject to annual review by the City Council; hence, they legally are one year contracts with an option for renewal for another fiscal year.

Budgetary comparison is provided in the accompanying financial statements for the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds. Budgeted revenue and expenditure amounts shown represent the City's originally-adopted legal budget adjusted for unanticipated revenues and appropriations during the course of the fiscal year. Budget amounts, as adjusted, reported for the governmental funds of the City are adopted on a basis consistent with generally accepted accounting principles (GAAP). Supplementary budgetary appropriations were \$2,498,257 for the fiscal year.

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, are employed as an extension of formal budgetary integration in the governmental fund types. Encumbrances outstanding at the end of the year are cleared out and reappropriated in the following year's budget. The City had no outstanding encumbrances at the end of the year.

H. Investments

The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 31, **Accounting and Financial Reporting for Certain Investments and External Pools**, which require governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Unbilled Service Receivables

Revenues recorded in the City's Water Operating Fund (a Special Revenue Fund) include billings, at wholesale rates, to independent water service companies who, in turn, supply water service to Bellflower residents. As of June 30, 2000, all related billings are current.

J. Fixed Assets

Fixed assets in the proprietary funds are stated at historical cost. Depreciation has been provided over the estimated useful lives using the straight-line method.

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group.

The general fixed assets are stated at their historical cost. No depreciation has been provided.

Donated fixed assets are recorded at estimated fair value on the date of donation in the proprietary funds and the general fixed assets account group.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

The City capitalizes interest relating to certain long-term construction projects. Capitalized interest is charged to property and equipment and amortized over the life of the related assets in order to properly match expenses with revenues resulting from the facilities. During the current fiscal period, there was no capitalized interest.

Fixed assets acquired by lease/purchase are capitalized in the general fixed assets account group. Fixed assets acquired by lease/purchase are capitalized and depreciated in the proprietary funds.

K. Fund Equity:

S Reserved Fund Balance indicates that portion of fund equity which has been legally segregated for specific purposes;

S Designated Fund Balance indicates that portion of fund equity for which the City Council has made tentative plans for financial resource utilization in a future period; and

S Undesignated Fund Balance indicates that portion of fund equity which is available for budgeting in future periods.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Comparative Data/Totals (Memorandum Only)

Comparative total data for the prior year has been presented in certain of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. Also, certain of the prior year amounts have been reclassified to conform with the current year financial statement presentations.

"Memorandum Only" captions on total columns of combined statements mean that totals are presented for overview informational purposes only and that they do not fairly present financial position or results of operations for the governmental unit as a whole in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of these totals.

N. Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations - are established by the Assessor of the County of Los Angeles for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies - are limited to 1% of full market value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Property Taxes (Continued)

Tax Levy Dates - are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections - are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payments.

Tax Levy Apportionments - Due to the nature of the City-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees - The State of California FY 1990-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

O. Compensated Absences

Vacation time may be accumulated up to 320 hours per employee. Cash compensation for accrued vacations is generally not payable until the employee terminates employment with the City. Sick leave may be accumulated to a maximum of 160 hours. Cash compensation for unused sick leave in excess of 160 hours for employees is payable to an employee on the last payday in November. Cash compensation for the balance of sick leave is payable to an employee upon termination of employment with the City.

Cash compensation for vacations, sick leave and compensatory time paid to employees within any one year is not expected to be material. The amount recorded does not exceed a normal year's accumulation.

The City records in the general long-term debt account group the estimated amount of liability for compensated absences.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Cash and Equivalents

For purposes of the statement of cash flows for the internal service fund, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered cash equivalents.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

A deficit fund balance of \$160,765 exists in the Water Operating Fund. The deficit is caused by operating costs exceeding operating revenues. The deficit amount is expected to be recovered in fiscal year 2000-01 through the sale of the City's water operations.

Excess of Expenditures Over Appropriations

Excesses of expenditures over appropriations in individual funds are as follows:

<u>Fund</u>	<u>Function</u>	<u>Excess Expenditures</u>
Special Revenue Funds:		
TDA Article 3 Bikeway Fund	Capital Outlay	\$ 2,664
Transportation Fund	Public Works	1,515
Building and Safety Fund	Community Development	19,007
FED-COPS Grant Fund	Public Safety	16,212
Capital Projects Funds:		
Redevelopment Agency Fund	Community Development	139,052
Redevelopment Agency Housing Set-Aside Fund	General Government	2,341

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 3 - CASH AND INVESTMENTS

The City pools idle cash from all funds for the purpose of increasing income through investment. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balances of each fund.

On June 30, 2000, the City had the following cash and investments on hand:

	Carrying Amount
Pooled cash	\$ 1,405,575
Pooled investments	11,219,715
Cash and investments with fiscal agents	2,697,989
Total cash and investments	\$ 15,323,279

Cash and investments listed above are presented on the accompanying financial statements as follows:

Cash and investments	\$ 12,625,290
Cash and investments with fiscal agents	2,697,989
Total cash and investments	\$ 15,323,279

Authorized Investments

- C Local Agency Investment Fund (LAIF) - State of California Investment Pool
- C Certificates of Deposit
- C Commercial Paper
- C Savings Accounts
- C Money Market Accounts
- C U.S. Treasury Obligations
- C Federal Agency Securities
- C Mutual Funds

Pooled Cash

Pooled cash includes cash on hand, commercial bank accounts, and certificates of deposit. All pooled cash is entirely insured or collateralized. The California Government Code requires California banks and savings and loan associations to secure a city's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of a city's deposits. California law also allows financial institutions to secure city deposits by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits.

The City may waive collateral requirements for deposits which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC).

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 3 - CASH AND INVESTMENTS (Continued)

Credit Risk, Carrying Amount, and Market Value

Cash is classified in three categories of credit risk as follows:

- Category 1 - insured or collateralized with securities held by the entity or by its agent in the entity's name;
- Category 2 - collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name; and
- Category 3 - uncollateralized.

Investments are also classified in three categories of credit risk as follows:

- Category 1 - insured or registered, with securities held by entity or its agent in the entity's name;
- Category 2 - uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name; and
- Category 3 - uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the entity's name.

Investments in pools managed by other governments or in mutual funds are not required to be categorized.

At June 30, 2000, the carrying amount of the City's deposits was \$1,405,575. The bank's balance was \$1,754,232. This difference is due to the normal deposits in transit and outstanding checks. City cash deposits by category as of June 30, 2000, are as follows:

	<u>Category</u>			<u>Bank</u>	<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Balance</u>	<u>Amount</u>
Bank accounts	<u>\$ 912,918</u>	<u>\$ 841,314</u>	<u>\$ -</u>	<u>\$ 1,754,232</u>	<u>\$1,405,575</u>
Total deposits	<u>\$ 912,918</u>	<u>\$ 841,314</u>	<u>\$ -</u>	<u>\$ 1,754,232</u>	<u>\$1,405,575</u>

City investments by category as of June 30, 2000 are as follows:

	<u>Category</u>			<u>Carrying</u>	<u>Fair</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount/ Cost</u>	<u>Value</u>
Investments Controlled by the City:					
LAIF	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$11,219,715</u>	<u>\$11,206,987</u>

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 3 - CASH AND INVESTMENTS (Continued)

	Category			Carrying Amount/ Cost	Fair Value
	1	2	3		
Total investments controlled by City Treasurer	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>11,219,715</u>	<u>11,206,987</u>
Amounts Invested by Fiscal Agents:					
U.S. Government Money Market Fund	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>2,697,989</u>	<u>2,697,989</u>
Total invested by Fiscal Agents	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>2,697,989</u>	<u>2,697,989</u>
Total investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$13,917,704</u>	<u>\$13,904,976</u>

During the year ended June 30, 2000, the City did not invest in repurchase agreements.

LAIF reports portfolio holding by amortizing the cost of investments, including accrued interest. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2000, LAIF has determined that the fair value of participant deposits in the pool is 99.8865556% of recorded deposits.

In accordance with Government Accounting Standards Board Statement No. 31, investments have been stated at cost because the difference between cost and fair value was not material to the general purpose financial statements.

NOTE 4 - NOTES RECEIVABLE

Notes receivable in the amount of \$2,309,181 consist of mortgage loans for housing and commercial property rehabilitation and construction from following funding sources:

	<u>Note Amount</u>
Redevelopment Agency	\$ 50,000
Redevelopment Agency Housing Set-Aside	116,649
Community Development Block Grant	1,425,934
HOME	<u>716,598</u>
Total	<u>\$ 2,309,181</u>

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 5 - FIXED ASSETS

A summary of changes in General Fixed Assets is shown below:

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2000</u>
Land	\$ 6,974,618	\$ 163,750	\$ -	\$ 7,138,368
Buildings and improvements	10,319,934	682,884	-	11,002,818
Machinery and equipment	2,749,230	460,256	33,745	3,175,741
Water rights	<u>94,010</u>	<u>-</u>	<u>-</u>	<u>94,010</u>
Totals	<u>\$ 20,137,792</u>	<u>\$1,306,890</u>	<u>\$ 33,745</u>	<u>\$ 21,410,937</u>

Land, buildings and equipment of the Proprietary Fund type at June 30, 2000 include:

	<u>Internal</u> <u>Service</u>
Furniture and fixtures	\$ 50,652
Equipment	<u>1,283,149</u>
Total fixed assets	1,333,801
Less: accumulated depreciation	<u>(766,820)</u>
Fixed assets (net of depreciation)	<u>\$ 566,981</u>

Depreciation of all exhaustible fixed assets used by the internal service fund is charged as an expense against its operation. Fixed assets acquired by lease/purchase are capitalized and depreciated. Accumulated depreciation is reported on the Combined Balance Sheet - All Fund Types and Account Group. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Equipment Replacement Fund

Furniture and fixtures	5 - 10 years
Equipment	5 - 10 years

NOTE 6 - REFUNDING CERTIFICATES OF PARTICIPATION

The 1999 Refunding Certificates of Participation (COPS) issued by the Bellflower Public Facilities Corporation and outstanding at June 30, 2000 bear interest at 3.6% to 5% a year and mature serially in increasing amounts on each October 1, through 2019. The 1989 Refunding COPS, 1983 Refunding COPS, and 1981 Leasehold Mortgage Revenue Serial Bonds were retired on October 1, 1999, December 1, 1992, and September 1, 1992, respectively.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 6 - REFUNDING CERTIFICATES OF PARTICIPATION (Continued)

Annual debt service requirements are as follows:

<u>Fiscal Year</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2001	\$ 230,000	\$ 275,645	\$ 505,645
2002	240,000	267,185	507,185
2003	250,000	258,115	508,115
2004	220,000	249,075	469,075
2005	225,000	240,285	465,285
2006-2020	<u>4,945,000</u>	<u>2,029,940</u>	<u>6,974,940</u>
	<u>\$ 6,110,000</u>	<u>\$ 3,320,245</u>	<u>\$ 9,430,245</u>

NOTE 7 - SONRISA SEWER ASSESSMENT DISTRICT BONDS

On June 25, 1990, Assessment District No. 69 issued \$86,000 in special assessment bonds for construction of sanitary sewers and appurtenances on Sonrisa Street. Neither the faith, credit nor the taxing power of the City is pledged for the repayment of the bonds. Accordingly, no liability has been recorded in the General Long-Term Debt Account Group. The City is in no way liable for repayment, but is only acting as an agent for the property owners and bond holders in collecting and forwarding the special assessment. At June 30, 2000, the amount of principal outstanding on the bonds is \$0.

NOTE 8 - TAXABLE TAX ALLOCATION BONDS

The 1996 Taxable Tax Allocation Bonds issued by the Bellflower Redevelopment Agency and outstanding at June 30, 2000 bear interest at 8.70% to 9.625% a year and mature serially in increasing amounts on each August 1, through 2026. Annual debt service requirements are as follows:

<u>Fiscal Year</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2001	\$ 20,000	\$ 194,917	\$ 214,917
2002	20,000	193,177	213,177
2003	25,000	191,220	216,220
2004	25,000	189,045	214,045
2005	25,000	186,870	211,870
2006-2027	<u>1,950,000</u>	<u>2,701,815</u>	<u>4,651,815</u>
	<u>\$ 2,065,000</u>	<u>\$ 3,657,044</u>	<u>\$ 5,722,044</u>

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 9 - CHANGES IN GENERAL LONG-TERM DEBT ACCOUNT GROUP

The following is a summary of General Long-Term Debt Account group transactions for the fiscal year ended June 30, 2000:

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2000</u>
Certificates of participation	\$ 5,195,000	\$ 6,110,000	\$ 5,195,000	\$ 6,110,000
Tax allocation bonds	2,085,000	-	20,000	2,065,000
Compensated absences	<u>476,814</u>	<u>89,676</u>	<u>-</u>	<u>566,490</u>
	<u>\$ 7,756,814</u>	<u>\$ 6,199,676</u>	<u>\$ 5,215,000</u>	<u>\$ 8,741,490</u>

NOTE 10 - LONG-TERM DEBT

Debt service requirements of long-term debt are summarized as follows:

Fiscal Year Ending <u>June 30</u>	<u>Principal Maturities</u>		<u>Interest</u>	<u>Total Debt Service</u>
	<u>Tax-Allocation Bond</u>	<u>Certificates of Participation</u>		
2001	\$ 20,000	\$ 230,000	\$ 470,562	\$ 720,562
2002	20,000	240,000	460,362	720,362
2003	25,000	250,000	449,335	724,335
2004	25,000	220,000	438,120	683,120
2005	25,000	225,000	427,155	677,155
2006-2027	<u>1,950,000</u>	<u>4,945,000</u>	<u>4,731,755</u>	<u>11,626,755</u>
	<u>\$ 2,065,000</u>	<u>\$ 6,110,000</u>	<u>\$ 6,977,289</u>	<u>\$ 15,152,289</u>

NOTE 11- CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

Plan Description

The City of Bellflower contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, 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. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees-Retirement Law. The City of Bellflower selects optional benefit provisions from the benefit menu by contract with PERS and adopts those benefits through local ordinance. PERS issues a separate comprehensive annual financial report. Copies of the PERS= annual financial report may be obtained from the PERS Executive Office - 400 P Street, Sacramento, CA 95814.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 11 - CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN), (Continued)

Funding Policy

Active participants are required to contribute 7% of their annual covered salary. The City makes the contributions required of city employees on their behalf and for their account. For the year ended June 30, 2000, the amount contributed by the City on behalf of the employees was \$196,185. The City is also required to contribute at an actuarially determined rate calculated as a percentage of covered payroll. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for the year ended June 30, 2000 was 0% for miscellaneous employees. Benefit provisions and contribution requirements of participants are established by State statute and city contract with employee bargaining groups, and the employer contribution rate is established and may be amended by PERS.

Annual Pension Cost

For the year ended June 30, 2000, the City's annual pension cost (employer contribution) of \$0 for miscellaneous employees was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 1998, actuarial valuation using the entry age normal actuarial cost method.

The actuarial assumptions included (a) 8.25% long term investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary from 3.75% to 14.20% depending on age, service, and type of employment, (c) long term inflation of 3.50% which is a component of both the long term rate of return and the salary scale, (d) overall payroll growth of 3.75% which consists of inflation and worker productivity, and (e) individual salary growth that varies by duration of employment coupled with an assumed annual inflation component of 3.50% and an annual production growth of 0.25%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period. PERS unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. PERS has combined the prior service unfunded liability and current service unfunded liability into a single initial unfunded liability. At June 30, 1998, the remaining amortization period for the excess assets of \$4,838,504 was in excess of 20 years.

Three Year Trend Information for PERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC) *</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/98	\$ 0	100%	\$ 0
6/30/99	0	100%	0
6/30/00	0	100%	0

* Employer contribution.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 11 - CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN), (Continued)

Schedule of Funding Progress for PERS

Actuarial Valuation Date	Entry Age Normal Accrued Liability (A)	Actuarial Value of Assets (B)	Unfunded Liability (Excess Assets) (A-B)	Funded Status (B/A)	Annual Covered Payroll (C)	UAAL* As a % of Covered Payroll [(A-B)/C]
6/30/96	\$ 11,136,377	\$ 12,154,766	\$ (1,018,389)	109.1%	\$ 2,580,145	(39.470%)
6/30/97	10,897,994	13,856,474	(2,958,480)	127.1%	2,619,603	(112.936%)
6/30/98	12,230,891	17,069,395	(4,838,504)	139.6%	2,512,144	(192.605%)

* UAAL - Unfunded actuarial accrued liability

NOTE 12 - DEFERRED COMPENSATION PLAN AND TRUST

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees. Accordingly, the plan/trust assets have been excluded from the City's reported assets.

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In addition to the pension benefits described in Note 11, the City provides postemployment medical benefits in accordance with the public employee's medical and hospital care act and the state employee's medical and hospital care act to all employees who retire from the City. The same benefits are provided to the active employees through Public Employees' Retirement System (PERS). During the year, expenditures of \$177,615 were recognized for postemployment medical benefits, covering 41 retirees. Postemployment benefits are funded on a pay-as-you-go basis.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 14 - CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (CJPIA)

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 84 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 coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors which operates through a 9-member Executive Committee.

General Liability

Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Costs are spread to members as follows: the first \$20,000 of each occurrence is charged directly to the member; costs from \$20,001 to \$500,000 are pooled based on a member's share of costs under \$20,000; costs from \$500,001 to 5,000,000 are pooled based on payroll. Costs of covered claims above \$5,000,000 are currently paid by reinsurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate.

Workers' Compensation Coverage

The City also participates in the workers= compensation pool administered by the Authority. Pool deposits and retrospective adjustments are valued in a manner similar to the General Liability pool. City of Bellflower is charged for the first \$50,000 of each claim. Costs from \$50,001 to \$100,000 per claim are pooled based on the member's losses under its retention level. Costs between \$100,001 and \$500,000 per claim are pooled based on payroll. Costs in excess of \$500,000 are paid by excess insurance purchased by the Authority. The excess insurance provides coverage to statutory limits.

General Liability and Workers= Compensation Equity Balances

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses do not include an estimate of claims that have been incurred but not reported. The City funds all claims payable, including those incurred but not reported, in its annual deposit. Consequently, no liability is shown on the City's financial statements. At June 30, 1999, the City had equity balances as follows:

	<u>General Liability</u>	<u>Workers= Compensation</u>	<u>Total</u>
Beginning equity	\$ 916,682	\$ 371,807	\$ 1,288,489
Deposit	299,234	114,900	414,134
Equity earnings	9,001	-	9,001
Additional deposits (retro refund)	43,407	(46,933)	(3,526)
Claims paid	(388,459)	(97,630)	(486,089)
Ending equity	<u>\$ 879,865</u>	<u>\$ 342,144</u>	<u>\$ 1,222,009</u>

The equity balances for June 30, 2000 will not be available until March 2001.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 14 - CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (CJPIA), (Continued)

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City property is currently insured according to a schedule of covered property submitted by the City to the Authority. Total all-risk property insurance coverage is \$18,304,456. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Earthquake and Flood Insurance

The City 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. The City property currently has earthquake protection in the amount of \$12,888,567. There is a deductible of 5% of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Fidelity Bonds

Effective January 1, 2000, the City purchases blanket fidelity bond coverage in the amount of \$1,000,000 with a \$5,000 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

Other Insurance

There are other commercial insurance policies purchased outside of the Authority as disclosed in the Statistical Section under Schedule of Insurance in Force. These policies include plate glass insurance and special event/tenant user liability insurance.

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.

The Authority issues a separate comprehensive annual financial report. Copies of the Authority's annual financial report may be obtained by writing: California Joint Powers Authority, 4952 La Palma Avenue, La Palma, CA 90623 or phone: (562) 467-8700.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 15 - INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances at June 30, 2000 consisted of the following:

<u>Due to/Due From</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 421,785	\$ -
Special Revenue Funds:		
Gas Tax Fund	-	117,005
AQMD Fund	1,260	-
Water Operating Fund	-	197,266
Lighting Assessment Fund	-	2,982
Capital Projects Funds:		
Capital Projects Fund	14,995	-
Redevelopment Agency	-	105,793
Debt Service Fund:		
Public Facilities Corporation	-	14,994
	<u>\$ 438,040</u>	<u>\$ 438,040</u>
 <u>Advances Receivable/Payable</u>		
General Fund	\$ 671,837	\$ -
Capital Projects Fund:		
Redevelopment Agency	-	671,837
	<u>\$ 671,837</u>	<u>\$ 671,837</u>

NOTE 16 - CONTRIBUTED CAPITAL

The changes in the City's contributed capital account for its proprietary fund were as follows:

Internal Service - Equipment Replacement Fund

<u>Contributing Source</u>	<u>Beginning Balance</u>	<u>Addition</u>	<u>Deletion</u>	<u>Ending Balance</u>
General Fund	<u>\$ 512,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 512,309</u>

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2000

NOTE 17 - INTERFUND TRANSFERS

Individual interfund transfers for the fiscal year ending June 30, 2000 were:

<u>Funds</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 1,858,796	\$ 964,199
Special Revenue Funds:		
Gas Tax Fund	-	1,216,900
Lighting Assessment Fund	-	13,598
Parking District No. 1 Fund	11,428	-
Building and Safety Fund	-	100,847
FED-COPS Grant Fund	36,005	-
Capital Projects Funds:		
Capital Projects Fund	315,689	-
Redevelopment Agency	460,267	-
Redevelopment Agency Housing Set-Aside	-	41,139
Debt Service Funds:		
Public Facilities Corporation	456,499	315,689
Redevelopment Agency	<u>41,139</u>	<u>527,451</u>
	<u>\$ 3,179,823</u>	<u>\$ 3,179,823</u>

NOTE 18 - EXTINGUISHMENT OF DEBT

The 1999 Refunding Certificates of Participation (COPS), dated July 1, 1999, were issued to replace the 1989 Refunding COPS due in annual installments of \$135,000 to \$445,000 through October 1, 2019, at an interest rate of 6% to 7%. In July 1999, proceeds from the 1999 Refunding COPS issue, together with other funds aggregating to \$5,482,084, were placed in an irrevocable escrow refunding trust account with an independent fiscal agent to retire the 1989 Refunding COPS on October 1, 1999. The outstanding 1989 Refunding COPS considered to be defeased amounted to \$5,195,000. As a result of the refunding, the Bellflower Public Facilities Corporation received a lump-sum payment of \$632,369 for qualified capital projects and reduced the total debt service requirements by \$52,848 (\$43,595 present value) for a total economic gain of \$675,964.

NOTE 19 - CONTINGENCIES

According to the City's attorney, no contingent liabilities are outstanding and no lawsuits of any real financial consequence are pending. The City has also received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

**COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP
FINANCIAL STATEMENTS AND SCHEDULES**

CITY OF BELLFLOWER
GENERAL FUND EXPLANATORY COMMENTS
June 30, 2000

The General Fund is used to account for all financial resources traditionally associated with government activities which are not required legally to be accounted for in another fund.

Principal sources of revenues are sales tax, utility users' tax, property taxes, motor vehicle in-lieu fees, and licenses and permits.

Primary expenditures in the General Fund are made for general administration, public safety, public works, community development and parks and recreation.

CITY OF BELLFLOWER
GENERAL FUND
BALANCE SHEET
June 30, 2000
with Comparative Totals for June 30, 1999

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
Cash and investments	\$ 9,175,379	\$ 5,464,669
Accounts receivable - net	1,922,836	1,938,503
Due from other funds	421,785	587,314
Interest receivable	110,582	77,698
Prepaid expenditures	413,186	442,173
Advances receivable	<u>671,837</u>	<u>671,837</u>
 Total assets	 <u>\$ 12,715,605</u>	 <u>\$ 9,182,194</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers payable	\$ 1,820,366	\$ 919,184
Accrued expenditures	160,994	185,627
Deposits	12,259	12,013
Deferred revenue	<u>121,635</u>	<u>40,370</u>
 Total liabilities	 <u>2,115,254</u>	 <u>1,157,194</u>
Fund Balance:		
Reserved:		
Prepaid expenditures	413,186	442,173
Advances to redevelopment agency	671,837	671,837
Unreserved:		
Undesignated	<u>9,515,328</u>	<u>6,910,990</u>
 Total fund balance	 <u>10,600,351</u>	 <u>8,025,000</u>
 Total liabilities and fund balance	 <u>\$ 12,715,605</u>	 <u>\$ 9,182,194</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenues:				
Taxes:				
Property taxes	\$ 1,323,000	\$ 1,386,159	\$ 63,159	\$ 1,346,709
Sales and use taxes	4,545,000	5,026,873	481,873	4,667,089
Transient lodging tax	313,000	386,802	73,802	322,363
Real property transfer tax	85,000	108,801	23,801	83,852
Business license tax	407,000	386,961	(20,039)	419,369
Utility franchises	735,000	749,990	14,990	742,456
Utility users tax	2,414,000	2,551,194	137,194	2,634,142
Cable television	256,000	307,014	51,014	256,235
Total taxes	<u>10,078,000</u>	<u>10,903,794</u>	<u>825,794</u>	<u>10,472,215</u>
Licenses and Permits:				
Yard sale permits	9,000	9,170	170	9,200
Bingo licenses	3,500	4,515	1,015	3,646
Bench advertising	8,160	10,200	2,040	8,160
Other permits	2,000	11,478	9,478	7,061
Total licenses and permits	<u>22,660</u>	<u>35,363</u>	<u>12,703</u>	<u>28,067</u>
Fines and Penalties:				
Vehicle code fines	353,000	470,575	117,575	397,430
Other fines and penalties	296,000	395,722	99,722	306,975
Total fines and penalties	<u>649,000</u>	<u>866,297</u>	<u>217,297</u>	<u>704,405</u>
Investment Revenue:				
Interest earned	200,000	343,759	143,759	273,753
Rents and concessions	219,220	240,068	20,848	220,572
Total investment revenue	<u>419,220</u>	<u>583,827</u>	<u>164,607</u>	<u>494,325</u>
Intergovernmental Revenue:				
Highway carrier in-lieu tax	1,000	1,211	211	1,067
Motor vehicle in-lieu fees	2,938,000	3,421,532	483,532	3,094,702
Mandated costs	10,000	18,242	8,242	47,355
Return of Educational Revenue				
Augmentation Fund transfer	-	152,418	152,418	-
Federal, state and county grants	150,676	111,063	(39,613)	70,368
Total intergovernmental revenue	<u>3,099,676</u>	<u>3,704,466</u>	<u>604,790</u>	<u>3,213,492</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenues - continued				
Charges for Current Services:				
Planning fees	\$ 17,000	\$ 40,691	\$ 23,691	\$ 19,042
Towing fees	21,000	24,533	3,533	21,055
Engineering fees	15,000	5,878	(9,122)	12,996
Waste inspection fees	23,900	22,787	(1,113)	20,293
Community auditorium	15,000	33,647	18,647	26,910
Parks and recreation	370,520	326,624	(43,896)	264,866
Other fees	6,500	7,232	732	8,280
Total charges for current services	<u>468,920</u>	<u>461,392</u>	<u>(7,528)</u>	<u>373,442</u>
Other Revenues:				
Refunds and reimbursements	108,988	67,885	(41,103)	122,985
Liberty week	14,000	11,877	(2,123)	14,363
Donations	3,790	351,775	347,985	5,890
Sale of property	-	8,481	8,481	9,260
Other revenues	19,000	45,325	26,325	47,792
Total other revenues	<u>145,778</u>	<u>485,343</u>	<u>339,565</u>	<u>200,290</u>
Total revenues	<u>14,883,254</u>	<u>17,040,482</u>	<u>2,157,228</u>	<u>15,486,236</u>
Expenditures:				
General Government:				
City council	119,034	124,464	(5,430)	106,917
City clerk	224,253	204,264	19,989	185,625
Election	-	(282)	282	41,253
City administrator	196,502	171,621	24,881	173,357
Parks and rec. commission	2,250	1,618	632	1,782
Planning commission	10,450	9,477	973	5,528
Finance	357,738	315,882	41,856	311,386
City attorney	145,000	164,135	(19,135)	161,563
Personnel/risk management	203,029	185,339	17,690	104,354
Non-departmental	1,024,451	1,019,791	4,660	932,180
Total general government	<u>2,282,707</u>	<u>2,196,309</u>	<u>86,398</u>	<u>2,023,945</u>

Continued

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Expenditures - continued				
Public Safety:				
Administration	\$ 822,259	\$ 839,711	\$ (17,452)	\$ 523,153
Crossing guard	125,748	138,732	(12,984)	119,439
Sheriff	5,785,292	5,700,666	84,626	4,082,390
Support Services	282,397	295,347	(12,950)	-
Community based	-	-	-	2,059,001
Special services	-	-	-	441
Civil defense	12,678	9,687	2,991	6,196
Total public safety	<u>7,028,374</u>	<u>6,984,143</u>	<u>44,231</u>	<u>6,790,620</u>
Public Works:				
Administration	241,466	206,608	34,858	189,355
Street maintenance	2,383,295	2,060,980	322,315	1,639,477
Graffiti removal	5,600	11,395	(5,795)	5,089
Lighting and landscaping	417,875	394,625	23,250	394,491
Maintenance	872,779	759,947	112,832	728,266
Total public works	<u>3,921,015</u>	<u>3,433,555</u>	<u>487,460</u>	<u>2,956,678</u>
Community Development:				
Administration	149,172	158,163	(8,991)	152,345
Planning	179,197	188,250	(9,053)	172,833
Building and safety -				
L.A. County contract	24,000	23,481	519	17,211
Farmers market	13,764	13,670	94	12,633
Community promotion	234,987	185,356	49,631	115,497
Human services	19,900	19,900	-	20,900
Code enforcement	120,518	130,571	(10,053)	62,495
Total community development	<u>741,538</u>	<u>719,391</u>	<u>22,147</u>	<u>553,914</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Expenditures - continued				
Parks and Recreation:				
Administration	\$ 419,135	\$ 378,440	\$ 40,695	\$ 382,531
Simms park	285,186	247,738	37,448	222,803
Thompson park	248,001	236,255	11,746	212,519
Caruthers park	203,540	193,715	9,825	180,137
Aquatic center	314,128	284,461	29,667	287,985
Civic center	58,293	45,708	12,585	41,719
City-school recreation	240,148	200,600	39,548	110,139
Youth-teen program	91,265	48,437	42,828	86,315
Carpenter house	500	-	500	-
Batting cages	10,643	10,681	(38)	5,218
Preschool program	27,812	26,895	917	24,439
Share tri-cities	24,272	23,575	697	23,039
Total parks and recreation	<u>1,922,923</u>	<u>1,696,505</u>	<u>226,418</u>	<u>1,576,844</u>
Capital Outlay:				
Capital outlay	<u>1,554,131</u>	<u>329,825</u>	<u>1,224,306</u>	<u>302,537</u>
Total expenditures	<u>17,450,688</u>	<u>15,359,728</u>	<u>2,090,960</u>	<u>14,204,538</u>
Excess of revenues over (under) expenditures	<u>(2,567,434)</u>	<u>1,680,754</u>	<u>4,248,188</u>	<u>1,281,698</u>
Other Financing Sources (Uses):				
Operating transfers in	1,691,599	1,858,796	167,197	1,630,579
Operating transfers out	<u>(835,454)</u>	<u>(964,199)</u>	<u>(128,745)</u>	<u>(772,854)</u>
Total other financing sources (uses)	<u>856,145</u>	<u>894,597</u>	<u>38,452</u>	<u>857,725</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (1,711,289)</u>	2,575,351	<u>\$ 4,286,640</u>	2,139,423
Fund balance - July 1		<u>8,025,000</u>		<u>5,885,577</u>
Fund balance - June 30		<u>\$ 10,600,351</u>		<u>\$ 8,025,000</u>

CITY OF BELLFLOWER
SPECIAL REVENUE FUNDS EXPLANATORY COMMENTS
June 30, 2000

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes.

Bikeway Fund

Monies received from the State's apportionment of state gas tax revenues for the construction of bikeways and pedestrian walkways are accounted for in this fund.

Drug Forfeiture Fund

Revenues that are disbursed by the county relating to drug offenses are accounted for in this fund. Expenditures of these revenues are restricted to law enforcement.

Transportation Fund

Monies received from the half-cent tax authorized under Proposition A are receipted and expended from this fund. The use of the fund is restricted to providing transportation services.

Proposition C Fund

This fund shall receipt the City's allocation of California voter-approved Proposition C Sales Tax Funds which is administered through the LACTC (Los Angeles County Transportation Commission).

Gas Tax Fund

The City's share of the state gas tax allocations is recorded in this fund. These funds are expended for street maintenance expenditures.

AQMD Fund (AB 2766)

This allotment of fees is distributed by the AQMD to the City on a population basis. The funds originate from motor vehicle registration fees, collected by the California Department of Motor Vehicles (DMV). AB 2766 funds are used for the reduction of air pollution from motor vehicles.

Sewer Reconstruction Fund

The City charges developers fees to increase the existing capacity of the sewer system as required. All revenues and expenditures related to this end are accounted for in this fund.

CITY OF BELLFLOWER
SPECIAL REVENUE FUNDS EXPLANATORY COMMENTS
June 30, 2000

Water Operating Fund

This fund is used to account for bulk water operations of the City of Bellflower. The City itself does not provide residential water service. Rather, the City maintains water service main lines and levies charges against independent water companies for bulk water purchased.

Lighting Assessment Fund

The City charges residences and commercial properties at separate rates to maintain street lights and pay energy costs. All services and expenditures related to this end are accounted for in this fund.

Parking District No. 1 Fund

Property tax levied and collected by Los Angeles County assessor, on property along the west side of Bellflower Boulevard between Mayne and Flower Streets, for maintenance of Parking District No. 1.

Building and Safety Fund

This fund is used to account for the City's buildings and safety operations with a private company. The types of fees charged by the City include various permit fees (building, electrical, plumbing, mechanical and miscellaneous) and plan check fees.

FED-COPS Grant Fund

Under the Fiscal Year 1996 Omnibus Appropriations Act, the City receives and expends Federal funds under the Local Law Enforcement Block Grants Program established within the Bureau of Justice Assistance.

CA-COPS Grant Fund

Under Assembly Bill 3229 (Brulte), the City receives Citizens Option for Public Safety funds from the State General Fund to supplement front line municipal law enforcement services.

CITY OF BELLFLOWER
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2000
with Comparative Totals for June 30, 1999

	<u>Bikeway Fund</u>	<u>Drug Forfeiture Fund</u>	<u>Transportation Fund</u>	<u>Proposition C Fund</u>
<u>ASSETS</u>				
Cash and investments	\$ -	\$ 4,864	\$ 474,570	\$ 817,352
Accounts receivable - net	-	-	-	68,868
Due from other funds	-	-	-	-
Interest receivable	-	70	6,110	12,240
Prepaid expenditures	-	-	17,734	17,051
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ 4,934</u>	<u>\$ 498,414</u>	<u>\$ 915,511</u>

LIABILITIES AND FUND BALANCES

Liabilities:				
Vouchers payable	\$ -	\$ -	\$ 41,334	\$ 42,832
Accrued expenditures	-	-	7,603	8,340
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Fund Balances:				
Reserved:				
Prepaid expenditures	-	-	17,734	17,051
Unreserved:				
Designated for special revenue purposes	-	4,934	431,743	847,288
Undesignated	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 4,934</u>	<u>\$ 498,414</u>	<u>\$ 915,511</u>

Gas Tax Fund	AQMD Fund	Sewer Reconstruction Fund	Water Operating Fund	Lighting Assessment Fund
\$ -	\$ 8,875	\$ 315,751	\$ -	\$ -
117,005	-	-	102,988	2,982
-	1,260	-	-	-
-	-	4,559	-	-
-	-	-	-	-
<u>\$ 117,005</u>	<u>\$ 10,135</u>	<u>\$ 320,310</u>	<u>\$ 102,988</u>	<u>\$ 2,982</u>

\$ -	\$ -	\$ -	\$ 63,982	\$ -
-	-	-	2,505	-
117,005	-	-	197,266	2,982
-	-	-	-	-
-	-	-	-	-
-	10,135	320,310	-	-
-	-	-	(160,765)	-
<u>\$ 117,005</u>	<u>\$ 10,135</u>	<u>\$ 320,310</u>	<u>\$ 102,988</u>	<u>\$ 2,982</u>

Continued

CITY OF BELLFLOWER
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2000
with Comparative Totals for June 30, 1999

	<u>Parking District No. 1 Fund</u>	<u>Building and Safety Fund</u>	<u>FED-COPS Grant Fund</u>	<u>CA-COPS Grant Fund</u>
<u>ASSETS</u>				
Cash and investments	\$ 1,759	\$ 17,755	\$ 47,691	\$ 58,083
Accounts receivable - net	728	-	14,318	-
Due from other funds	-	-	-	-
Interest receivable	-	-	726	893
Prepaid expenditures	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,487</u>	<u>\$ 17,755</u>	<u>\$ 62,735</u>	<u>\$ 58,976</u>

LIABILITIES AND FUND BALANCES

Liabilities:				
Vouchers payable	\$ 2,487	\$ 14,325	\$ 62,735	\$ 47,130
Accrued expenditures	-	3,430	-	12
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Fund Balances:				
Reserved:				
Prepaid expenditures	-	-	-	-
Unreserved:				
Designated for special revenue purposes	-	-	-	11,834
Undesignated	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 2,487</u>	<u>\$ 17,755</u>	<u>\$ 62,735</u>	<u>\$ 58,976</u>

Totals	
2000	1999
\$ 1,746,700	\$ 1,748,516
306,889	842,945
1,260	-
24,598	17,959
34,785	-
\$ 2,114,232	\$ 2,609,420

\$ 274,825	\$ 619,927
21,890	1,625
317,253	418,567
-	48,346
34,785	-
1,626,244	1,671,298
(160,765)	(150,343)
\$ 2,114,232	\$ 2,609,420

CITY OF BELLFLOWER
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>Bikeway Fund</u>	<u>Drug Forfeiture Fund</u>	<u>Transportation Fund</u>	<u>Proposition C Fund</u>
Revenues:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Investment revenue	-	197	21,348	47,404
Intergovernmental revenue	24,038	2,956	810,176	673,880
Charges for current services	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>24,038</u>	<u>3,153</u>	<u>831,524</u>	<u>721,284</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Public works	-	-	727,571	599,852
Community development	-	-	-	-
Public utilities	-	-	-	-
Capital outlay	<u>16,964</u>	<u>-</u>	<u>-</u>	<u>165,451</u>
Total expenditures	<u>16,964</u>	<u>-</u>	<u>727,571</u>	<u>765,303</u>
Excess of revenues over (under) expenditures	<u>7,074</u>	<u>3,153</u>	<u>103,953</u>	<u>(44,019)</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	7,074	3,153	103,953	(44,019)
Fund balances - July 1	<u>(7,074)</u>	<u>1,781</u>	<u>345,524</u>	<u>908,358</u>
Fund balances - June 30	<u>\$ -</u>	<u>\$ 4,934</u>	<u>\$ 449,477</u>	<u>\$ 864,339</u>

Gas Tax Fund	AQMD Fund	Sewer Reconstruction Fund	Water Operating Fund	Lighting Assessment Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	339	19,776	-	-
1,216,900	74,575	-	-	-
-	-	99	1,022,702	13,598
-	-	-	-	-
<u>1,216,900</u>	<u>74,914</u>	<u>19,875</u>	<u>1,022,702</u>	<u>13,598</u>
-	-	-	-	-
-	74,423	-	-	-
-	-	-	-	-
-	-	-	1,040,198	-
-	-	104,480	-	-
-	<u>74,423</u>	<u>104,480</u>	<u>1,040,198</u>	-
<u>1,216,900</u>	<u>491</u>	<u>(84,605)</u>	<u>(17,496)</u>	<u>13,598</u>
-	-	-	-	-
<u>(1,216,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,598)</u>
<u>(1,216,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,598)</u>
-	491	(84,605)	(17,496)	-
-	9,644	404,915	(143,269)	-
<u>\$ -</u>	<u>\$ 10,135</u>	<u>\$ 320,310</u>	<u>\$ (160,765)</u>	<u>\$ -</u>

Continued

CITY OF BELLFLOWER
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999
(Continued)

	Parking District No. 1 Fund	Building and Safety Fund	FED-COPS Grant Fund	CA-COPS Grant Fund
Revenues:				
Licenses and permits	\$ -	\$ 321,854	\$ -	\$ -
Investment revenue	-	-	3,360	6,331
Intergovernmental revenue	-	-	324,042	150,112
Charges for services	13,053	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>13,053</u>	<u>321,854</u>	<u>327,402</u>	<u>156,443</u>
Expenditures:				
Current:				
Public safety	-	-	363,407	145,685
Public works	24,481	-	-	-
Community development	-	221,007	-	-
Public utilities	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>24,481</u>	<u>221,007</u>	<u>363,407</u>	<u>145,685</u>
Excess of revenues over (under) expenditures	<u>(11,428)</u>	<u>100,847</u>	<u>(36,005)</u>	<u>10,758</u>
Other Financing Sources (Uses):				
Operating transfers in	11,428	-	36,005	-
Operating transfers out	-	(100,847)	-	-
Total other financing sources (uses)	<u>11,428</u>	<u>(100,847)</u>	<u>36,005</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	10,758
Fund balances - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,076</u>
Fund balances - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,834</u></u>

Totals	
2000	1999
\$ 321,854	\$ 345,607
98,755	80,182
3,276,679	3,069,205
1,049,452	2,088,299
-	3,667
4,746,740	5,586,960
509,092	457,212
1,426,327	1,534,538
221,007	227,492
1,040,198	2,081,874
286,895	99,622
3,483,519	4,400,738
1,263,221	1,186,222
47,433	42,476
(1,331,345)	(1,335,314)
(1,283,912)	(1,292,838)
(20,691)	(106,616)
1,520,955	1,627,571
\$ 1,500,264	\$ 1,520,955

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
BIKEWAY FUND

For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 20	\$ -	\$ (20)	\$ 168
Intergovernmental revenue	22,400	24,038	1,638	23,877
Total revenues	<u>22,420</u>	<u>24,038</u>	<u>1,618</u>	<u>24,045</u>
Expenditures:				
Capital outlay	14,300	16,964	(2,664)	52,635
Total expenditures	<u>14,300</u>	<u>16,964</u>	<u>(2,664)</u>	<u>52,635</u>
Excess of revenues over (under) expenditures	<u>\$ 8,120</u>	7,074	<u>\$ (1,046)</u>	(28,590)
Fund balance - July 1		<u>(7,074)</u>		<u>21,516</u>
Fund balance - June 30		<u>\$ -</u>		<u>\$ (7,074)</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DRUG FORFEITURE FUND

For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Investment revenue	\$ 100	\$ 197	\$ 97	\$ 313
Intergovernmental revenue	9,000	2,956	(6,044)	10,965
Total revenues	9,100	3,153	(5,947)	11,278
Expenditures:				
Public safety	10,000	-	10,000	9,681
Total expenditures	10,000	-	10,000	9,681
Excess of revenues over (under) expenditures	(900)	3,153	4,053	1,597
Other Financing Sources (Uses):				
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	\$ (900)	3,153	\$ 4,053	1,597
Fund balance - July 1		1,781		184
Fund balance - June 30		\$ 4,934		\$ 1,781

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION FUND

For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 14,000	\$ 21,348	\$ 7,348	\$ 16,687
Intergovernmental revenue	727,000	810,176	83,176	741,166
Other revenue	-	-	-	3,667
Total revenues	<u>741,000</u>	<u>831,524</u>	<u>90,524</u>	<u>761,520</u>
Expenditures:				
Public works	<u>726,056</u>	<u>727,571</u>	<u>(1,515)</u>	<u>686,031</u>
Total expenditures	<u>726,056</u>	<u>727,571</u>	<u>(1,515)</u>	<u>686,031</u>
Excess of revenues over (under) expenditures	<u>\$ 14,944</u>	103,953	<u>\$ 89,009</u>	75,489
Fund balance - July 1		<u>345,524</u>		<u>270,035</u>
Fund balance - June 30		<u>\$ 449,477</u>		<u>\$ 345,524</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PROPOSITION C FUND

For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 40,000	\$ 47,404	\$ 7,404	\$ 52,759
Intergovernmental revenue	<u>619,000</u>	<u>673,880</u>	<u>54,880</u>	<u>619,249</u>
Total revenues	<u>659,000</u>	<u>721,284</u>	<u>62,284</u>	<u>672,008</u>
Expenditures:				
Public works	616,327	599,852	16,475	634,226
Capital outlay	<u>647,153</u>	<u>165,451</u>	<u>481,702</u>	<u>46,987</u>
Total expenditures	<u>1,263,480</u>	<u>765,303</u>	<u>498,177</u>	<u>681,213</u>
Excess of revenues over (under) expenditures	<u>(604,480)</u>	<u>(44,019)</u>	<u>560,461</u>	<u>(9,205)</u>
Other Financing Sources (Uses):				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (604,480)</u>	(44,019)	<u>\$ 560,461</u>	(9,205)
Fund balance - July 1		<u>908,358</u>		<u>917,563</u>
Fund balance - June 30		<u>\$ 864,339</u>		<u>\$ 908,358</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GAS TAX FUND

For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Intergovernmental revenue	\$ 1,197,500	\$ 1,216,900	\$ 19,400	\$ 1,205,850
Total revenues	<u>1,197,500</u>	<u>1,216,900</u>	<u>19,400</u>	<u>1,205,850</u>
Excess of revenues over (under) expenditures	<u>1,197,500</u>	<u>1,216,900</u>	<u>19,400</u>	<u>1,205,850</u>
Other Financing Sources (Uses):				
Operating transfers out	<u>(1,197,500)</u>	<u>(1,216,900)</u>	<u>(19,400)</u>	<u>(1,205,850)</u>
Total other financing sources (uses)	<u>(1,197,500)</u>	<u>(1,216,900)</u>	<u>(19,400)</u>	<u>(1,205,850)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund balance - July 1		-		-
Fund balance - June 30		<u>\$ -</u>		<u>\$ -</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

AQMD FUND

For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 100	\$ 339	\$ 239	\$ 3,882
Intergovernmental revenue	71,000	74,575	3,575	85,950
Total revenues	<u>71,100</u>	<u>74,914</u>	<u>3,814</u>	<u>89,832</u>
Expenditures:				
Public works	98,000	74,423	23,577	190,162
Total expenditures	<u>98,000</u>	<u>74,423</u>	<u>23,577</u>	<u>190,162</u>
Excess of revenues over (under) expenditures	<u>\$ (26,900)</u>	491	<u>\$ 27,391</u>	(100,330)
Fund balance - July 1		<u>9,644</u>		<u>109,974</u>
Fund balance - June 30		<u>\$ 10,135</u>		<u>\$ 9,644</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SEWER RECONSTRUCTION FUND

For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ -	\$ 19,776	\$ 19,776	\$ -
Charges for current services	-	99	99	-
Total revenues	<u>-</u>	<u>19,875</u>	<u>19,875</u>	<u>-</u>
Expenditures:				
Capital Outlay	<u>104,480</u>	<u>104,480</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>104,480</u>	<u>104,480</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>\$ (104,480)</u>	(84,605)	<u>\$ 19,875</u>	-
Fund balance - July 1		<u>404,915</u>		<u>404,915</u>
Fund balance - June 30		<u>\$ 320,310</u>		<u>\$ 404,915</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
WATER OPERATING FUND

For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Charges for current services	\$ 2,007,500	\$ 1,022,702	\$ (984,798)	\$ 2,069,727
Total revenues	<u>2,007,500</u>	<u>1,022,702</u>	<u>(984,798)</u>	<u>2,069,727</u>
Expenditures:				
Public utilities	1,991,986	1,040,198	951,788	2,081,874
Total expenditures	<u>1,991,986</u>	<u>1,040,198</u>	<u>951,788</u>	<u>2,081,874</u>
Excess of revenues over (under) expenditures	<u>\$ 15,514</u>	(17,496)	<u>\$ (33,010)</u>	(12,147)
Fund balance - July 1		<u>(143,269)</u>		<u>(131,122)</u>
Fund balance - June 30		<u>\$ (160,765)</u>		<u>\$ (143,269)</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LIGHTING ASSESSMENT FUND

For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Investment revenue	\$ -	\$ -	\$ -	\$ 191
Charges for current services	-	13,598	13,598	11,158
Total revenues	-	13,598	13,598	11,349
Expenditures:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	13,598	13,598	11,349
Other Financing Sources (Uses):				
Operating transfers out	-	(13,598)	(13,598)	(11,349)
Total other financing sources (uses)	-	(13,598)	(13,598)	(11,349)
Excess of revenues and other sources over (under) expenditures and other uses	\$ -	-	\$ -	-
Fund balance - July 1		-		-
Fund balance - June 30		\$ -		\$ -

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARKING DISTRICT NO. 1 FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Charges for current services	\$ 7,300	\$ 13,053	\$ 5,753	\$ 7,414
Total revenues	<u>7,300</u>	<u>13,053</u>	<u>5,753</u>	<u>7,414</u>
Expenditures:				
Public works	31,023	24,481	6,542	24,119
Total expenditures	<u>31,023</u>	<u>24,481</u>	<u>6,542</u>	<u>24,119</u>
Excess of revenues over (under) expenditures	<u>(23,723)</u>	<u>(11,428)</u>	<u>12,295</u>	<u>(16,705)</u>
Other Financing Sources (Uses):				
Operating transfers in	23,723	11,428	(12,295)	16,705
Total other financing sources (uses)	<u>23,723</u>	<u>11,428</u>	<u>(12,295)</u>	<u>16,705</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance - July 1		<u>-</u>		<u>-</u>
Fund balance - June 30		<u>\$ -</u>		<u>\$ -</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING AND SAFETY FUND

For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues:				
Licenses and permits	\$ 307,700	\$ 321,854	\$ 14,154	\$ 345,607
Total revenues	<u>307,700</u>	<u>321,854</u>	<u>14,154</u>	<u>345,607</u>
Expenditures:				
Community development	202,000	221,007	(19,007)	227,492
Total expenditures	<u>202,000</u>	<u>221,007</u>	<u>(19,007)</u>	<u>227,492</u>
Excess of revenues over (under) expenditures	<u>105,700</u>	<u>100,847</u>	<u>(4,853)</u>	<u>118,115</u>
Other Financing Sources (Uses):				
Operating transfers out	(105,700)	(100,847)	4,853	(118,115)
Total other financing sources (uses)	<u>(105,700)</u>	<u>(100,847)</u>	<u>4,853</u>	<u>(118,115)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance - July 1		<u>-</u>		<u>-</u>
Fund balance - June 30		<u>\$ -</u>		<u>\$ -</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FED - COPS GRANT FUND

For the Fiscal Year Ended June 30, 2000

with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Investment revenue	\$ -	\$ 3,360	\$ 3,360	\$ 682
Intergovernmental revenue	261,378	324,042	62,664	231,933
Total revenues	261,378	327,402	66,024	232,615
Expenditures:				
Public safety	347,195	363,407	(16,212)	277,877
Total expenditures	347,195	363,407	(16,212)	277,877
Excess of revenues over (under) expenditures	(85,817)	(36,005)	49,812	(45,262)
Other Financing Sources (Uses):				
Operating transfers in	29,042	36,005	6,963	25,771
Total other financing sources (uses)	29,042	36,005	6,963	25,771
Excess of revenues and other sources over (under) expenditures and other uses	\$ (56,775)	-	\$ 56,775	(19,491)
Fund balance - July 1		-		19,491
Fund balance - June 30		\$ -		\$ -

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

CA - COPS GRANT FUND

For the Fiscal Year Ended June 30, 2000

with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Investment revenue	\$ 3,000	\$ 6,331	\$ 3,331	\$ 5,500
Intergovernmental revenue	150,000	150,112	112	150,215
Total revenues	<u>153,000</u>	<u>156,443</u>	<u>3,443</u>	<u>155,715</u>
Expenditures:				
Public safety	152,227	145,685	6,542	169,654
Total expenditures	<u>152,227</u>	<u>145,685</u>	<u>6,542</u>	<u>169,654</u>
Excess of revenues over (under) expenditures	<u>\$ 773</u>	10,758	<u>\$ 9,985</u>	(13,939)
Fund balance - July 1		<u>1,076</u>		<u>15,015</u>
Fund balance - June 30		<u>\$ 11,834</u>		<u>\$ 1,076</u>

CITY OF BELLFLOWER
CAPITAL PROJECTS FUNDS EXPLANATORY COMMENTS
June 30, 2000

Capital Projects Funds are utilized to account for financial resources used for the acquisition or construction of capital facilities.

Capital Projects Fund

This fund accounts for the expenditures associated with the City's major capital projects.

Redevelopment Agency Fund

This fund accounts for the expenditures incurred by the Bellflower Redevelopment Agency or redevelopment projects.

Redevelopment Agency Housing Set-Aside-Fund

This fund accounts for the activities for the 20% housing set-aside for low and moderated income housing.

CDBG Fund

This fund accounts for the Federal Community Development Block Grant funds and selected program income expended for commercial, multifamily and single-family rehabilitation, economic development, and public services.

Clean it/Lien it Fund

This fund accounts for the Federal Community Development Block Grant funds and related program income expended to abate serious, chronic or recurring public nuisance problem in vacant lots or buildings.

Home Fund

This fund accounts for the Federal HOME funds expended to increase the supply of safe, sanitary and affordable housing, to strengthen the ability of states and local governments to provide housing, to expand the capacity of nonprofit community-based housing development organizations, and to leverage private sector participation in the financing of affordable housing.

CITY OF BELLFLOWER
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2000
with Comparative Totals for June 30, 1999

	<u>Capital Projects Fund</u>	<u>Redevelopment Agency Fund</u>	<u>Redevelopment Agency Housing Set-Aside Fund</u>	<u>CDBG Fund</u>
<u>ASSETS</u>				
Cash and investments	\$ 111,831	\$ -	\$ 334,731	\$ 89,443
Cash and investments with fiscal agents	-	1,711,209	427,802	-
Accounts receivable - net	110,167	-	-	134,225
Due from other funds	14,995	-	-	-
Interest receivable	-	7,648	9,174	-
Notes receivable	-	50,000	116,649	1,425,934
Prepaid expenditures	-	2,650	-	14,173
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 236,993</u>	<u>\$ 1,771,507</u>	<u>\$ 888,356</u>	<u>\$ 1,663,775</u>

LIABILITIES AND FUND BALANCES

Liabilities:				
Vouchers payable	\$ 122,013	\$ 56,341	\$ 5,168	\$ 54,272
Accrued expenditures	-	5,420	-	9,555
Due to other funds	-	105,793	-	-
Deferred revenue	-	50,000	116,649	1,599,948
Advances payable	-	671,837	-	-
Fund Balances:				
Reserved:				
Prepaid expenditures	-	2,650	-	14,173
Unreserved and undesignated	<u>114,980</u>	<u>879,466</u>	<u>766,539</u>	<u>(14,173)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 236,993</u>	<u>\$ 1,771,507</u>	<u>\$ 888,356</u>	<u>\$ 1,663,775</u>

Clean It/ Lien It Fund	Home Fund	Totals	
		2000	1999
\$ -	\$ 126,840	\$ 662,845	\$ 442,038
-	-	2,139,011	2,040,832
-	-	244,392	288,010
-	-	14,995	-
-	-	16,822	4,949
-	716,598	2,309,181	2,478,737
-	816	17,639	5,000
<u>\$ -</u>	<u>\$ 844,254</u>	<u>\$ 5,404,885</u>	<u>\$ 5,259,566</u>
\$ -	\$ 330	\$ 238,124	\$ 151,274
-	439	15,414	21
-	-	105,793	81,826
-	716,598	2,483,195	2,676,383
-	-	671,837	671,837
-	816	17,639	5,000
-	126,071	1,872,883	1,673,225
<u>\$ -</u>	<u>\$ 844,254</u>	<u>\$ 5,404,885</u>	<u>\$ 5,259,566</u>

CITY OF BELLFLOWER
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	Capital Projects Fund	Redevelopment Agency Fund	Redevelopment Agency Housing Set-Aside Fund	CDBG Fund
Revenues:				
Taxes	\$ -	\$ -	\$ 128,427	\$ -
Investment revenue	-	86,191	50,843	271,279
Intergovernmental revenue	140,184	-	-	831,338
Other revenues	59,406	-	-	-
Total revenues	<u>199,590</u>	<u>86,191</u>	<u>179,270</u>	<u>1,102,617</u>
Expenditures:				
Current:				
General government	-	-	2,341	-
Community development	-	460,267	19,645	942,859
Capital outlay	538,173	57,337	-	159,758
Total expenditures	<u>538,173</u>	<u>517,604</u>	<u>21,986</u>	<u>1,102,617</u>
Excess of revenues over (under) expenditures	<u>(338,583)</u>	<u>(431,413)</u>	<u>157,284</u>	<u>-</u>
Other Financing Sources (Uses):				
Operating transfers in	315,689	460,267	-	-
Operating transfers out	-	-	(41,139)	-
Total other financing sources (uses)	<u>315,689</u>	<u>460,267</u>	<u>(41,139)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(22,894)	28,854	116,145	-
Fund balances - July 1	<u>137,874</u>	<u>853,262</u>	<u>650,394</u>	<u>-</u>
Fund balances - June 30	<u><u>\$ 114,980</u></u>	<u><u>\$ 882,116</u></u>	<u><u>\$ 766,539</u></u>	<u><u>\$ -</u></u>

Clean it/ Lien it Fund	Home Fund	Totals	
		2000	1999
\$ -	\$ -	\$ 128,427	\$ 122,920
-	192,052	600,365	328,631
-	13,143	984,665	1,716,516
-	-	59,406	131,984
-	205,195	1,772,863	2,300,051
-	-	2,341	7,043
-	115,003	1,537,774	1,826,461
-	-	755,268	572,272
-	115,003	2,295,383	2,405,776
-	90,192	(522,520)	(105,725)
-	-	775,956	243,406
-	-	(41,139)	(53,811)
-	-	734,817	189,595
-	90,192	212,297	83,870
-	36,695	1,678,225	1,594,355
<u>\$ -</u>	<u>\$ 126,887</u>	<u>\$ 1,890,522</u>	<u>\$ 1,678,225</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Intergovernmental revenue	\$ 1,223,000	\$ 140,184	\$ (1,082,816)	\$ 5,000
Other revenues	1,984	59,406	57,422	131,984
Total revenues	<u>1,224,984</u>	<u>199,590</u>	<u>(1,025,394)</u>	<u>136,984</u>
Expenditures:				
Capital outlay	1,983,000	538,173	1,444,827	12,335
Total expenditures	<u>1,983,000</u>	<u>538,173</u>	<u>1,444,827</u>	<u>12,335</u>
Excess of revenues over (under) expenditures	<u>(758,016)</u>	<u>(338,583)</u>	<u>419,433</u>	<u>124,649</u>
Other Financing Sources (Uses):				
Operating transfers in	640,000	315,689	(324,311)	1,734
Total other financing sources (uses)	<u>640,000</u>	<u>315,689</u>	<u>(324,311)</u>	<u>1,734</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (118,016)</u>	<u>(22,894)</u>	<u>\$ 95,122</u>	<u>126,383</u>
Fund balance - July 1		<u>137,874</u>		<u>11,491</u>
Fund balance - June 30		<u>\$ 114,980</u>		<u>\$ 137,874</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
REDEVELOPMENT AGENCY FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 40,000	\$ 86,191	\$ 46,191	\$ 63,611
Total revenues	<u>40,000</u>	<u>86,191</u>	<u>46,191</u>	<u>63,611</u>
Expenditures:				
Community development	321,215	460,267	(139,052)	228,082
Capital outlay	<u>656,630</u>	<u>57,337</u>	<u>599,293</u>	<u>110,505</u>
Total expenditures	<u>977,845</u>	<u>517,604</u>	<u>460,241</u>	<u>338,587</u>
Excess of revenues over (under) expenditures	<u>(937,845)</u>	<u>(431,413)</u>	<u>506,432</u>	<u>(274,976)</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>321,215</u>	<u>460,267</u>	<u>139,052</u>	<u>228,082</u>
Total other financing sources (uses)	<u>321,215</u>	<u>460,267</u>	<u>139,052</u>	<u>228,082</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (616,630)</u>	28,854	<u>\$ 645,484</u>	(46,894)
Fund balance - July 1		<u>853,262</u>		<u>900,156</u>
Fund balance - June 30		<u>\$ 882,116</u>		<u>\$ 853,262</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
REDEVELOPMENT AGENCY HOUSING SET-ASIDE FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Taxes	\$ 73,600	\$ 128,427	\$ 54,827	\$ 122,920
Investment revenue	20,000	50,843	30,843	33,491
Total revenues	93,600	179,270	85,670	156,411
Expenditures:				
General government	-	2,341	(2,341)	7,043
Community development	150,000	19,645	130,355	81,064
Total expenditures	150,000	21,986	128,014	88,107
Excess of revenues over (under) expenditures	(56,400)	157,284	213,684	68,304
Other Financing Sources (Uses):				
Operating transfers out	(293,090)	(41,139)	251,951	(40,221)
Total other financing sources (uses)	(293,090)	(41,139)	251,951	(40,221)
Excess of revenues and other sources over (under) expenditures and other uses	\$ (349,490)	116,145	\$ 465,635	28,083
Fund balance - July 1		650,394		622,311
Fund balance - June 30		\$ 766,539		\$ 650,394

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CDBG FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>2000</u>		Variance Favorable (Unfavorable)	<u>1999</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Investment revenue	\$ 200,000	\$ 271,279	\$ 71,279	\$ 179,530
Intergovernmental revenue	<u>2,205,645</u>	<u>831,338</u>	<u>(1,374,307)</u>	<u>1,211,854</u>
Total revenues	<u>2,405,645</u>	<u>1,102,617</u>	<u>(1,303,028)</u>	<u>1,391,384</u>
Expenditures:				
Community development	1,885,209	942,859	942,350	955,542
Capital outlay	<u>546,462</u>	<u>159,758</u>	<u>386,704</u>	<u>449,432</u>
Total expenditures	<u>2,431,671</u>	<u>1,102,617</u>	<u>1,329,054</u>	<u>1,404,974</u>
Excess of revenues over (under) expenditures	<u>(26,026)</u>	<u>-</u>	<u>26,026</u>	<u>(13,590)</u>
Other Financing Sources (Uses):				
Operating transfer in	-	-	-	13,590
Operating transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,590</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (26,026)</u>	<u>-</u>	<u>\$ 26,026</u>	<u>-</u>
Fund balance - July 1		<u>-</u>		<u>-</u>
Fund balance - June 30		<u>\$ -</u>		<u>\$ -</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CLEAN IT/LIEN IT FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Investment revenue	\$ -	\$ -	\$ -	\$ 13,590
Intergovernmental revenue	6,690	-	(6,690)	-
Total revenues	6,690	-	(6,690)	13,590
Expenditures:				
Community development	6,690	-	6,690	-
Total expenditures	6,690	-	6,690	-
Excess of revenues over (under) expenditures	-	-	-	13,590
Other Financing Sources (Uses):				
Operating transfer in	-	-	-	-
Operating transfer out	-	-	-	(13,590)
Total other financing sources (uses)	-	-	-	(13,590)
Excess of revenues and other sources over (under) expenditures and other uses	\$ -	-	\$ -	-
Fund balance - July 1		-		-
Fund balance - June 30		\$ -		\$ -

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOME FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ -	\$ 192,052	\$ 192,052	\$ 38,409
Intergovernmental revenue	<u>1,075,768</u>	<u>13,143</u>	<u>(1,062,625)</u>	<u>499,662</u>
Total revenues	<u>1,075,768</u>	<u>205,195</u>	<u>(870,573)</u>	<u>538,071</u>
Expenditures:				
Community development	<u>1,064,505</u>	<u>115,003</u>	<u>949,502</u>	<u>561,773</u>
Total expenditures	<u>1,064,505</u>	<u>115,003</u>	<u>949,502</u>	<u>561,773</u>
Excess of revenues over (under) expenditures	<u>11,263</u>	<u>90,192</u>	<u>78,929</u>	<u>(23,702)</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>249,058</u>	<u>-</u>	<u>249,058</u>	<u>-</u>
Total other financing sources (uses)	<u>249,058</u>	<u>-</u>	<u>249,058</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ 260,321</u>	<u>90,192</u>	<u>\$ (170,129)</u>	<u>(23,702)</u>
Fund balance - July 1		<u>36,695</u>		<u>60,397</u>
Fund balance - June 30		<u>\$ 126,887</u>		<u>\$ 36,695</u>

CITY OF BELLFLOWER
DEBT SERVICE FUNDS EXPLANATORY COMMENTS
June 30, 2000

Debt Service Funds are used to account for the accumulation of resources and payments of principal, interest and related costs for the City of Bellflower's general long-term debt.

Public Facilities Corporation Debt Service Fund

This fund is used to account for the payment of interest and principal on certificates of participation issued by the Bellflower Public Facilities Corporation.

Redevelopment Agency Debt Service Fund

This fund is used to account for the payment of interest and principal on debt of the Redevelopment Agency.

CITY OF BELLFLOWER
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 2000
with Comparative Totals for June 30, 1999

	Public Facilities Corporation Debt Service Fund	Redevelopment Agency Debt Service Fund	<u>Totals</u>	
	<u> </u>	<u> </u>	<u>2000</u>	<u>1999</u>
<u>ASSETS</u>				
Cash and investments	\$ -	\$ 354,016	\$ 354,016	\$ 651,044
Cash and investments with fiscal agents	347,705	211,273	558,978	212,535
Interest receivable	<u>-</u>	<u>21,327</u>	<u>21,327</u>	<u>10,507</u>
Total assets	<u>\$ 347,705</u>	<u>\$ 586,616</u>	<u>\$ 934,321</u>	<u>\$ 874,086</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Vouchers payable	\$ -	\$ 14,284	\$ 14,284	\$ 78,883
Due to other funds	14,994	-	14,994	86,921
Fund Balances:				
Reserves:				
Bond redemption	-	196,989	196,989	133,305
Debt service	<u>332,711</u>	<u>375,343</u>	<u>708,054</u>	<u>574,977</u>
Total liabilities and fund balances	<u>\$ 347,705</u>	<u>\$ 586,616</u>	<u>\$ 934,321</u>	<u>\$ 874,086</u>

CITY OF BELLFLOWER
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
DEBT SERVICE FUNDS

For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	Public Facilities Corporation Debt Service Fund	Redevelopment Agency Debt Service Fund	<u>Totals</u>	
			<u>2000</u>	<u>1999</u>
Revenues:				
Taxes	\$ -	\$ 492,541	\$ 492,541	\$ 471,458
Investment revenue	72,309	76,891	149,200	45,704
Total revenues	<u>72,309</u>	<u>569,432</u>	<u>641,741</u>	<u>517,162</u>
Expenditures:				
Debt service	<u>758,671</u>	<u>218,723</u>	<u>977,394</u>	<u>719,892</u>
Total expenditures	<u>758,671</u>	<u>218,723</u>	<u>977,394</u>	<u>719,892</u>
Excess of revenues over (under) expenditures	<u>(686,362)</u>	<u>350,709</u>	<u>(335,653)</u>	<u>(202,730)</u>
Other Financing Sources (Uses):				
Operating transfers in	456,499	41,139	497,638	542,518
Proceeds of refunding certificates	6,360,000	-	6,360,000	-
Payment to refunded certificate escrow agent	(5,482,084)	-	(5,482,084)	-
Operating transfers out	<u>(315,689)</u>	<u>(527,451)</u>	<u>(843,140)</u>	<u>(297,000)</u>
Total other financing sources (uses)	<u>1,018,726</u>	<u>(486,312)</u>	<u>532,414</u>	<u>245,518</u>
Excess of revenues and other sources over (under) expenditures and other uses	332,364	(135,603)	196,761	42,788
Fund balances - July 1	<u>347</u>	<u>707,935</u>	<u>708,282</u>	<u>665,494</u>
Fund balances - June 30	<u>\$ 332,711</u>	<u>\$ 572,332</u>	<u>\$ 905,043</u>	<u>\$ 708,282</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC FACILITIES CORPORATION DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues:				
Investment revenue	\$ 63,100	\$ 72,309	\$ 9,209	\$ 4,432
Total revenues	<u>63,100</u>	<u>72,309</u>	<u>9,209</u>	<u>4,432</u>
Expenditures:				
Debt service	<u>762,474</u>	<u>758,671</u>	<u>3,803</u>	<u>504,648</u>
Total expenditures	<u>762,474</u>	<u>758,671</u>	<u>3,803</u>	<u>504,648</u>
Excess of revenues over (under) expenditures	<u>(699,374)</u>	<u>(686,362)</u>	<u>13,012</u>	<u>(500,216)</u>
Other Financing Sources (Uses):				
Operating transfers in	461,474	456,499	(4,975)	502,297
Proceeds of refunding certificates	6,360,000	6,360,000	-	-
Payment to refunded certificate escrow agent	(5,482,084)	(5,482,084)	-	-
Operating transfers out	<u>(640,000)</u>	<u>(315,689)</u>	<u>324,311</u>	<u>(1,734)</u>
Total other financing sources (uses)	<u>699,390</u>	<u>1,018,726</u>	<u>319,336</u>	<u>500,563</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ 16</u>	332,364	<u>\$ 332,348</u>	347
Fund balance - July 1		<u>347</u>		<u>-</u>
Fund balance - June 30		<u>\$ 332,711</u>		<u>\$ 347</u>

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
REDEVELOPMENT AGENCY DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 282,400	\$ 492,541	\$ 210,141	\$ 471,458
Investment revenue	20,000	76,891	56,891	41,272
Total revenues	<u>302,400</u>	<u>569,432</u>	<u>267,032</u>	<u>512,730</u>
Expenditures:				
Debt Service	<u>220,158</u>	<u>218,723</u>	<u>1,435</u>	<u>215,244</u>
Total expenditures	<u>220,158</u>	<u>218,723</u>	<u>1,435</u>	<u>215,244</u>
Excess of revenues over (under) expenditures	<u>82,242</u>	<u>350,709</u>	<u>268,467</u>	<u>297,486</u>
Other Financing Sources (Uses):				
Operating transfers in	44,032	41,139	(2,893)	40,221
Operating transfers out	<u>(388,399)</u>	<u>(527,451)</u>	<u>(139,052)</u>	<u>(295,266)</u>
Total other financing sources (uses)	<u>(344,367)</u>	<u>(486,312)</u>	<u>(141,945)</u>	<u>(255,045)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (262,125)</u>	(135,603)	<u>\$ 126,522</u>	42,441
Fund balance - July 1		<u>707,935</u>		<u>665,494</u>
Fund balance - June 30		<u>\$ 572,332</u>		<u>\$ 707,935</u>

CITY OF BELLFLOWER
INTERNAL SERVICE FUND EXPLANATORY COMMENTS
June 30, 2000

Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

Equipment Replacement Fund - This fund was established to account for the cost of providing vehicles and equipment to operating funds. Costs are recovered by user charges.

CITY OF BELLFLOWER
INTERNAL SERVICE FUND
BALANCE SHEET
June 30, 2000
with Comparative Totals for June 30, 1999

	Equipment Replacement Fund	Totals	
		2000	1999
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 463,636	\$ 463,636	\$ 146,108
Interest Receivable	5,414	5,414	-
Total current assets	<u>469,050</u>	<u>469,050</u>	<u>146,108</u>
Fixed assets:			
Furniture and fixtures	50,652	50,652	49,114
Equipment	<u>1,283,149</u>	<u>1,283,149</u>	<u>1,098,892</u>
	1,333,801	1,333,801	1,148,006
Accumulated depreciation	<u>(766,820)</u>	<u>(766,820)</u>	<u>(545,361)</u>
Fixed assets (net of accumulated depreciation)	<u>566,981</u>	<u>566,981</u>	<u>602,645</u>
Total assets	<u>\$ 1,036,031</u>	<u>\$ 1,036,031</u>	<u>\$ 748,753</u>
<u>LIABILITIES AND EQUITY</u>			
Current liabilities:			
Accounts payable	\$ 46,651	\$ 46,651	\$ 39,284
Total current liabilities	<u>46,651</u>	<u>46,651</u>	<u>39,284</u>
Equity:			
Contributed capital:			
General Fund	512,309	512,309	512,309
Retained Earnings:			
Unreserved	<u>477,071</u>	<u>477,071</u>	<u>197,160</u>
Total equity	<u>989,380</u>	<u>989,380</u>	<u>709,469</u>
Total liabilities and equity	<u>\$ 1,036,031</u>	<u>\$ 1,036,031</u>	<u>\$ 748,753</u>

CITY OF BELLFLOWER
INTERNAL SERVICE FUND
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	Equipment Replacement Fund	Totals	
		2000	1999
Revenues:			
Department charges	\$ 480,518	\$ 480,518	\$ 238,759
Investment earnings	20,852	20,852	-
Total revenues	501,370	501,370	238,759
Expenses:			
Depreciation	221,459	221,459	197,661
Total expenses	221,459	221,459	197,661
Operating income (loss)	279,911	279,911	41,098
Non-Operating Revenues and Expenses:			
Loss on sale of fixed assets	-	-	(8,931)
Total non-operating revenues and expenses	-	-	(8,931)
Net income (loss)	279,911	279,911	32,167
Retained earnings - July 1	197,160	197,160	164,993
Retained earnings - June 30	\$ 477,071	\$ 477,071	\$ 197,160

CITY OF BELLFLOWER
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2000
with Comparative Totals for the Fiscal Year Ended June 30, 1999

	Equipment Replacement Fund	Totals	
		2000	1999
Operating income	\$ 279,911	\$ 279,911	\$ 41,098
Adjustments to Reconcile Operating Income to Net Cash Provided:			
Add depreciation	221,459	221,459	197,661
Increase (Decrease) in Operating Assets:			
Interest receivable	(5,414)	(5,414)	-
Increase (Decrease) in Operating Liabilities:			
Accounts payable	<u>7,367</u>	<u>7,367</u>	<u>27,334</u>
Net cash provided (used) by operating activities	503,323	503,323	266,093
Cash Flows from Capital and Related Financing Activities:			
Acquisitions of fixed assets	(185,795)	(185,795)	(257,324)
Proceeds from sale of fixed assets	<u>-</u>	<u>-</u>	<u>1,845</u>
Net increase (decrease) in cash and cash equivalents	317,528	317,528	10,614
Cash and cash equivalents at beginning of year	<u>146,108</u>	<u>146,108</u>	<u>135,494</u>
Cash and cash equivalents at end of year	<u>\$ 463,636</u>	<u>\$ 463,636</u>	<u>\$ 146,108</u>

CITY OF BELLFLOWER
AGENCY FUNDS EXPLANATORY COMMENTS
June 30, 2000

Agency funds are used to account for assets held by the City for other funds, governments or individuals.

Agency Fund

Citizens of Bellflower who need to access utilities, and in doing so have to damage sidewalks or other pavements, are required to deposit a form of bond to ensure that they will fix the pavement. These monies are recorded in this fund.

Sonrisa Sewer Assessment Bond Fund

This fund accounts for monies received from certain property owners for repayment to bondholders of Assessment District No. 69 bonds. The bond proceeds were used for construction of sanitary sewers and appurtenances in Sonrisa Street.

CITY OF BELLFLOWER
ALL AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2000
with Comparative Totals for June 30, 1999

	Agency Fund	Sonrisa Sewer Assessment Bond Fund	Totals	
			2000	1999
<u>ASSETS</u>				
Cash and investments	\$ 222,714	\$ -	\$ 222,714	\$ 214,570
Accounts receivable - net	-	1,271	1,271	-
Total assets	<u>\$ 222,714</u>	<u>\$ 1,271</u>	<u>\$ 223,985</u>	<u>\$ 214,570</u>
 <u>LIABILITIES</u>				
Deposits payable	<u>\$ 222,714</u>	<u>\$ 1,271</u>	<u>\$ 223,985</u>	<u>\$ 214,570</u>

CITY OF BELLFLOWER
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year ended June 30, 2000

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2000</u>
<u>Agency Fund</u>				
Assets:				
Cash and investments	\$ 214,310	\$ 43,436	\$ 35,032	\$ 222,714
Liabilities:				
Deposits payable	\$ 214,310	\$ 43,436	\$ 35,032	\$ 222,714
<u>Sonrisa Sewer Assessment</u>				
<u>Bond Fund</u>				
Assets:				
Cash and investments	\$ 260	\$ 8,690	\$ 8,950	\$ -
Accounts receivable - net	-	1,271	-	1,271
Total assets	\$ 260	\$ 9,961	\$ 8,950	\$ 1,271
Liabilities:				
Deposits payable	\$ 260	\$ 9,961	\$ 8,950	\$ 1,271
<u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 214,570	\$ 52,126	\$ 43,982	\$ 222,714
Accounts receivable - net	-	1,271	-	1,271
Total assets	\$ 214,570	\$ 53,397	\$ 43,982	\$ 223,985
Liabilities:				
Deposits payable	\$ 214,570	\$ 53,397	\$ 43,982	\$ 223,985

CITY OF BELLFLOWER
ACCOUNT GROUPS EXPLANATORY COMMENTS
June 30, 2000

Account groups are used to establish accounting control for the City's unmatured principal of general long term debt and the general fixed assets. Unmatured principal on long term debt does not require a current appropriation and the general fixed assets are not available for expenditures. Therefore, they are not accounted for in the governmental funds.

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for the cost of fixed assets (property and equipment) of the City that are used in the performance of general governmental functions (General, Special Revenue, Capital Projects and Debt Service).

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for the unmatured long-term indebtedness of the City.

CITY OF BELLFLOWER
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
June 30, 2000
with Comparative Totals for June 30, 1999

	<u>2000</u>	<u>1999</u>
General Fixed Assets:		
Land	\$ 7,138,368	\$ 6,974,618
Buildings and improvements	11,002,818	10,319,934
Machinery and equipment	3,175,741	2,749,230
Water rights	<u>94,010</u>	<u>94,010</u>
Total general fixed assets	<u>\$ 21,410,937</u>	<u>\$ 20,137,792</u>
 Investment in General Fixed Assets:		
General Fund	\$ 18,996,671	\$ 18,773,415
Special Capital Projects Fund	436,406	120,717
Local Law Enforcement Block Grant	49,888	-
CA-COPS Grant Fund	82,257	79,348
Transportation Fund	210,233	207,883
Proposition C Fund	159,928	144,814
AQMD Fund	571,134	496,712
Water Operating Fund	122,602	122,613
CDBG Fund	777,774	188,246
Redevelopment Agency Fund	<u>4,044</u>	<u>4,044</u>
Total investment in general fixed assets	<u>\$ 21,410,937</u>	<u>\$ 20,137,792</u>

CITY OF BELLFLOWER
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
June 30, 2000
with Comparative Totals for June 30, 1999

	Land	Buildings and Improvements	Machinery and Equipment	Water Rights	Totals	
					2000	1999
General government	\$ 6,974,618	\$ 3,307,238	\$ 746,885	\$ 94,010	\$ 11,122,751	\$ 10,988,512
Public safety	-	-	344,812	-	344,812	282,495
Public works	-	502,156	1,349,164	-	1,851,320	1,772,288
Parks and recreation	163,750	7,193,424	635,905	-	7,993,079	7,022,729
Community development	-	-	98,975	-	98,975	71,768
 Total general fixed assets	 \$ 7,138,368	 \$ 11,002,818	 \$ 3,175,741	 \$ 94,010	 \$ 21,410,937	 \$ 20,137,792

CITY OF BELLFLOWER
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended June 30, 2000

	<u>Balance at July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2000</u>
General government	\$ 10,988,512	\$ 157,633	\$ 23,394	\$ 11,122,751
Public safety	282,495	62,317	-	344,812
Public works	1,772,288	89,383	10,351	1,851,320
Parks and recreation	7,022,729	970,350	-	7,993,079
Community development	<u>71,768</u>	<u>27,207</u>	<u>-</u>	<u>98,975</u>
Total general fixed assets	<u>\$ 20,137,792</u>	<u>\$ 1,306,890</u>	<u>\$ 33,745</u>	<u>\$ 21,410,937</u>

CITY OF BELLFLOWER
SCHEDULE OF GENERAL LONG-TERM DEBT
June 30, 2000
with Comparative Totals for June 30, 1999

	<u>City of Bellflower</u>	<u>Bellflower Public Facilities Corporation</u>	<u>Bellflower Redevelopment Agency</u>	<u>Totals</u>	
				2000	1999
<u>Amount Available and to be Provided for Payment of General Long-Term Debt</u>					
Amount available in debt service funds	\$ -	\$ 332,711	\$ 572,332	\$ 905,043	\$ 708,282
Amount to be provided	<u>566,490</u>	<u>5,777,289</u>	<u>1,492,668</u>	<u>7,836,447</u>	<u>7,048,532</u>
Total amount available and to be provided for payment of general long-term debt	<u>\$ 566,490</u>	<u>\$ 6,110,000</u>	<u>\$ 2,065,000</u>	<u>\$ 8,741,490</u>	<u>\$ 7,756,814</u>

General Long-Term Debt Payable

General long-term debt (includes current portion of debt)					
Compensated absences	\$ 566,490	\$ -	\$ -	\$ 566,490	\$ 476,814
Certificates of participation	-	6,110,000	-	6,110,000	5,195,000
Tax allocation bonds	<u>-</u>	<u>-</u>	<u>2,065,000</u>	<u>2,065,000</u>	<u>2,085,000</u>
Total general long-term debt payable	<u>\$ 566,490</u>	<u>\$ 6,110,000</u>	<u>\$ 2,065,000</u>	<u>\$ 8,741,490</u>	<u>\$ 7,756,814</u>

**STATISTICAL SECTION
(UNAUDITED)**

CITY OF BELLFLOWER

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works (1)	Parks & Recreation	Community Development	Capital Outlay	Debt Service	Total
1999-00	\$ 2,198,650	\$ 7,493,235	\$ 5,900,080	\$ 1,696,505	\$ 2,478,172	\$ 1,371,988	\$ 977,394	\$ 22,116,024
1998-99	2,030,988	7,247,832	6,573,090	1,576,844	2,607,867	974,431	719,892	21,730,944
1997-98	1,548,215	7,258,907	6,406,753	1,629,262	2,348,599	1,038,591	719,476	20,949,803
1996-97	1,813,446	7,418,756	5,538,223	1,686,927	2,028,609	1,809,937	671,621	20,967,519
1995-96	2,055,473	6,905,123	5,357,989	2,273,574	2,685,196	2,118,422	493,259	21,889,036
1994-95	1,786,716	6,937,306	4,736,531	2,022,710	1,680,115	1,260,804	500,276	18,924,458
1993-94	2,021,747	5,985,816	4,693,132	2,031,288	1,771,539	1,239,182	501,829	18,244,533
1992-93	2,166,657	4,991,145	3,563,379	1,856,710	1,021,132	464,736	982,430	15,046,189
1991-92	2,972,841	4,777,467	2,923,804	1,796,058	1,115,170	206,380	1,343,901	15,135,621
1990-91	2,787,154	4,355,874	3,124,321	1,627,325	2,006,268	1,839,282	964,086	16,704,310

NOTE: Includes General, Special Revenue, Debt Service and Capital Projects Funds

(1) Includes Public Utilities.

SOURCE: City Finance Department

CITY OF BELLFLOWER

GENERAL GOVERNMENTAL REVENUES BY SOURCE Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and permits	Fines and penalties	Investment revenue	Inter-governmental revenue	Charges for current services	Other	Total
1999-00	\$ 11,524,762	\$ 357,217	\$ 866,297	\$ 1,432,147	\$ 7,965,810	\$ 1,510,844	\$ 544,749	\$ 24,201,826
1998-99	11,066,593	373,674	704,405	948,842	7,999,213	2,461,741	335,941	23,890,409
1997-98	10,293,947	314,897	432,971	864,593	7,419,807	2,343,572	153,671	21,823,458
1996-97	10,042,897	377,456	465,767	914,354	6,787,077	2,746,086	164,977	21,498,614
1995-96	10,763,576	483,049	545,278	857,772	7,627,404	2,886,471	93,075	23,256,625
1994-95	10,076,660	522,787	559,447	713,199	5,455,245	2,849,447	59,356	20,236,141
1993-94	7,693,276	599,228	402,538	1,454,699	5,144,189	2,544,733	100,116	17,938,779
1992-93	6,331,702	201,938	503,568	997,295	5,057,246	2,358,007	341,127	15,790,883
1991-92	5,381,157	260,785	467,783	995,805	5,738,991	2,114,005	186,242	15,144,768
1990-91	5,753,424	67,009	601,554	866,903	6,252,905	1,321,050	71,489	14,934,334

NOTE: Includes General, Special Revenue, Debt Service and Capital Projects Funds

SOURCE: City Finance Department

CITY OF BELLFLOWER

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE Last Ten Fiscal Years

Fiscal Year	Sales & Use (1)	Utility Users (2)	Property (3)	Franchise	Transient Occupancy	Business License	Other	Total
1999-00	\$ 5,026,873	\$ 2,551,194	\$ 2,007,127	\$ 1,057,004	\$ 386,802	\$ 386,961	\$ 108,801	\$ 11,524,762
1998-99	4,667,089	2,634,142	1,941,087	998,691	322,363	419,369	83,852	11,066,593
1997-98	4,280,040	2,525,611	1,742,070	961,305	312,094	388,793	84,034	10,293,947
1996-97	4,190,847	2,470,010	1,744,709	930,338	285,763	358,567	62,663	10,042,897
1995-96	4,722,126	2,536,002	1,839,103	932,890	295,787	384,416	53,252	10,763,576
1994-95	4,330,197	2,406,304	1,651,986	882,511	343,447	407,427	54,788	10,076,660
1993-94	4,142,141	1,047,387	946,841	828,349	288,642	377,378	62,538	7,693,276
1992-93	4,003,861	-	671,696	780,782	413,901	382,832	78,630	6,331,702
1991-92	3,614,547	-	562,537	635,036	357,792	127,339	83,906	5,381,157
1990-91	4,314,853	-	146,611	624,667	410,307	140,663	116,323	5,753,424

NOTES: Includes General, Special Revenue, Debt Service and Capital Projects Funds

(1) Sales tax revenue for fiscal year 1995-96 includes a one-time accounting adjustment of \$432,600. Without this adjustment, the revenue would have been \$4,289,526.

(2) A five percent (5%) utility users' tax was implemented in November 1993.

(3) - With the passage of Assembly Bill No. 1197, the City began receiving property tax allocations in fiscal year 1989-90.

- The Redevelopment Agency began receiving property tax increment in fiscal year 1994-95.

SOURCE: City Finance Department

CITY OF BELLFLOWER

SPECIAL ASSESSMENT COLLECTIONS Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Lighting District No. 70</u>	<u>Vehicle Parking District No. 1</u>	<u>Total</u>
1999-00	\$ 13,598	\$ 13,053	\$ 26,651
1998-99	11,158	7,414	18,572
1997-98	26,802	7,124	33,926
1996-97	509,885	6,615	516,500
1995-96	514,108	6,582	520,690
1994-95	499,073	6,894	505,967
1993-94	445,382	6,897	452,279
1992-93	438,563	7,090	445,653
1991-92	477,368	8,552	485,920
1990-91	-	7,979	7,979

NOTES: 1. Beginning in fiscal year 1991-92, the Lighting District charged a special assessment to residential and commercial property owners to provide and maintain street lights throughout the City. However, the City Council subsequently took action to not renew the lighting assessment to provide all related energy and maintenance costs out of General Fund beginning in fiscal year 1997-98. The amounts shown above for fiscal years 1997-98 through 1999-00 are preceding years' delinquent taxes and related penalties and interest.

2. The Vehicle Parking District charges owners of property along the west side of Bellflower Boulevard between Mayne and Flower Streets for the maintenance of parking lots within the District.

SOURCE: City Finance Department

CITY OF BELLFLOWER

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years

Fiscal Year	Land	Improvements	Personal Property	Gross Value	Exemptions	Net Taxable Value	Percent Change	Assessed to Property Value
1999-00	\$1,006,767,852	\$1,290,295,895	\$77,455,036	\$2,374,518,783	\$146,343,611	\$2,228,175,172	3.12%	100%
1998-99	974,649,004	1,251,812,453	75,519,358	2,301,980,815	141,240,459	2,160,740,356	1.80%	100%
1997-98	950,130,061	1,226,385,344	69,101,560	2,245,616,965	123,075,179	2,122,541,786	-0.54%	100%
1996-97	947,209,871	1,244,610,566	66,475,258	2,258,295,695	124,218,776	2,134,076,919	-0.39%	100%
1995-96	949,751,809	1,239,384,417	41,634,154	2,230,770,380	88,390,050	2,142,380,330	0.85%	100%
1994-95	932,235,143	1,242,462,150	67,041,212	2,241,738,505	117,432,458	2,124,306,047	2.47%	100%
1993-94	891,432,157	1,227,919,579	57,724,135	2,177,075,871	104,039,184	2,073,036,687	4.84%	100%
1992-93	849,869,090	1,174,555,783	61,012,420	2,085,437,293	108,195,248	1,977,242,045	4.84%	100%
1991-92	804,630,553	1,119,579,973	58,478,257	1,982,688,783	96,692,768	1,885,996,015	10.51%	100%
1990-91	710,227,004	1,034,771,053	54,399,247	1,799,397,304	92,813,033	1,706,584,271	11.67%	100%

SOURCE: Los Angeles County Auditor-Controller

CITY OF BELLFLOWER

PROPERTY TAX RATES FOR ALL DIRECT AND OVERLAPPING GOVERNMENTS Last Ten Fiscal Years

Fiscal Year	Los Angeles County	Los Angeles County Flood Control District	Metropolitan Water District	ABC Unified School District	Downey Unified School District	Paramount Unified School District	General (1)	Total (2)
1999-00	\$ 0.001422	\$ 0.001765	\$ 0.008900	\$ 0.025778	\$ 0.023764	\$ 0.063709	\$ 1.000000	\$ 1.125338
1998-99	0.001451	0.001953	0.008900	0.026393	0.021035	0.064974	1.000000	1.124706
1997-98	0.001584	0.002197	0.008900	0.030676	0.016232	-	1.000000	1.059589
1996-97	0.001604	0.001991	0.008900	-	-	-	1.000000	1.012495
1995-96	0.001814	0.000963	0.008900	-	-	-	1.000000	1.011677
1994-95	0.001993	0.006041	0.008900	-	-	-	1.000000	1.016934
1993-94	0.001713	0.004212	0.008900	-	-	-	1.000000	1.014825
1992-93	0.001409	0.003397	0.008900	-	-	-	1.000000	1.013706
1991-92	0.001888	0.005376	0.008900	-	-	-	1.000000	1.016164
1990-91	0.002104	0.005786	0.009700	-	-	-	1.000000	1.017590

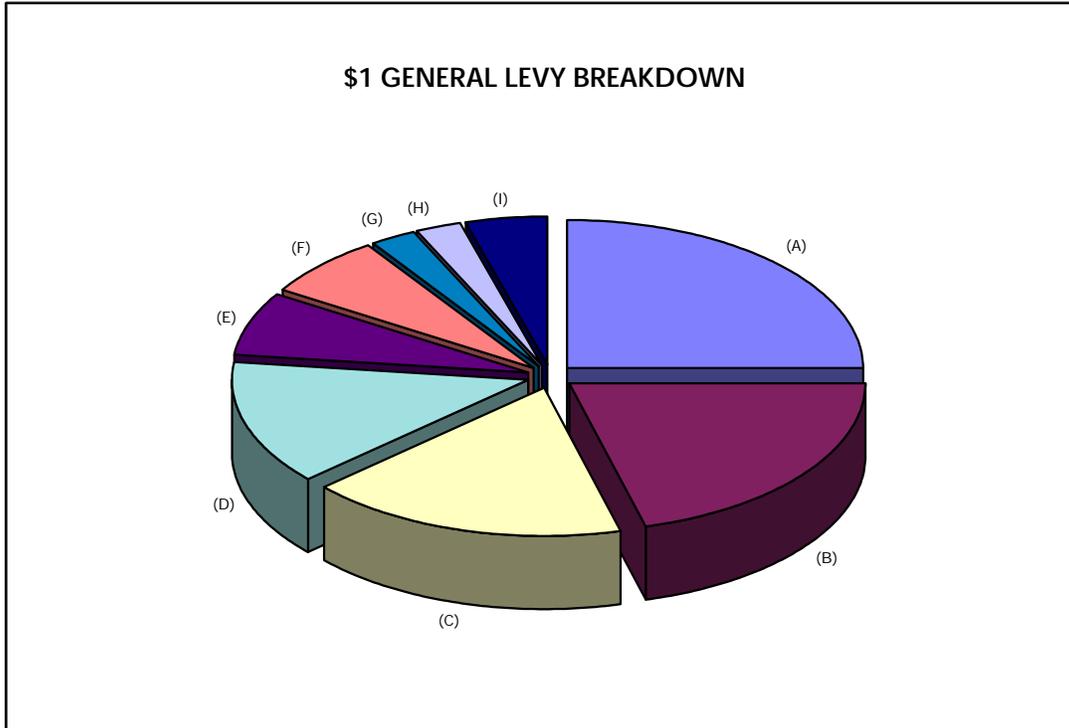
NOTE: (1) The breakdown of \$1 base levy per \$100 of assessed valuation is shown on the following page.

(2) Tax rates are based on per \$100 of assessed valuation.

SOURCES: HdL Coren & Cone (fiscal years 1995-96 and subsequent)
California Municipal Statistics, Inc. (fiscal years 1994-95 and prior)

CITY OF BELLFLOWER

PROPERTY TAX DOLLAR BREAKDOWN Fiscal Year Ended June 30, 2000



Los Angeles County General	(A)	\$ 0.2500	Other:	
Bellflower Unified School District	(B)	0.2090	County Sanitation Dist. No. 2 Operating	0.0134
Consolidated Fire Protection District of L.A. Co.	(C)	0.1760	L.A. County Flood Control Maintenance	0.0099
Educational Augmentation Fund Impound	(D)	0.1350	County School Service Fund Bellflower	0.0075
Educational Revenue Augmentation Fund	(E)	0.0690	L.A. County - FFW	0.0073
City of Bellflower Tax District 1	(F)	0.0670	Children's Institutional Tuition Fund	0.0028
Cerritos Community College District	(G)	0.0260	L.A. Co. Flood Control Imp. Dist. Maint.	0.0018
L.A. County Library	(H)	0.0240	County School Services	0.0014
Other	(I)	0.0448	Greater L.A. Co. Vector Control	0.0004
Total		1.0008	Water Replenishment Dist. of So. Calif.	0.0002
Rounding		(0.0008)	L.A. Co. Accumulative Capital Outlay	0.0001
\$1 general levy		<u>\$ 1.0000</u>	Total Other	<u>0.0448</u>

NOTE: Annual tax increment ratios for tax rate area 02336, excluding redevelopment factors and additional debt service.

SOURCE: HdL Coren & Cone (based on 1999-00 property tax data provided by the Los Angeles County Assessor)

CITY OF BELLFLOWER

SECURED PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years

Fiscal Year	CITY (1)			REDEVELOPMENT AGENCY (3)		
	Total Current Levy	Total Current Collections	Percent of Levy Collected	Total Current Levy	Total Current Collections	Percent of Levy Collected
1999-00	\$ 1,278,105	\$ 1,239,153	97.0%	\$ 420,919	\$ 412,446	98.0%
1998-99	1,238,027	1,202,729	97.1%	392,608	371,141	94.5%
1997-98	1,222,737	1,186,162	97.0%	296,532	281,245	94.8%
1996-97	1,256,740	1,206,265	96.0%	328,833	322,669	98.1%
1995-96	1,268,727	1,214,211	95.7%	374,300	341,367	91.2%
1994-95	1,156,209	1,156,209	100.0%	383,651	334,292	87.1%
1993-94	946,841	946,841	100.0%	326,007	255,816 (2)	78.5%
1992-93	671,696	671,696	100.0%	-	-	-
1991-92	562,537	562,537	100.0%	-	-	-
1990-91	146,611	146,611	100.0%	-	-	-

NOTES: (1) Since fiscal year 1989-90, the City of Bellflower, a "no" property tax city, began receiving property tax allocations under Assembly Bill No. 1197. The Assembly Bill allowed for a 7-year phase-in period in which the qualifying cities received property tax allocations at an annual increment of 1% of the base levy (\$1 per \$100 of assessed valuation), with a maximum allocation of 7% in the 7th and subsequent years. The City received the 7% maximum in fiscal year 1995-96.

Unlike previous years, the City began sharing in the property tax delinquencies and redemptions in fiscal year 1995-96. Furthermore, instead of reporting the combined total of secured and unsecured taxes, only secured property tax collections are reported beginning in fiscal year 1995-96.

(2) The property tax increment for fiscal year 1993-94 is reported as revenue for fiscal year 1994-95.

(3) The Redevelopment Agency's property tax levy and collection amounts are net of the County's 2% base year adjustments under the Health and Safety Code Section 33676.

SOURCE: Los Angeles County Auditor-Controller

CITY OF BELLFLOWER

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE, NET BONDED DEBT PER CAPITA, AND COMPUTATION OF LEGAL DEBT MARGIN Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	General Bonded Debt (3)	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1999-00	68,345	\$ 2,228,175,172	\$ -	\$ -	\$ -	0.0%	\$ -
1998-99	67,574	2,160,740,356	-	-	-	0.0%	-
1997-98	66,640	2,122,541,786	-	-	-	0.0%	-
1996-97	65,990	2,134,076,919	-	-	-	0.0%	-
1995-96	65,264	2,142,380,330	-	-	-	0.0%	-
1994-95	64,458	2,124,306,047	-	-	-	0.0%	-
1993-94	63,911	2,073,036,687	-	-	-	0.0%	-
1992-93	63,369	1,977,242,045	-	-	-	0.0%	-
1991-92	63,002	1,885,996,015	-	-	-	0.0%	-
1990-91	62,386	1,706,584,271	-	-	-	0.0%	-

COMPUTATION OF LEGAL DEBT MARGIN:

Assessed Valuation	<u>\$ 2,228,175,172</u>
Legal Debt Limit - 3.75% of Assessed Valuation	\$ 83,556,569
Amount of Debt Applicable to Debt Limit	-
LEGAL DEBT MARGIN	<u>\$ 83,556,569</u>

NOTE: California Government Code Section 43605 requires a legal debt limit of 15% of the assessed value of all real and personal property of the City. This provision was enacted when assessed valuation was established at 25% of market value. Because taxable property is assessed at 100% of market value as of fiscal year 1981-1982, the percentage has been proportionately adjusted to 3.75% in order to reflect the intent of the debt limit stipulation. The City currently has no bonded indebtedness.

SOURCES: (1) State Department of Finance
(2) Los Angeles County Auditor-Controller
(3) City Finance Department

CITY OF BELLFLOWER

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT Fiscal Year Ended June 30, 2000

	<u>Percent Applicable</u>	<u>Debt at June 30, 2000</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Los Angeles County	0.437%	\$ 209,170
Los Angeles County Flood Control District	0.467%	145,517
Metropolitan Water District	0.235%	1,291,595
Downey Unified School District	3.870%	655,765
Paramount Unified School District	10.819%	3,235,882
Los Angeles County Regional Park and Open Space Assessment District	0.437%	2,021,212
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$ 7,559,141</u>
 <u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>		
Los Angeles County General Fund Obligations	0.437%	\$ 7,379,235
Los Angeles County Pension Obligations	0.437%	9,011,912
Los Angeles County Superintendent of Schools Certificates of Participation	0.437%	149,956
Los Angeles County Flood Control District Certificates of Participation	0.467%	830,840
Los Angeles County Sanitation District No.2 Authority	10.089%	3,816,932
Los Angeles County Sanitation District No.3 Authority	0.253%	71,853
Los Angeles County Sanitation District No.18 Authority	0.015%	2,986
Cerritos Community College District Certificates of Participation	12.295%	609,217
Paramount Unified School District Certificates of Participation	10.819%	4,248,621
City of Bellflower Certificates of Participation	100.000%	6,110,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		\$ 32,231,552
Less: Los Angeles County Certificates of Participation (100% self-supporting from leasehold revenues on properties in Marina Del Rey)		568,122
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>\$ 31,663,430</u>
GROSS COMBINED TOTAL DEBT		\$ 39,790,693 (1)
NET COMBINED TOTAL DEBT		<u>\$ 39,222,571</u>

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

Ratios to 1999-00 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 0.34%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$6,110,000) 0.28%
Gross Combined Total Debt 1.86%
Net Combined Total Debt 1.83%

1999-00 Assessed Valuation	\$ 2,228,175,172
Redevelopment Incremental Valuation	83,968,185
Adjusted Assessed Valuation	<u>\$ 2,144,206,987</u>

STATE SCHOOL BUILDING AID REPAYABLE AS OF JUNE 30, 2000: \$0

SOURCE: California Municipal Statistics, Inc.

CITY OF BELLFLOWER

RATIO OF ANNUAL DEBT SERVICE OF GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service to General Expenditures</u>
1999-00	\$ -	\$ -	\$ -	22,116,024	0.0%
1998-99	-	-	-	21,730,944	0.0%
1997-98	-	-	-	20,949,803	0.0%
1996-97	-	-	-	20,967,519	0.0%
1995-96	-	-	-	21,889,036	0.0%
1994-95	-	-	-	18,924,458	0.0%
1993-94	-	-	-	18,244,533	0.0%
1992-93	-	-	-	15,046,189	0.0%
1991-92	-	-	-	15,135,621	0.0%
1990-91	-	-	-	16,704,310	0.0%

NOTE: Includes General, Special Revenue, Debt Service and Capital Projects Funds

SOURCE: City Finance Department

CITY OF BELLFLOWER

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Number of Commercial Permits (1)</u>	<u>Number of Residential Permits (1)</u>	<u>Total Number of Permits</u>	<u>Total Valuation (1) (\$000)</u>	<u>Bank Deposits (2) (\$000)</u>
1999-00	220	759	979	\$ 24,797	\$ - (A)
1998-99	278	696	974	36,235	405,933
1997-98	270	637	907	18,068	431,400
1996-97	352	565	917	10,521	440,660
1995-96	275	504	779	8,742	458,676
1994-95	170	470	640	11,917	472,577
1993-94	134	621	755	7,089	488,358
1992-93	138	497	635	9,960	509,945
1991-92	138	483	621	17,818	550,485
1990-91	158	428	586	24,030	561,819

NOTE: (A) Fiscal year 1999-00 data for bank deposits will not be available until December 31, 2000.

SOURCES: (1) City Community Development Department
(2) The Findley Reports on California Financial Institutions

CITY OF BELLFLOWER

TOP 25 PROPERTY TAXPAYERS Fiscal Year Ended June 30, 2000

** Listed Alphabetically

	Owner (Number of Parcels)	Assessed Value	Estimated Total Tax	Average Tax Ratio
1	Advanced Group 98-71 (1)	\$ 13,432,700	\$ 8,949	0.067%
2	Baraka Enterprises (2)	2,729,190	8,084	0.296%
3	Bellflower Business partners L P Et (21)	12,143,200	32,207	0.265%
4	Bellflower Capital LLC (2)	6,416,737	19,128	0.298%
5	Belmont Place Bellflower Associates (3)	7,955,500	23,429	0.295%
6	BPP Golden State Acquisitions (5)	4,453,726	13,110	0.294%
7	Bruce H. & Mia M. Kang (2)	2,648,178	7,795	0.294%
8	Bryant Rubber Corporation (1)	1,675,128	8,450	0.504%
9	Dan Top U S A Inc. (4)	3,167,783	8,362	0.264%
10	Haagen GDH Partnership & Leonard Marx (1)	12,001,494	35,328	0.294%
11	HPW Properties Inc. (2)	3,822,895	11,239	0.294%
12	Hufcor Airwall Inc. (3)	2,433,711	6,485	0.266%
13	Kenneth J. Cleveland (12)	4,857,872	8,542	0.176%
14	Kmart Plaza Bellflower (2)	11,055,999	7,366	0.067%
15	Lloyds Bank California (3)	2,235,215	6,580	0.294%
16	Lucky Stores Inc. (1)	2,653,730	13,356	0.503%
17	Media One of Los Angeles Inc. (3)	27,815,565	99,267	0.357%
18	Micha Mottale (4)	2,357,160	6,939	0.294%
19	Pep Boys Many Moe & Jack (1)	2,233,184	6,566	0.294%
20	Ronald D. Slate Company Trust B (5)	3,308,128	9,709	0.293%
21	Shadrall Associates (1)	3,609,571	10,625	0.294%
22	Stephen & Mary Sandberg Trust (1)	3,154,522	9,286	0.294%
23	Tommy H. Chow Company Trust (3)	2,385,209	7,012	0.294%
24	Universal Care Inc. (2)	2,232,242	7,526	0.337%
25	William J. Wade Trust Acrem I Business (1)	7,625,733	22,420	0.294%

SOURCE: HdL Coren & Cone (based on Los Angeles County Assessor 1999-00 Combined Tax Rolls)

CITY OF BELLFLOWER

TOP 25 SALES TAX PRODUCERS Fiscal Year Ended June 30, 2000

** Listed Alphabetically

	Name of Business	Type of Business
1	Bancamerica Auto Finance	Auto Lease
2	Circle K	Grocery Stores Beer/Wine
3	Delphin Computer Supply	Office Supplies/Furniture
4	Dennys	Restaurants Liquor
5	Don A Vee Jeep Eagle Kia	New Motor Vehicle Dealer
6	Emilios Beverage Warehouse	Package Liquor Store
7	Ford Credit Titling Trust	Auto Lease
8	Ford West	New Motor Vehicle Dealer
9	G & M Oil Company	Service Station
10	George Chevrolet	New Motor Vehicle Dealer
11	K M K Imports	Home Furnishings
12	K Mart	Discount Department Store
13	Kaiser Foundation Hospitals	Health Services
14	Lucky Store	Grocery Store Liquor
15	McDonalds	Fast Food
16	Mikes Am Pm Mini Market	Service Station
17	Mikes Auto Sales Inc.	Used Automotive Dealer
18	Norms Restaurants	Fast Food
19	Notricas 32nd St Market	Grocery Store Liquor
20	Pep Boys	Automotive Supply Store
21	Ralphs	Grocery Store Liquor
22	Rapid Gas, Inc.	Service Station
23	Rons Mini Mart & Gas	Service Station
24	Staples, Inc.	Office Supplies/Furniture
25	Stater Bros	Grocery Stores Liquor

Percent of total sales tax paid by
the top 25 producers: 59.87%

SOURCE: Hinderliter de Llamas & Associates (based on sales tax data from the State Board of Equalization)

CITY OF BELLFLOWER

SCHEDULE OF INSURANCE IN FORCE Fiscal Year Ended June 30, 2000

Carrier	Type of Insurance	Policy Number	Effective Date	Liability Limits	Annual Premium
California Joint Powers Insurance Authority (CJPIA)	Comprehensive General and Automobile Liability	-	7/1/99 - 6/30/00	Per Claim: \$ 50,000,000 Annual: \$ 50,000,000 Deductible: \$ 20,000	\$ 327,082
CJPIA	Workers' Compensation	-	7/1/99 - 6/30/00	Per Claim: \$ 5,000,000 Annual: \$ 5,000,000 Deductible: \$ 50,000	\$ 115,091
CJPIA	All Risk Property (Including Boiler & Machinery)	-	2000	Insured Value: \$ 33,118,968 Deductible: \$ 5,000	\$ 5,628
CJPIA	Earthquake and Flood	-	2000	Per Claim: \$ 12,888,567 Aggregate: \$ 12,888,567 Earthquake Deductible: 5% (\$100,000 minimum) Flood Deductible: \$ 25,000	\$ 32,441
National Notary Association	Notary Errors and Omissions / City Clerk	4011509	8/17/99 - 8/16/01	Maximum: \$ 100,000	\$ 141
Robert F. Driver Company Inc. (General Star Insurance Co.)	General Liability for Special Events	IYG340276A	7/1/99 - 6/30/00	Coverage Limit: \$ 1,000,000 Per Claim: \$ 1,000,000 Aggregate: \$ 1,000,000	\$ 7,745
Robert F. Driver Company Inc. (ITT Hartford Fire Insurance Co.)	Public Employee Dishonesty Bond Program (California JPIA)	PEBA 06300-6357	2000	Maximum: \$ 1,000,000 Deductible: \$ 5,000	\$ 1,695
Williams Insurance Brokers (Massachusetts Plate Glass)	Plate Glass	04-22897	9/12/99 - 9/12/00	Per Claim: Unspecified Aggregate: Unspecified Deductible: \$ 768	\$ 768

SOURCE: City Finance Department

CITY OF BELLFLOWER

DEMOGRAPHIC STATISTICS AND OTHER MISCELLANEOUS STATISTICAL DATA Fiscal Year Ended June 30, 2000

Date of Incorporation	September 3, 1957	Police Protection: *	
Location	County of Los Angeles, 18 miles southeast of the City of Los Angeles, 100 miles north of San Diego and 450 miles south of San Francisco.	Officers:	
Form of Government	Council - Administrator	Lieutenant	1
Type of Government	General Law	Sergeants	3
Physical Area	6.1 square miles	Special Assignment	7
Population:		Detectives	5
2000 State Estimate	68,345	Community Relations	2
1990 U.S. Census	61,815	Community Services	14 (5 full-time & 9 part-time)
1980 U.S. Census	53,441	Probation	0.5
Race Per 1990 U.S. Census:		Deputy District Attorney	1
White	37,040 59.9%	40-Hour Patrol Cars	26
Hispanic	14,381 23.3%	Motorcycles	2
Asian	6,093 9.9%	Patrol Helicopter	1 (shared among six cities)
Black	3,770 6.1%	Hotels and Motels	18 facilities; 685 rooms
Other	531 0.8%	Transportation:	
Streets	97.4 miles	Rail	Amtrak; Southern Pacific and Santa Fe (freight only)
Parks	8	Air	Long Beach Airport, 5 miles; Los Angeles International Airport (LAX), 20 miles; John Wayne International Airport (Orange County), 24 miles
Employees	75 full-time 138 part-time	Bus	The Bus (City of Bellflower); Dial-A-Ride; Long Beach Transit Company; Norwalk Transit Company; Metropolitan Transportation Authority (MTA)
Education	10 Elementary Schools 3 High Schools 1 Adult Schools 7 Private Institutions	Water	Long Beach and Los Angeles Ports
Library *	1	Highways	I-105, I-605, S-91 and S-710
Fire Protection: *		Major Thoroughfares	Alondra, Artesia, Bellflower and Lakewood Boulevards and Rosecrans Avenue
Number of Stations	2	Occupied City Dwellings:	
* Services provided by the Los Angeles Sheriff's Department.		2000 (State Estimate)	23,174
		1984	23,250
		1960	15,035



**SUPPLEMENTAL INFORMATION SECTION
(SINGLE AUDIT)**

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MUNICIPAL FINANCE OFFICERS
CALIFORNIA ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS

OFFICES

BEVERLY HILLS, CALIFORNIA
SANTA MARIA, CALIFORNIA
SACRAMENTO, CALIFORNIA
TUSTIN, CALIFORNIA

LINDA N. GRAHAM, C.P.A.

*DENOTES PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members of City Council
Of the City of Bellflower
Bellflower, California

We have audited the general purpose financial statement of the City of Bellflower (City) as of and for the fiscal year ended June 30, 2000, and have issued our report thereon dated September 21, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, and noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim
Beverly Hills, California
September 21, 2000

MOSS, LEVY & HARTZHEIM

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and Members of City Council
Of the City of Bellflower
Bellflower, California

Compliance

We have audited the compliance of the City of Bellflower (City) with the types of compliance requirements described in *the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended June 30, 2000. The City's major federal program is identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstance. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2000. However, the results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs items.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the City as of and for the fiscal year ended June 30, 2000, and have issued our report thereon dated September 21, 2000. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statement taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information of management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim
Beverly Hills, California
September 21, 2000

CITY OF BELLFLOWER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2000

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Agency or Pass-Through Program Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Community Development Block Grant	14.218	B 98 MC 060512	\$ 477,794
Community Development Block Grant	14.218	B 97 MC 060512	353,544
HOME	14.239	B 99 MC 060547	13,143
Total U.S. Department of Housing and Urban Development			<u>\$ 844,481</u>
U.S. Department of Justice:			
Local Law Enforcement Block Grant	16.710	97 LBVX 2241	48,346
Local Law Enforcement Block Grant	16.710	98 LBVX 2241	261,378
Local Law Enforcement Block Grant	16.710	99 LBVX 8504	15,909
Juvenile Accountability Incentive Block Grant		IP 99 016219	23,553
Total U.S. Department of Justice			<u>\$ 349,186</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,193,667</u></u>

CITY OF BELLFLOWER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the City of Bellflower.
2. No reportable conditions relating to the audit of the financial statements were reported in the general purpose financial statements.
3. No instances of noncompliance material to the financial statements of the City of Bellflower were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs were reported in the general purpose financial statements.
5. The auditor's report on compliance for the major federal award programs for the City of Bellflower expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for the City of Bellflower are reported in Part C of this Schedule.
7. The program tested as major programs are:

Community Development Block Grants	CFDA No. 14.218
------------------------------------	-----------------
8. The threshold for distinguishing Type A and B programs is \$300,000.
9. The City of Bellflower was determined to be a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None

CITY OF BELLFLOWER
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 1999

NONE