

Comprehensive Annual Financial Report

Year Ended June 30, 2001



City of Bellflower
California

<http://www.bellflower.org>

**CITY OF BELLFLOWER
CALIFORNIA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2001**

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

CITY OF BELLFLOWER
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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December 6, 2001

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, 2001 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. The City Administrator, City Clerk and City Attorney are appointed and serve at the will of the 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 approximately 75,000 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.

At June 30, 2001, the fiscal condition for Bellflower remained favorable as the General Fund balance grew to \$13,076,405, an increase of \$2,476,054 from the 1999-00 fund balance of \$10,600,351. The current year's increase was attributable to the economic growth, conservative budgeting practices, and carryover of certain capital projects. The General Fund balances for fiscal years 1998-99, 1997-98, and 1996-97 were \$8,025,000, \$5,885,577, and \$5,237,406, respectively.

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

| Major General Fund Revenue Sources | <u>2000-2001</u> | <u>1999-2000</u> | <u>1998-1999</u> | <u>1997-1998</u> |
|------------------------------------|-----------------------|----------------------|----------------------|----------------------|
| Sales tax | \$5,561,785 10.6% | \$5,026,873 7.7% | \$4,667,089 9.0% | \$4,280,040 2.1% |
| Motor vehicle in-lieu fees | 3,817,494 11.6% | 3,421,532 10.6% | 3,094,702 8.0% | 2,865,355 7.5% |
| Utility users' tax | 2,838,923 11.3% | 2,551,194 (3.1%) | 2,634,142 4.3% | 2,525,611 2.3% |
| Property tax | 1,474,930 6.4% | 1,386,159 2.9% | 1,346,709 (0.8%) | 1,356,835 1.3% |
| Franchise tax | 1,280,342 21.1% | 1,057,004 5.8% | 998,691 3.9% | 961,305 3.3% |
| Total | \$14,973,474 11.4% | \$13,442,762 5.5% | \$12,741,333 6.3% | \$11,989,146 3.4% |

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>00-01</u> | <u>99-00</u> | <u>98-99</u> | <u>97-98</u> |
|--------------------------------|--------------|--------------|--------------|--------------|
| Automobiles and transportation | 48.4% | 53.8% | 52.5% | 50.0% |
| General consumer goods | 15.0 | 12.1 | 11.2 | 12.7 |
| Fuel and service stations | 10.6 | 8.4 | 9.0 | 10.6 |
| Restaurants and hotels | 9.1 | 9.3 | 9.9 | 9.5 |
| Business and industry | 7.8 | 7.5 | 7.6 | 8.8 |
| Food and drugs | 7.6 | 7.2 | 8.5 | 7.0 |
| Building and construction | 1.5 | 1.7 | 1.3 | 1.4 |

The 10.6% increase in the sales tax revenue resulted primarily from the growth in the general consumer goods, fuel and service stations, and business and industry.

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 several years. With strong auto sales and 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. The voters subsequently approved the tax on March 4, 1997. The 11.3% increase, or \$287,729, was primarily caused by increases in the tax payments made by Southern California Gas Co. and Enron Energy Services, Inc.

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 2000-01, the property tax revenue increased 6.4%, or \$88,771. The City's assessed valuation of secured and unsecured properties was higher by 5.8%.

Although the financial position and operations remained favorable for fiscal year 2000-01, the City will significantly be impacted by the recession that started in March 2001, the State's estimated General Fund deficit of over \$12 billion by fiscal year 2002-03, and the drastic increase in energy costs. The City will take appropriate steps to prevent the State from diverting essential local revenues to balance its budget. For fiscal year 2001-02, the City's budget with respect to the major General Fund revenue sources, excluding the utility users' tax, is lower than the prior year actual by \$870,000, or 7%. The City has also provided an additional budgetary allocation of \$344,000, or 52%, to pay for higher energy costs.

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:

- Conducted a scientific survey of residents measuring satisfaction with City provided services. Survey results indicated general satisfaction with City services and quality of life overall and very positive satisfaction with a number of specified services.
- Implemented customer service survey program for Public Works Service Requests, Building Permits and Parks Facility Rentals. Results of these surveys indicate that respondents are considerably pleased with the City's responses to specific requests for service.
- Expanded access to information on the City's website. Initiated an e-newsletter that updates subscribers on matter of importance in the City. Initiated real time election results updates on the website for the City's municipal election. Submitted an application for website excellence award. This award is given to public agency websites that show innovation in providing a broad range of information to the public.
- Established the Bellflower Honors Program. Each month deserving residents are recognized in a formal ceremony by the City Council. A social gathering with recipients is hosted by a local restaurant in the City Hall lobby.

- Expanded and improved upon community events for the Town Center. Events include a Tree Lighting Ceremony, Cinco de Mayo Celebration, and an annual Car Show.
- Established an effective system for tracking and promoting legislation important to the City.
- Implemented employee-training programs. Five members of the management staff were sent to the CJPIA Supervisory training course. Training was conducted for all staff affected by the conversion to Microsoft Word Processing software. Regular management training was implemented for staff policy updates.
- Marketed the Bellflower “City Store” to promote civic pride. Residents may purchase from a variety of products including polo and sweatshirts, hats, mugs, decals, rulers, custom made and antique street name signs.
- Implemented the City “Info Line” which provides citizens 24 hours a day access to important City information. Directories were mailed out to every address in the City.
- Initiated citywide electric energy conservation plan. The goal is to reduce consumption by 7% or more.

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.

- Prepared the City’s Operating Budget for the timely Council adoption in June 2001.
- Maintained accurate financial records for successful financial audits. Unqualified 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.
- Received outstanding financial reporting awards from the Government Finance Officers’ Association and the California Society of Municipal Finance Officers.
- Using DSL, connected the Volunteer Center and Caruthers Park to the City’s computer network.
- Established limited connection from home to the City’s e-mail server over the Internet.
- Deployed over 50 new computers.

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 2000 Part I Crime Rate is down 3.2% as compared with 1999, and 50.3% as compared with 1993. Part I Crime, listed on the following chart; represent the most serious types of crimes against persons and property. The crime rate is a standard measurement used by the Federal Bureau of Investigation to compare crime in different areas, and is based on the number of occurrences per 10 thousand of population. The following chart summarizes Part I crimes reported in Bellflower from 1999 to 2000.

| Comparison of Region Part I Crime Rates | | | |
|---|--------|--------|----------|
| Crime | 1999 | 2000 | % Change |
| Criminal Homicide | 8 | 5 | -37.5% |
| Forcible Rape | 24 | 14 | -41.7% |
| Robbery | 230 | 181 | -21.3% |
| Aggravated Assault | 239 | 239 | 0.0% |
| Burglary, Residential | 274 | 344 | 25.5% |
| Burglary, Non-Residential | 168 | 154 | -8.3% |
| Burglary, Vehicle | 327 | 396 | 21.1% |
| Larceny/Theft | 683 | 659 | -3.5% |
| Grand Theft Auto | 573 | 492 | -14.1% |
| Arson | 20 | 27 | 35.0% |
| Total Part I Crime | 2546 | 2511 | -1.4% |
| Bellflower Population | 67,081 | 72,878 | 8.6% |
| Part I Crime Rate | 380 | 345 | -9.1% |

- **Calls for Service.** The number of calls for service is a major driving factor in determining our priorities. The following chart shows the number of calls for service per shift for 2000 in Bellflower and for all cities in the Lakewood Sheriff's Station regions:

| Comparison of Calls for Service - 2000 | | | |
|--|------------|---------|-------------|
| Shift | Bellflower | Region | % of Region |
| Early Morning | 5,926 | 18,569 | 31.9% |
| Day | 11,057 | 36,939 | 29.9% |
| Evening | 16,573 | 54,357 | 30.5% |
| Total Calls | 33,556 | 109,865 | 30.5% |
| Total Calls Per Day | 92 | 301 | N/A |
| 911 | 9,451 | 28,414 | 33.3% |
| 911 Calls Per Day | 26 | 81 | N/A |

- **Response Times.** Response time is the most important factor in determining customer satisfaction with policing services. Response times are driven by the number of calls for service and the available resources. The Following chart compares Bellflower response times for 2000 with the average for all cities in the Lakewood Sheriff's Station region:

| Comparison of Response Times – 2000 (in minutes) | | |
|--|------------|--------|
| Call | Bellflower | Region |
| Emergency | 2.8 | 3.2 |
| Priority | 8.3 | 8.3 |
| Routine | 29.8 | 29.4 |

- **Special Operations to Abate Drug, Gang and Prostitution Activity.** We have continued our ongoing program of joint operations with the City-Sheriff's Department to abate drug, gang and prostitution activities. These efforts have included:
 - 10 narcotics stings resulting in 29 arrests.
 - Five prostitution stings resulting in 46 arrests.
 - 17 parole and probation sweeps resulting in 33 arrests.
 - Gang, Parole and Outstanding Warrant Sweeps resulting in 30 arrests.
 - Ongoing warrant operations resulting in 62 arrests.
 - Ongoing saturation patrol efforts in high crime areas resulting in 77 arrests.
- **Eucalyptus-Cornuta-Woodruff Corridor Enrichment Program (CEP).** Deputies made 398 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.
- **Special Operations Targeting Quality of Life Issues.** The maintenance and improvement of the quality of life in our community remains a high priority. We conduct a wide range of special operations designed to target criminal and other activities that place our quality of life at risk. The results of operations include:
 - Three checkpoints targeting persons driving under the influence of alcohol or drugs, without current licenses and/or registration, or without insurance. These operations resulted in 187 arrests.
 - Six operations targeting the illegal sales of alcohol beverages to minors resulting in 15 arrests.
 - Two operations targeting the illegal sale of tobacco to minors that resulted in 12 arrests.
 - Recovery of stolen and abandoned shopping carts resulting in 34 arrests and the recovery of more than 500 carts.
 - Enforcement of the 10:00 p.m. curfew ordinance resulting in 36 arrests.
 - Enforcement of daytime loitering ordinance resulting in 72 arrests.
 - Abatement of illegal vendors resulting in 52 arrests.
 - 32 special surveillance operations targeting suspected gang, drug or other criminal activity resulting in 27 arrests.

- **Federal, State and Other Grant Funding.** The City received funding from the Local Law Enforcement Block Grant, California Citizens Option for Public Safety, Juvenile Accountability Incentive Block Grant, and California Law Enforcement Equipment Program. In addition, the City was the recipient of several competitive grants: a \$43,350 grant for traffic enforcement services and speed control from the California Office of Traffic Safety, a \$7,300 grant for bicycle safety from All State Insurance, and a \$4,259 grant from the Bulletproof Vest Partnership Program.
- **Traffic Safety.** The traffic enforcement index is the ratio of hazardous traffic citations issued to the number of traffic accidents with fatalities or injuries, and is the standard unit of measurement used to judge the effectiveness of a traffic safety program. A ratio of 20:1 is considered optimal. For 2000, Bellflower's ratio of hazardous cites to fatal and injury traffic accidents was 17.8:1, up from 17.5 in 1999. The ratio for the Lakewood Station region was 15.7:1 as compared with 18.5:1 in 1999.
- **Emergency Management.** Staff participated in quarterly tabletop disaster drills, monthly County-wide Emergency Management Information System (EMIS) exercises and monthly Area E Disaster Board meetings. Staff worked with local residents and businesses to increase their readiness for all types of emergencies. These efforts included personal and home preparedness presentations given to Neighborhood Watch and other community groups, and publication and distribution of information via newsletters, flyers and mailings.

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:

- Created a job responsibility manual, including establishment of an administrative support element, to establish a step-by-step procedural guide for processing discretionary approvals.
- Processed 14,998 parking tickets and scheduled 629 administrative reviews and 29 administrative hearings.
- Completed inventory of all department contracts with amendment and expiration dates.
- Created accurate boilerplate for all public contracts.
- Provided cross-training to ensure complete coverage of counter and inspection services.

Planning:

- Completed code amendments regarding Town Center signs amending standards for A-frame signs in the TC zone and commercial antennas in the P (Public Uses) zone.
- Approved four planned developments improving the City's single-family housing stock.

- Processed discretionary approvals: 31 Conditional Use Permits, 3 Variances, 1 General Plan Amendment, 6 Subdivision Maps, 2 Determinations of Similarity, 3 sign permits and 4 zone changes in a complete and timely manner throughout the year.
- 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).
- Assisted in the City’s Economic Development effort completing a more aggressive and “business friendly” Commercial Rehabilitation Assistance Program using Federal CDBG Funds for the Redevelopment Project Area.
- Assisted the Public Works Division in preparing Outline Specifications, Bid Documents, and completing the Bellflower Town Center Streetscape Improvement Program.
- Provided a series of handouts and details for applicants to the Building Division counter with helpful information from the latest Building Codes.
- Continued improvements to the City’s Building Permit database system to allow permits to be issued by computer rather than by hand.

Building:

- Completed implementation of the City’s plan to meet State law requirements regarding unreinforced masonry buildings.

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:

- Removed 42 trees, 3996 square feet of sidewalk, 664 square feet of aprons, and 830 lineal feet of curb and gutter.
- Constructed 31,566 square feet of sidewalk, 9250 square feet of aprons, and 15 handicap ramps.
- Placed 2,800 tons of slurry on local streets as part of an on-going Citywide street preventive maintenance program.
- Placed 6,860 tons of asphalt for maintenance on streets.
- Continued a 7-day a week graffiti removal program.
- A full presentation of evaluation and results and concept design for the 91 Freeway/Bellflower Boulevard Congestion Relief Plan was presented to the City Council on March 26, 2001. A follow-up study lesson to initiate the Project Study report phase occurred early Fall 2001.

- Completed landscape improvements on various block wall locations.
- Received 2,515 requests for service.
- Cleaned 165 storm drain catch basins.
- Completed design of storm drain on Somerset Boulevard.
- Completed two traffic signal upgrades at Alondra/Clark and Clark/Cedar.
- Constructed a 50-foot raised center island median on Artesia Boulevard. This project provided an aesthetic enhancement at the west entrance to the City on Artesia Boulevard.

Housing and Grants:

- Provided funding for:
 - 15 single family units under the Single Family Rehabilitation Program
 - 3 first-time low and moderate income homebuyers under the First-Time Homebuyer Essential Repair Loan Program, which provides up to \$5,000 for essential home repairs
 - 2 first-time home ownership loans to low and moderate income households
 - 3 Commercial Rehabilitation Grants
- Awarded funding for 17 nonprofit agencies to provide support services for the elderly, disabled and youth with emphasis on at-risk youth, victims of domestic violence, persons with drug/alcohol abuse, and other special needs population.
- Provided commercial building façade improvements under the Block Improvement Grant II Program.
- Provided six Special Economic Development Grants to create and or retain jobs in Bellflower.
- Provided one Micro Business Enterprise loan to assist a small business.
- Integrated lead paint testing and lead paint removal activities into all Federal CDBG and HOME funded residential programs as required by the new HUD regulation.

Redevelopment:

- Investigated the potential to assist in the relocation of local businesses.
- Assisted with improvements to a local automobile dealership.
- A plan was prepared by a professional business location specialist to assist owners and realtors in attracting tenants to vacant properties in Bellflower.

- Explored opportunities for commercial property acquisitions to create options for new commercial businesses.
- Maintained the Economic Development Web Page to market programs and property availability in the Redevelopment Project Area.
- Initiated negotiations for a major drugstore.
- Continued implementation of a commercial rehabilitation loan program for all qualifying properties within the Redevelopment Project Area.
- Completed projects on the Boulevard to attract new businesses.

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 2000-01, 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.

- Received League of California Cities Helen Putnam Award of Excellence for the Bellflower Recreation in Motion program (BRIM).
- Implemented a second BRIM Mobile Recreation Program.
- Developed the City's first Teen Center. The Center is quite successful with a growing membership, providing wholesome activities for at-risk teenagers.
- Partnered with local law enforcement for the development and implementation of the Eu-Cor Mobile Recreation Program for the Eucalyptus/Cornuta Corridor. Supported by a grant from the Los Angeles County District Attorney's office, Eu-Cor provides recreation to children living in crowded apartments.
- Completed the construction of a skate park. The park is now operating with large daily attendance.
- Developed and implemented a Youth Apprentice Training Program.
- Implemented a new 5-year contract for Fixed Route and Dial-A-Ride Transportation services, which included the replacement of the Dial-A-Ride fleet and the rehabilitation of the fixed route vehicles.
- Completed the Bellflower Looking Better beautification projects in areas 1b, 4b, 8a, 8b, 5a, 3a, 4a, 2a, 10a, and 5b.

- Implemented several new citywide special events including Holiday Decorating Contest, Tree Lighting Ceremony, Snow to Bellflower Play Day, and 5th Anniversary Celebration for the Substation.
- Established partnership with Bellflower Unified School District (BUSD) for the development of Volunteer Services for Tutoring and Community Service Volunteerism for high school students.
- Expanded visibility and productivity of Bellflower Volunteer Center. The Center coordinates numerous community beautification projects and works with BUSD for student community service requirements.
- Developed and implemented a facility rental survey.
- Established a City Store. Store merchandise is available at City Hall and at downtown boulevard special events.

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.

- Created and updated departmental policies and procedures regarding check-out and return of original records, codification of ordinances, processing code supplements, public records act requests, and research requests.
- Created a computerized index of all City Council resolutions and ordinances adopted since incorporation.
- Prepared, and continue to maintain, a comprehensive computerized index of all active agreements and franchises.
- Installed Laserfiche to scan permanent records in-house to preserve the record, facilitate research projects, allow access of the records to all users on the network, and eliminate duplicate copies.
- Completed the inventory of the records stored at the City's Maintenance Yard. These records were either relocated offsite for storage or destroyed pursuant to the City's Records Management Program Policies.
- Scanned the Planning Commission Minutes to expeditiously provide access to this history and facilitate research projects.

Election:

- Successfully conducted the March 6, 2001, General Municipal Election (six candidates for two open seats).
- Continued to improve the City's voter outreach program by developing an English/Spanish brochure on registering to vote and how to participate in the election process.
- Updated the absent voter ballot processing procedures to address the E-15 registration deadline. (AB 1094 effective January 1, 2001).
- Prepared a comprehensive Nomination Packet for City Council candidates.

MAJOR INITIATIVES FOR THE FUTURE

Administration

- Initiate a Citywide strategic planning process to develop long-range budget goals related to capital improvements, technology infrastructure needs, and personnel.
- Continue the community survey process on an annual basis to include a survey of businesses in 2001-02, and a residential survey in 2002-03.
- Provide weekly legislative updates to the City Council informing them on issues relevant to the Bellflower community.
- Outreach to residents through distribution of a budget pamphlet, which summarizes how the City allocates tax dollars.
- Establish a City Academy program for residents that want to learn about the local government process.
- Perform quarterly audits of personnel files to ensure for accuracy and consistency.
- Revise current employee personnel files to allow for computerized labels and to comply with confidentiality laws.
- Initiate an orientation program for new employees.
- Expand upon the existing employee training program and develop a tracking mechanism to spotlight employee attendance and determine future training needs.
- Continue to improve applicant-fingerprinting process.
- Expand upon ergonomic program and continue to provide education and training on developing ergonomically sound workstations. Develop OSHA-mandated ergonomic policy.
- Coordinate community calendars (e.g., Chamber of Commerce, School District, etc.) to improve City meeting and special event coordination.

- Create a Summer Concert Series for the Town Center.
- Expand involvement of local businesses and restaurants in partnerships for the Bellflower Honors and Town Center special events.
- Continue to expand City Store sale items.
- Develop a full-color City Newsletter, separate from the Parks & Recreation brochure, to be distributed four times annually.
- Coordinate a monthly “news update box” for the Chamber’s Bellflower Today publication to provide advertisement support for Bellflower Honors host restaurants.
- Move and expand City Store to a storefront location in the Town Center.
- Move Farmers Market to Bellflower Boulevard to attract people to, and promote the Town Center.
- Develop an ongoing banner program to be rotated seasonally.
- Expand the e-Newsletter to be distributed at least twelve times annually, and at least once monthly.
- Enable the City web site to offer interactive opportunities such as payment for parking tickets and Parks and Recreation class registration.
- Expand the City web site to include the Bristol Auditorium calendar, all City commission agendas, public notices, project bid packets, and a variety of online forms (e.g., employment application).
- Provide Info Line script information on the City web site.
- Complete the Cable TV taping project for City Council meetings.
- Develop an organization-wide facility needs plan.

Finance

- Continue preparing the Operating Budget timely for Council consideration and community participation.
- 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 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.

- Conduct a survey and analyze fees charged by other cities.
- Review telephone bills for potential cost savings.
- Improve network connection speed for remote locations.
- Connect Thompson Park and Aquatic Center to the City's computer network.
- Maintain the City's workstation replacement program.

Community Development

Administration:

- Complete cross training of all Administrative Assistants to be fully competent in each other's position by March 2002.
- Create new methods to allow simple permits and business license to be issued over the Internet by June 2002.

Planning:

- Create a Citywide parking ordinance by December 2001.
- Adopt a Citywide sign ordinance using concepts used in the Town Center Ordinance by June 2002.
- Coordinate with other City department/divisions in installing a GIS (Geographic Information system) that overlays parcel information, property owner names and addresses, business license information, utility systems layout and traffic engineering information by June 2002.
- Implement aspects of the OCCUR project through code amendments by April 2002.

Building:

- Maintain Council-directed objective regarding plan check turnaround of ten days for most residential and commercial projects.

Code Enforcement:

- Continue training Community Development inspectors to improve proficiency in building inspections, and redevelopment project construction management.
- Evaluate complaint receipt process and adjust as necessary to improve response time.
- Improve reporting on areas of highest priority: abandoned properties, commercial corridors, compliance with Conditional Use Permit requirements, multi-family units, and vacant properties.
- Update the Code Enforcement database for improved versatility and to be compatible with current editions of Microsoft Access.

- Continue the Property Maintenance Award Program.

Public Works:

- Continue placing slurry seal on local streets as part of a seven-year maintenance cycle.
- Continue placing asphalt overlays on local streets as part of the ongoing maintenance program. Included in the next two-year budget is \$700,000 of AB 2928 monies.
- Continue construction of new sidewalks to complete installation throughout the City.
- Continue working on the Greenway project extending a bike and pedestrian trail from the Hollywood Sports Park to Caruthers Park.
- Re-plaster pools at the Aquatic Center.
- Apply for all potential funding options to add to available funds for public works improvements.
- Remove the Union Pacific railroad lines at six intersections.
- Design and construct a raised center island median in Artesia Boulevard from Bellflower Boulevard to Virginia Avenue.
- Construct handicapped access ramps at various locations.
- Complete the Downtown Streetscape project.
- Complete final design of landscape improvements at the Bellflower/91 freeway off-ramps.
- Work with CalTrans to complete sound wall installation along the 91 freeway.
- Identify high arterial intersection traffic accident locations and develop a long-term strategy to fund, design, and construct necessary improvements to improve safety.
- Develop neighborhood traffic calming programs opportunities.

Housing and Grants:

- Continue the Public Service Agency Rehabilitation Program to upgrade facilities owned by local nonprofit service providers.
- Pursue the goals and objectives for the use of Community Development Block Grant and HOME allocations as described in the 2001-2005 Consolidated Plan, 5 Year Strategy. Efforts to do so will continue through June 30, 2005.
- Continue supporting local agencies that service the City's low-income residents, including the elderly, disabled, at risk youth and victims of domestic violence.
- Host lender training and first-time homebuyer workshops for the Housing Assistance Program.

- Provide funding for improvements to commercial projects in the Federal CDBG area.
- Provide funding for Economic Development projects that will create or retain jobs.

Redevelopment:

- Complete the Hollywood Sports Park Project.
- Complete the billboard project at Caruthers Park.
- Continue relationship with a commercial broker to bring new tenants to Bellflower Boulevard.
- Seek opportunities to bring new automobile dealerships to sites in Bellflower, especially to Artesia Corridor.
- Create a business retention task force with Chamber of Commerce, making site visits to major businesses to discuss the City's responsibility and business climate.
- Complete a study on the Artesia Corridor for opportunities to eliminate noxious uses and replace them with businesses that will serve the needs of the community.
- Market Hollywood Sports Park to benefit Downtown and other Redevelopment Project Area properties.
- Improve the 91 freeway off-ramps at Bellflower Boulevard to enhance the visual entry point to the City.

Public Safety

- 5% reduction in residential and other burglaries.
- 5% reduction in vehicle burglaries.
- 5% reduction in aggravated assaults.
- 5% reduction in larcenies and thefts.
- 5% reduction in arsons.
- Increase in the traffic enforcement index 19:1.
- Maintenance of average emergency response time of 2.8 minutes or less.
- Maintenance of average priority response time of 8.3 minutes or less.
- Maintenance of average routine response time of 29.8 minutes or less.
- Maintenance of an average of 25% unallocated patrol time in each shift.
- Development of new and expanded programs for gang and at-risk youth.

- Public information program for domestic violence prevention.
- Public information programs for community policing and emergency preparedness.
- “Every 15 Minutes” drunk driver awareness program.
- Establish an ad-hoc committee to meet with representatives of the Board of the Bellflower Unified school District and the Superintendent for the purpose of discussing a School Resource Deputy funded with grant funds.

Parks and Recreation

- Continue partnership with public and private agencies for the development and expansion of recreation opportunities.
- Increase volunteer hours by 5% over fiscal year 2000-01 hours.
- Reduce missed loops for the fixed route transportation system by 5%.
- Continue developing a youth volunteer program with emphasis placed on Bellflower church and school participation.
- Develop and implement recreation programming for the Hollywood Sports Park, slated to open in 2002. It is anticipated the Sports Center will significantly enhance the Department’s ability to deliver quality recreation to Bellflower residents.
- Development of a Teen Leadership Council for the Teen Center.
- Continued partnership with the Chamber of Commerce for the implementation of downtown boulevard special events.
- Host a Teen Job Fair and Job Application/Interview Training Fair.

City Clerk

- Develop a Departmental “New Hire Orientation Package” to expeditiously acquaint newly hired staff members with the City’s Agenda procedures and facilitate their productivity.
- Develop a “Welcome to the Bellflower City Council Meeting” citizens guide to the meeting process brochure for public dissemination and posting on the City’s Home Page.
- Complete the restructuring and re-labeling (barcode) the City’s agreement and franchise files, separating the active and inactive files and storing them accordingly.
- Continue scanning records to preserve records, facilitate research projects, allow access of the records to all users on the network, and eliminate duplicate copies.
- Conduct annual purge of City’s records for offsite storage or destruction, pursuant to the City’s Records Management Program and Policies.

- Devise and implement a central, computerized Recorded Documents system to record, track, and maintain all of the City's recorded documents.

Election

- Redefine precinct consolidations and polling places following Redistricting by the County.
- Create an Absent Voter Ballot Processing Procedures Manual.
- Equip each polling place with a prepaid (donated) cellular telephone.
- Explore the feasibility of electronically projecting (rather than manually recording) the election results.

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, 2001 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, 2001 and the amount and percentage of increases and decreases in relation to prior year revenues:

| Revenues | Amount | Percent of Total | Increase (Decrease) from 2000 | Percent of Increase (Decrease) |
|---------------------------|---------------------|------------------|-------------------------------|--------------------------------|
| Taxes | \$12,773,814 | 46.3% | \$ 1,249,052 | 10.8% |
| Licenses and Permits | 647,811 | 1.6 | 290,594 | 81.3 |
| Fines and Penalties | 814,744 | 2.9 | (51,553) | (6.0) |
| Investment Revenue | 1,191,166 | 4.0 | (240,981) | (16.8) |
| Intergovernmental Revenue | 10,195,797 | 33.5 | 2,229,987 | 28.0 |
| Charges for Services | 1,635,140 | 10.3 | 124,296 | 8.2 |
| Other Revenues | 577,697 | 1.4 | 32,948 | 6.0 |
| Total Revenues | \$27,836,169 | 100.0% | \$ 3,634,343 | 15.0% |

Taxes, the largest revenue source, increased \$1,249,052, or 10.8%. The sales, utility users, franchise, property and transient occupancy taxes increased \$534,912 (10.6%), \$287,729 (11.3%), \$223,338 (21.1%), \$99,153 (4.9%) and \$88,189 (22.8%), respectively, for a total of \$1,233,321.

Licenses and Permits increased \$290,594, or 81.3%, with building permit and plan check fees accounting for a \$292,863 increase. The total number of commercial and residential permits increased 15% and related valuation increased 38%.

Fines and Penalties decreased \$51,553, or 6.0%, due to a decline in parking citations.

Investment Revenue decreased \$240,981, or 16.8%. While interest income grew \$153,681 (21.2%), Federal CDBG and HOME loan repayments and rental income declined by \$378,169 (81.6%) and \$13,864 (8.7%), respectively.

Intergovernmental Revenue, the second largest source of revenue, increased \$2,229,987, or 28.0%. Motor vehicle in-lieu fees, State and Federal grants for street and park improvements, Proposition A and C funds for transportation and streets, and Federal CDBG and HOME revenues increased \$395,962 (11.6%), \$978,266 (697.8%), \$120,490 (8.1%) and \$711,455 (84.2%), respectively, for a total of \$2,206,173.

Charges for Services increased \$124,296, or 8.2%, largely due to a general increase in water sales. On May 11, 2001, the City's water system was sold to Bellflower-Somerset Mutual Water Company.

Other Revenues increased moderately by \$32,948, or 6.0%.

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, 2001 and the amount and percentage of increases and decreases in relation to prior year amounts:

| Expenditures | Amount | Percent of Total | Increase (Decrease) from 2000 | Percent of Increase (Decrease) |
|-----------------------|--------------|------------------|-------------------------------|--------------------------------|
| Current: | | | | |
| General Government | \$ 2,580,453 | 10.0% | \$ 381,803 | 17.4% |
| Public Safety | 7,766,193 | 29.9 | 272,958 | 3.6 |
| Public Works | 5,188,216 | 20.0 | 328,334 | 6.8 |
| Community Development | 3,049,791 | 11.8 | 571,619 | 23.1 |
| Parks and Recreation | 1,905,992 | 7.3 | 209,487 | 12.3 |
| Public Utilities | 1,224,250 | 4.7 | 184,052 | 17.7 |
| Capital Outlay | 3,514,889 | 13.5 | 2,142,901 | 156.2 |
| Debt Service | 724,267 | 2.8 | (253,127) | (25.9) |
| Total Expenditures | \$25,954,051 | 100.0% | \$ 3,838,027 | 17.4% |

General Government expenditures increased \$381,803, or 17.4%, caused primarily by the increase in litigation costs, additional full and part-time positions and programs in Personnel/Risk Management, and the March 2001 municipal election.

Public Safety expenditures increased \$272,958, or 3.6%, due to the increase in the Sheriff's Department contract costs and the law enforcement equipment purchased with the California Office of Traffic Safety grant funds.

Public Works expenditures increased \$328,334, or 6.8%. The facility and street maintenance costs increased \$220,428 and \$82,973, respectively, for a total of \$303,401.

Community Development expenditures increased \$571,619, or 23.1%. Federal CDBG program expenditures, building activities, community promotions increased by \$657,281, \$56,053 and \$58,509, respectively, whereas Redevelopment Agency administrative costs decreased by \$228,892, for a net increase of \$542,951.

Parks and Recreation expenditures increased \$209,487, or 12.3%, caused primarily by new recreation programs and activities and related increases in part-time positions.

Public Utilities expenditures increased \$184,052, or 17.7%. Water consumption and contract services increased \$130,574, and \$30,253, respectively, for a total of \$160,827.

Capital Outlay increased \$2,142,901, or 156.2%. Capital projects, by their nature, can fluctuate significantly from one year to another. Significant special projects included land purchased for a downtown senior housing project, construction of a skate park, and the Hollywood Sports Park projection, which in aggregate totaled \$2,298,412.

Debt Service decreased \$253,127, or 25.9%. Expenditures were higher in fiscal year 1999-00 due to the issuance costs related to 1999 Refunding Certificates of Participation.

General Fund Balance. The fund balance of the General Fund increased \$2,476,054 from \$10,600,351 to \$13,076,405. Of the \$2,476,054 increase, the General Fund departments in aggregate saved \$1,479,428, and revenues came in higher than expected by \$2,995,882.

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 used to 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, 2001 amounted to \$5,880,000.

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, 2001 amounted to \$2,045,000.

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 2000-01, the City's Appropriation Limit and the Appropriations Subject to the Limit were \$30,234,115 and \$12,671,773, 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, 2001, the City had \$13,727,648 in non-restricted cash and investments, largely invested in Local Agency Investment Fund. The average monthly cash and investment balance was \$11,734,400 that earned interest of \$710,412, a net return of 6.1 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, 2001, the general fixed assets of the City totaled \$22,563,847. 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, earthquake and flood, property, 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, 2001. 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, 2000. 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 seven 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, 2001.

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, 2000. I am also submitting the CAFR to CSMFO to determine its eligibility for a Certificate of Award for the fiscal year ended June 30, 2001.

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

Presented to

City of Bellflower,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

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.



Anne Spray Kinney
President

Jeffrey L. Essler
Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Outstanding Financial Reporting 1999-2000

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 26, 2001

Denise Roberts
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

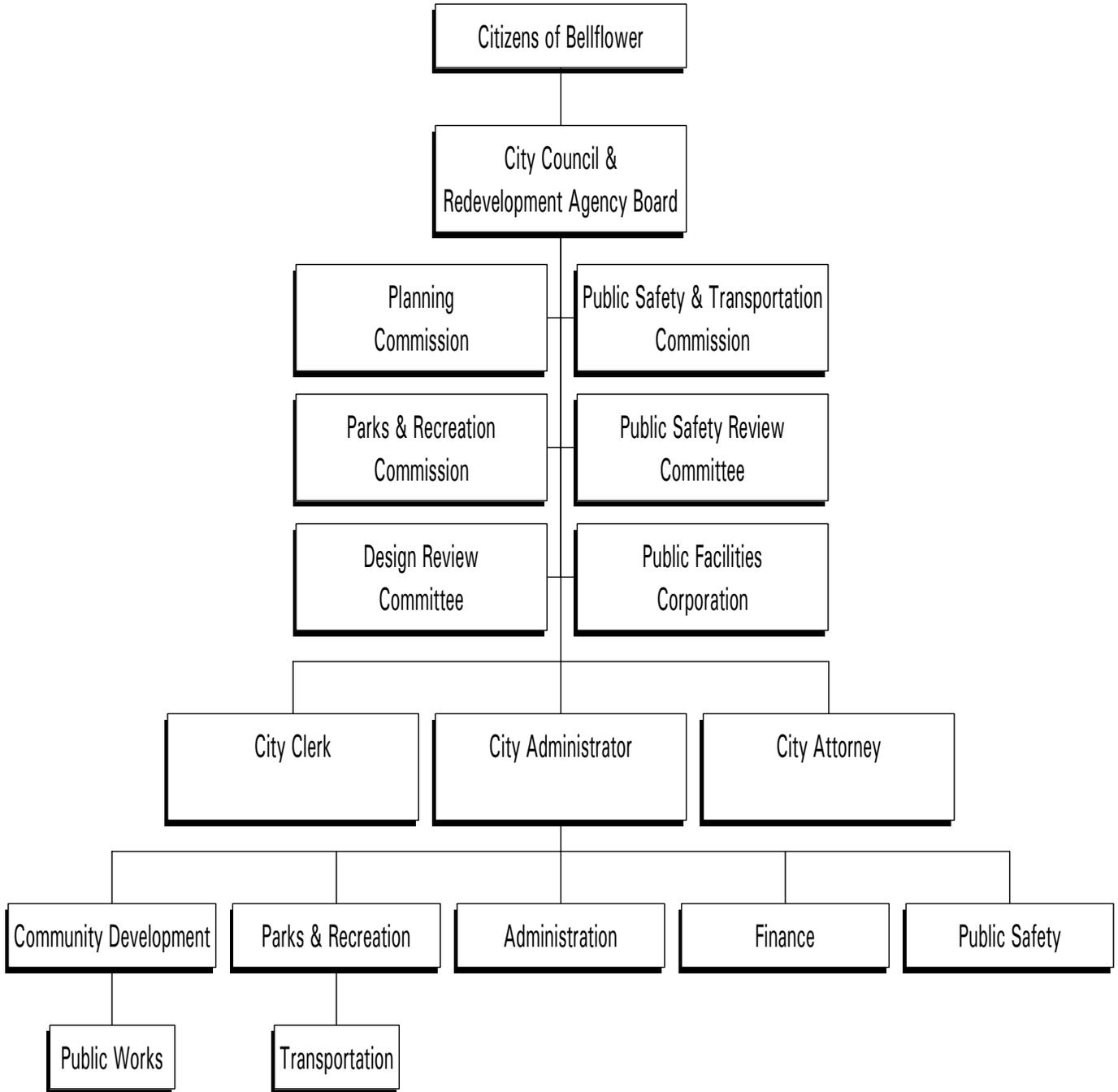
CITY COUNCIL

Ray T. Smith, Mayor
John K. Pratt, Mayor Pro Tem
Randall J. Bomgaars, Councilmember
Dorothy R. King, Councilmember
Scott A. Larsen, Councilmember

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
Brian K. Lee, Director of Community Development
Joel D. Hockman, Acting Director of Public Safety
Tae G. Rhee, Director of Finance/City Treasurer

City of Bellflower Organization Chart





BELLFLOWER

CALIFORNIA



City of Bellflower

MOSS, LEVY & HARTZHEIM

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

TELEPHONE (310) 273-2745
FAX (310) 273-1689
E-MAIL ADDRESS: mlhbh@pacbell.net

ROBERT M. MOSS, C.P.A. *
RONALD A. LEVY, C.P.A. *
CRAIG A. HARTZHEIM, C.P.A. *
BRETT I. MILLER, C.P.A.

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:
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*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, 2001, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 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, 2001, and the results of its operations and the cash flows of its proprietary fund types for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

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 14, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim
Beverly Hills, California
September 14, 2001

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

CITY OF BELLFLOWER
EXPLANATORY COMMENTS

June 30, 2001

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, 2001, and the results of its operations and cash flows of its proprietary fund types for the fiscal 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 general long-term debt.

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

June 30, 2001

with Comparative Totals for June 30, 2000

| | Governmental Fund Types | | | |
|--|-------------------------|---------------------|---------------------|---------------------|
| | General | Special | Capital | Debt |
| | Fund | Revenue Funds | Projects Funds | Service Funds |
| ASSETS AND OTHER DEBITS | | | | |
| Cash and investments | \$ 10,201,663 | \$ 2,850,329 | \$ 1,188,481 | \$ 667,516 |
| Cash and investments with fiscal agents | - | - | 967,031 | 563,438 |
| Accounts receivable - net | 2,161,161 | 539,564 | 765,165 | - |
| Due from other funds | 595,226 | - | 13,747 | - |
| Interest receivable | 126,643 | 35,459 | 12,509 | 11,301 |
| Notes/Contract receivable | 969,425 | - | 3,219,416 | - |
| Prepaid expenditures | 448,297 | 46,655 | 16,276 | - |
| Advances receivable | 1,722,912 | - | - | - |
| 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>\$ 16,225,327</u> | <u>\$ 3,472,007</u> | <u>\$ 6,182,625</u> | <u>\$ 1,242,255</u> |
| LIABILITIES, FUND EQUITY AND OTHER CREDITS | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 1,755,275 | \$ 521,315 | \$ 386,824 | \$ 221,527 |
| Accrued expenditures | 176,794 | 23,682 | 131,475 | - |
| Due to other funds | - | 231,075 | 364,152 | 13,746 |
| Deposits | 34,375 | - | - | - |
| Deferred revenue | 1,182,478 | 184,266 | 3,394,020 | - |
| Compensated absences | - | - | - | - |
| Advances payable | - | - | 1,722,912 | - |
| Certificates of participation | - | - | - | - |
| Bonds payable | - | - | - | - |
| Total liabilities | <u>3,148,922</u> | <u>960,338</u> | <u>5,999,383</u> | <u>235,273</u> |
| Fund Equity and Other Credits: | | | | |
| Investment in general fixed assets | - | - | - | - |
| Contributed capital | - | - | - | - |
| Retained Earnings: | | | | |
| Unreserved | - | - | - | - |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Bond redemption | - | - | - | - |
| Debt service | - | - | - | 1,006,982 |
| Prepaid expenditures | 448,297 | 46,655 | 16,276 | - |
| Advances to redevelopment agency | 1,722,912 | - | - | - |
| Unreserved: | | | | |
| Designated for special revenue purposes | - | 2,465,014 | - | - |
| Undesignated | 10,905,196 | - | 166,966 | - |
| Total equity and other credits | <u>13,076,405</u> | <u>2,511,669</u> | <u>183,242</u> | <u>1,006,982</u> |
| Total liabilities, fund equity and other credits | <u>\$ 16,225,327</u> | <u>\$ 3,472,007</u> | <u>\$ 6,182,625</u> | <u>\$ 1,242,255</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 | 2001 | 2000 |
| Internal Service Fund | Agency Funds | | | | |
| \$ 624,068 | \$ 248,758 | \$ - | \$ - | \$ 15,780,815 | \$ 12,625,290 |
| - | - | - | - | 1,530,469 | 2,697,989 |
| - | - | - | - | 3,465,890 | 2,475,388 |
| - | - | - | - | 608,973 | 438,040 |
| 7,742 | - | - | - | 193,654 | 178,743 |
| - | - | - | - | 4,188,841 | 2,309,181 |
| - | - | - | - | 511,228 | 465,610 |
| - | - | - | - | 1,722,912 | 671,837 |
| 607,231 | - | 22,563,847 | - | 23,171,078 | 21,977,918 |
| - | - | - | 1,006,982 | 1,006,982 | 905,043 |
| - | - | - | 7,514,833 | 7,514,833 | 7,836,447 |
| <u>\$ 1,239,041</u> | <u>\$ 248,758</u> | <u>\$ 22,563,847</u> | <u>\$ 8,521,815</u> | <u>\$ 59,695,675</u> | <u>\$ 52,581,486</u> |
| \$ 26,252 | \$ - | \$ - | \$ - | \$ 2,911,193 | \$ 2,394,250 |
| - | - | - | - | 331,951 | 198,298 |
| - | - | - | - | 608,973 | 438,040 |
| - | 248,758 | - | - | 283,133 | 236,244 |
| - | - | - | - | 4,760,764 | 2,604,830 |
| - | - | - | 596,815 | 596,815 | 566,490 |
| - | - | - | - | 1,722,912 | 671,837 |
| - | - | - | 5,880,000 | 5,880,000 | 6,110,000 |
| - | - | - | 2,045,000 | 2,045,000 | 2,065,000 |
| <u>26,252</u> | <u>248,758</u> | <u>-</u> | <u>8,521,815</u> | <u>19,140,741</u> | <u>15,284,989</u> |
| - | - | 22,563,847 | - | 22,563,847 | 21,410,937 |
| 512,309 | - | - | - | 512,309 | 512,309 |
| 700,480 | - | - | - | 700,480 | 477,071 |
| - | - | - | - | - | 196,989 |
| - | - | - | - | 1,006,982 | 708,054 |
| - | - | - | - | 511,228 | 465,610 |
| - | - | - | - | 1,722,912 | 671,837 |
| - | - | - | - | 2,465,014 | 1,626,244 |
| - | - | - | - | 11,072,162 | 11,227,446 |
| <u>1,212,789</u> | <u>-</u> | <u>22,563,847</u> | <u>-</u> | <u>40,554,934</u> | <u>37,296,497</u> |
| <u>\$ 1,239,041</u> | <u>\$ 248,758</u> | <u>\$ 22,563,847</u> | <u>\$ 8,521,815</u> | <u>\$ 59,695,675</u> | <u>\$ 52,581,486</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds |
|---|----------------------|-----------------------------|------------------------------|--------------------------|
| Revenues: | | | | |
| Taxes | \$ 12,142,464 | \$ - | \$ 130,583 | \$ 500,767 |
| Licenses and permits | 33,094 | 614,717 | - | - |
| Fines and penalties | 814,744 | - | - | - |
| Investment revenue | 743,067 | 151,326 | 207,457 | 89,316 |
| Intergovernmental revenue | 4,207,948 | 3,875,188 | 2,112,661 | - |
| Charges for current services | 501,057 | 1,134,083 | - | - |
| Other revenues | 365,196 | 2,856 | 209,645 | - |
| Total revenues | <u>18,807,570</u> | <u>5,778,170</u> | <u>2,660,346</u> | <u>590,083</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 2,580,346 | - | 107 | - |
| Public safety | 7,295,477 | 470,716 | - | - |
| Public works | 3,768,642 | 1,419,574 | - | - |
| Community development | 811,299 | 277,060 | 1,961,432 | - |
| Parks and recreation | 1,905,992 | - | - | - |
| Public utilities | - | 1,224,250 | - | - |
| Capital outlay | 829,864 | 76,439 | 2,608,586 | - |
| Debt service | - | - | - | 724,267 |
| Total expenditures | <u>17,191,620</u> | <u>3,468,039</u> | <u>4,570,125</u> | <u>724,267</u> |
| Excess of revenues over (under) expenditures | <u>1,615,950</u> | <u>2,310,131</u> | <u>(1,909,779)</u> | <u>(134,184)</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 1,675,714 | 309,804 | 243,117 | 546,423 |
| Proceeds of refunding certificates | - | - | - | - |
| Payment to refunded certificate escrow agent | - | - | - | - |
| Operating transfers out | (815,610) | (1,608,530) | (40,618) | (310,300) |
| Total other financing sources (uses) | <u>860,104</u> | <u>(1,298,726)</u> | <u>202,499</u> | <u>236,123</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | 2,476,054 | 1,011,405 | (1,707,280) | 101,939 |
| Fund balances - July 1 | <u>10,600,351</u> | <u>1,500,264</u> | <u>1,890,522</u> | <u>905,043</u> |
| Fund balances - June 30 | <u>\$ 13,076,405</u> | <u>\$ 2,511,669</u> | <u>\$ 183,242</u> | <u>\$ 1,006,982</u> |

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

| | <u>2001</u> | <u>2000</u> | |
|----|--------------------------|-----------------------------|--|
| \$ | 12,773,814 | \$ 11,524,762 | |
| | 647,811 | 357,217 | |
| | 814,744 | 866,297 | |
| | 1,191,166 | 1,432,147 | |
| | 10,195,797 | 7,965,810 | |
| | 1,635,140 | 1,510,844 | |
| | <u>577,697</u> | <u>544,749</u> | |
| | <u>27,836,169</u> | <u>24,201,826</u> | |
| | 2,580,453 | 2,198,650 | |
| | 7,766,193 | 7,493,235 | |
| | 5,188,216 | 4,859,882 | |
| | 3,049,791 | 2,478,172 | |
| | 1,905,992 | 1,696,505 | |
| | 1,224,250 | 1,040,198 | |
| | 3,514,889 | 1,371,988 | |
| | <u>724,267</u> | <u>977,394</u> | |
| | <u>25,954,051</u> | <u>22,116,024</u> | |
| | <u>1,882,118</u> | <u>2,085,802</u> | |
| | 2,775,058 | 3,179,823 | |
| | - | 6,360,000 | |
| | - | (5,482,084) | |
| | <u>(2,775,058)</u> | <u>(3,179,823)</u> | |
| | <u>-</u> | <u>877,916</u> | |
| | 1,882,118 | 2,963,718 | |
| | <u>14,896,180</u> | <u>11,932,462</u> | |
| \$ | <u><u>16,778,298</u></u> | <u><u>\$ 14,896,180</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, 2001

| | General Fund | | Variance Favorable (Unfavorable) |
|---|-----------------------|----------------------|--|
| | Budget | Actual | |
| Revenues: | | | |
| Taxes | \$ 10,595,000 | \$ 12,142,464 | \$ 1,547,464 |
| Licenses and permits | 22,660 | 33,094 | 10,434 |
| Fines and penalties | 720,000 | 814,744 | 94,744 |
| Investment revenue | 443,748 | 743,067 | 299,319 |
| Intergovernmental revenue | 3,477,805 | 4,207,948 | 730,143 |
| Charges for current services | 475,500 | 501,057 | 25,557 |
| Other revenues | 76,975 | 365,196 | 288,221 |
| Total revenues | <u>15,811,688</u> | <u>18,807,570</u> | <u>2,995,882</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 2,555,331 | 2,580,346 | (25,015) |
| Public safety | 7,437,049 | 7,295,477 | 141,572 |
| Public works | 4,256,856 | 3,768,642 | 488,214 |
| Community development | 848,414 | 811,299 | 37,115 |
| Parks and recreation | 2,097,820 | 1,905,992 | 191,828 |
| Public utilities | - | - | - |
| Capital outlay | 1,475,578 | 829,864 | 645,714 |
| Debt service | - | - | - |
| Total expenditures | <u>18,671,048</u> | <u>17,191,620</u> | <u>1,479,428</u> |
| Excess of revenues over (under) expenditures | <u>(2,859,360)</u> | <u>1,615,950</u> | <u>4,475,310</u> |
| Other Financing Sources (Uses): | | | |
| Operating transfers in | 1,652,401 | 1,675,714 | 23,313 |
| Operating transfers out | (851,744) | (815,610) | 36,134 |
| Total other financing sources (uses) | <u>800,657</u> | <u>860,104</u> | <u>59,447</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ (2,058,703)</u> | 2,476,054 | <u>\$ 4,534,757</u> |
| Fund balances - July 1, 2000 | | <u>10,600,351</u> | |
| Fund balances - June 30, 2001 | | <u>\$ 13,076,405</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) |
| \$ - | \$ - | \$ - | \$ 122,400 | \$ 130,583 | \$ 8,183 |
| 397,200 | 614,717 | 217,517 | - | - | - |
| - | - | - | - | - | - |
| 60,350 | 151,326 | 90,976 | 204,000 | 207,457 | 3,457 |
| 3,100,346 | 3,875,188 | 774,842 | 6,454,981 | 2,112,661 | (4,342,320) |
| 990,100 | 1,134,083 | 143,983 | - | - | - |
| - | 2,856 | 2,856 | 1,984 | 209,645 | 207,661 |
| <u>4,547,996</u> | <u>5,778,170</u> | <u>1,230,174</u> | <u>6,783,365</u> | <u>2,660,346</u> | <u>(4,123,019)</u> |
| - | - | - | 1,000 | 107 | 893 |
| 468,902 | 470,716 | (1,814) | - | - | - |
| 1,725,218 | 1,419,574 | 305,644 | - | - | - |
| 232,104 | 277,060 | (44,956) | 4,295,748 | 1,961,432 | 2,334,316 |
| - | - | - | - | - | - |
| 980,947 | 1,224,250 | (243,303) | - | - | - |
| 691,200 | 76,439 | 614,761 | 6,341,797 | 2,608,586 | 3,733,211 |
| - | - | - | - | - | - |
| <u>4,098,371</u> | <u>3,468,039</u> | <u>630,332</u> | <u>10,638,545</u> | <u>4,570,125</u> | <u>6,068,420</u> |
| <u>449,625</u> | <u>2,310,131</u> | <u>1,860,506</u> | <u>(3,855,180)</u> | <u>(1,909,779)</u> | <u>1,945,401</u> |
| 59,478 | 309,804 | 250,326 | 773,281 | 243,117 | (530,164) |
| (1,306,596) | (1,608,530) | (301,934) | (188,344) | (40,618) | 147,726 |
| <u>(1,247,118)</u> | <u>(1,298,726)</u> | <u>(51,608)</u> | <u>584,937</u> | <u>202,499</u> | <u>(382,438)</u> |
| <u>\$ (797,493)</u> | 1,011,405 | <u>\$ 1,808,898</u> | <u>\$ (3,270,243)</u> | (1,707,280) | <u>\$ 1,562,963</u> |
| | 1,500,264 | | | 1,890,522 | |
| | <u>\$ 2,511,669</u> | | | <u>\$ 183,242</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, 2001
(Continued)

| | Debt Service Funds | | |
|---|---------------------|---------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | |
| Taxes | \$ 469,600 | \$ 500,767 | \$ 31,167 |
| Licenses and permits | - | - | - |
| Fines and penalties | - | - | - |
| Investment revenue | 20,100 | 89,316 | 69,216 |
| Intergovernmental revenue | - | - | - |
| Charges for current services | - | - | - |
| Other revenues | - | - | - |
| Total revenues | <u>489,700</u> | <u>590,083</u> | <u>100,383</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | - | - | - |
| Public safety | - | - | - |
| Public works | - | - | - |
| Community development | - | - | - |
| Parks and recreation | - | - | - |
| Public utilities | - | - | - |
| Capital outlay | - | - | - |
| Debt service | 732,063 | 724,267 | 7,796 |
| Total expenditures | <u>732,063</u> | <u>724,267</u> | <u>7,796</u> |
| Excess of revenues over (under) expenditures | <u>(242,363)</u> | <u>(134,184)</u> | <u>108,179</u> |
| Other Financing Sources (Uses): | | | |
| Operating transfers in | 557,329 | 546,423 | (10,906) |
| Operating transfers out | (695,805) | (310,300) | 385,505 |
| Total other financing sources (uses) | <u>(138,476)</u> | <u>236,123</u> | <u>374,599</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ (380,839)</u> | 101,939 | <u>\$ 482,778</u> |
| Fund balances - July 1, 2000 | | <u>905,043</u> | |
| Fund balances - June 30, 2001 | | <u>\$ 1,006,982</u> | |

See accompanying notes to the general purpose financial statements

Combined Totals (Memorandum Only)

| Budget | Actual | Variance Favorable (Unfavorable) |
|-----------------------|----------------------|--|
| \$ 11,187,000 | \$ 12,773,814 | \$ 1,586,814 |
| 419,860 | 647,811 | 227,951 |
| 720,000 | 814,744 | 94,744 |
| 728,198 | 1,191,166 | 462,968 |
| 13,033,132 | 10,195,797 | (2,837,335) |
| 1,465,600 | 1,635,140 | 169,540 |
| 78,959 | 577,697 | 498,738 |
| <u>27,632,749</u> | <u>27,836,169</u> | <u>203,420</u> |
| 2,556,331 | 2,580,453 | (24,122) |
| 7,905,951 | 7,766,193 | 139,758 |
| 5,982,074 | 5,188,216 | 793,858 |
| 5,376,266 | 3,049,791 | 2,326,475 |
| 2,097,820 | 1,905,992 | 191,828 |
| 980,947 | 1,224,250 | (243,303) |
| 8,508,575 | 3,514,889 | 4,993,686 |
| 732,063 | 724,267 | 7,796 |
| <u>34,140,027</u> | <u>25,954,051</u> | <u>8,185,976</u> |
| <u>(6,507,278)</u> | <u>1,882,118</u> | <u>8,389,396</u> |
| 3,042,489 | 2,775,058 | (267,431) |
| <u>(3,042,489)</u> | <u>(2,775,058)</u> | <u>267,431</u> |
| - | - | - |
| <u>\$ (6,507,278)</u> | 1,882,118 | <u>\$ 8,389,396</u> |
| | <u>14,896,180</u> | |
| | <u>\$ 16,778,298</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | Proprietary Fund Type | Totals (Memorandum Only) | |
|---|--------------------------|--------------------------|-------------------|
| | Internal Service | 2001 | 2000 |
| Revenues: | | | |
| Department charges | \$ 452,383 | \$ 452,383 | \$ 480,518 |
| Total revenues | <u>452,383</u> | <u>452,383</u> | <u>480,518</u> |
| Expenses: | | | |
| Depreciation | <u>246,113</u> | <u>246,113</u> | <u>221,459</u> |
| Total expenses | <u>246,113</u> | <u>246,113</u> | <u>221,459</u> |
| Operating income | <u>206,270</u> | <u>206,270</u> | <u>259,059</u> |
| Non-Operating Revenues and Expenses: | | | |
| Investment earnings | 43,749 | 43,749 | 20,852 |
| Loss on sale of fixed assets | <u>(26,610)</u> | <u>(26,610)</u> | <u>-</u> |
| Total non-operating revenues and expenses | <u>17,139</u> | <u>17,139</u> | <u>20,852</u> |
| Net income | 223,409 | 223,409 | 279,911 |
| Retained earnings - July 1 | <u>477,071</u> | <u>477,071</u> | <u>197,160</u> |
| Retained earnings - June 30 | <u>\$ 700,480</u> | <u>\$ 700,480</u> | <u>\$ 477,071</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | Proprietary Fund Type | Totals (Memorandum Only) | |
|---|--------------------------|--------------------------|-------------------|
| | Internal Service | 2001 | 2000 |
| Cash Flows from Operating Activities: | | | |
| Operating income | \$ 206,270 | \$ 206,270 | \$ 259,059 |
| Adjustments to reconcile operating income to net cash provided (used): | | | |
| Depreciation | 246,113 | 246,113 | 221,459 |
| (Increase) decrease in interest receivable | (2,328) | (2,328) | (5,414) |
| Increase (decrease) in accounts payable | (20,399) | (20,399) | 7,367 |
| Net cash provided by operating activities | <u>429,656</u> | <u>429,656</u> | <u>482,471</u> |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Acquisitions of fixed assets | (315,925) | (315,925) | (185,795) |
| Proceeds from sale of fixed assets | 2,952 | 2,952 | - |
| Net cash used by capital and related financing activities | <u>(312,973)</u> | <u>(312,973)</u> | <u>(185,795)</u> |
| Cash Flows from Investing Activities: | | | |
| Investment earnings | 43,749 | 43,749 | 20,852 |
| Net cash provided by investing activities | <u>43,749</u> | <u>43,749</u> | <u>20,852</u> |
| Net increase in cash and cash equivalents | 160,432 | 160,432 | 317,528 |
| Cash and cash equivalents at beginning of year | 463,636 | 463,636 | 146,108 |
| Cash and cash equivalents at end of year | <u>\$ 624,068</u> | <u>\$ 624,068</u> | <u>\$ 463,636</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, 2001

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, 2001

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

Agency Funds

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.

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

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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, 2001.

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.

For the fiscal year ended June 30, 2001, the City of Bellflower implemented Governmental Accounting Standards Board Statement No. 33, *Accounting and Reporting for Nonexchange Transactions* (GASB Statement No. 33). This statement establishes accounting and financial reporting standards related to revenue recognition for nonexchange transactions of state and local governments. In a nonexchange transaction, a government gives (or receives) value without directly receiving (or giving) equal value in return. Nonexchange transactions are typically described as taxes, fines, and certain grants. GASB Statement No. 33 applies the criteria for revenue recognition under the modified-accrual basis of accounting to non-exchange transactions. Implementation of GASB Statement No. 33 did not have a significant

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Accounting (Continued)

impact on the City's financial statements for the fiscal year ended June 30, 2001.

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 \$7,505,321 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 fiscal 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.

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, 2001, all related billings are current.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

- Reserved Fund Balance indicates that portion of fund equity which has been legally segregated for specific purposes;
- 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
- Undesignated Fund Balance indicates that portion of fund equity which is available for budgeting in future periods.

L. Interfund Transactions

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

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, operations and cash flows. 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.

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.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Levy Apportionments - Due to the nature of the Citywide 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.

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 Balance

At June 30, 2001, a deficit fund balance of \$141,965 existed in the Redevelopment Agency Housing Set-Aside Fund. The deficit was caused by the Agency's purchase of land in the amount of \$1,051,075 for the development of a senior housing project. The deficit is expected to be eliminated in full by fiscal year 2002-03 with annual tax increment revenues.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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> |
|--|-----------------------|----------------------------|
| General Fund: | General Government | \$ 25,015 |
| Special Revenue Funds: | | |
| TDA Article 3 Bikeway Fund | Capital Outlay | 9,245 |
| Water Operating Fund | Public Utilities | 243,303 |
| Building and Safety Fund | Community Development | 44,956 |
| CA-COPS Grant Fund | Public Safety | 14,489 |
| Capital Projects Funds: | | |
| Redevelopment Agency Housing Set-Aside Fund | Capital Outlay | 1,051,075 |

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, 2001, the City had the following cash and investments on hand:

| | |
|---|------------------------|
| | <u>Carrying Amount</u> |
| Pooled cash | \$ 2,254,277 |
| Pooled investments | 13,526,536 |
| Cash and investments with fiscal agents | 1,530,470 |
| Total cash and investments | <u>\$ 17,311,283</u> |

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

| | |
|---|----------------------|
| Cash and investments | \$ 15,780,813 |
| Cash and investments with fiscal agents | 1,530,470 |
| Total cash and investments | <u>\$ 17,311,283</u> |

Authorized Investments

- Local Agency Investment Fund (LAIF) - State of California Investment Pool
- Certificates of Deposit

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 3 - CASH AND INVESTMENTS (Continued)

- Commercial Paper
- Savings Accounts
- Money Market Accounts
- U.S. Treasury Obligations
- Federal Agency Securities
- 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 fair 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).

Credit Risk, Carrying Amount, and Fair 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, 2001, the carrying amount of the City's deposits was \$2,254,277. The bank's balance was \$2,339,108. This difference is due to the normal deposits in transit and outstanding checks.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 3 - CASH AND INVESTMENTS (Continued)

City cash deposits by category as of June 30, 2001, are as follows:

| | Category | | | Bank Balance | Carrying Amount |
|----------------|-------------------|---------------------|-------------|---------------------|--------------------|
| | 1 | 2 | 3 | | |
| Bank accounts | \$ 901,026 | \$ 1,438,082 | \$ - | \$ 2,339,108 | \$2,254,277 |
| Total deposits | <u>\$ 901,026</u> | <u>\$ 1,438,082</u> | <u>\$ -</u> | <u>\$ 2,339,108</u> | <u>\$2,254,277</u> |

City investments by category as of June 30, 2001 are as follows:

| | Category | | | Carrying Amount/ Fair Value |
|--|-------------|-------------|-------------|-----------------------------------|
| | 1 | 2 | 3 | |
| Investments Controlled by the City: | | | | |
| LAIF | N/A | N/A | N/A | \$13,526,536 |
| Total investments controlled by City Treasurer | N/A | N/A | N/A | \$13,526,536 |
| Amounts Invested by Fiscal Agents: | | | | |
| U.S. Government Money Market Fund | N/A | N/A | N/A | \$ 1,530,470 |
| Total invested by Fiscal Agents | N/A | N/A | N/A | \$ 1,530,470 |
| Total investments | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$15,057,006</u> |

During the year ended June 30, 2001, 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.

In accordance with Government Accounting Standards Board Statement No. 31, investments have been stated at fair value.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 4 - NOTES AND CONTRACT RECEIVABLE

| | Amount |
|---|--------------|
| Notes receivable from mortgage loans for housing and commercial property rehabilitation and construction: | |
| Redevelopment Agency | \$ 50,000 |
| Redevelopment Agency Housing Set-Aside | 123,945 |
| Community Development Block Grant | 2,129,454 |
| HOME | 822,442 |
| Total Notes Receivable | 3,125,841 |
| Contract receivable from the sale of the City's Water system: | |
| General Fund | 969,425 |
| Community Development Block Grant | 93,575 |
| Total Contract Receivable | 1,063,000 |
| Total Notes and Contract Receivable | \$ 4,188,841 |

NOTE 5 - FIXED ASSETS

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

| | Balance July 1, 2000 | Additions | Deletions | Balance June 30, 2001 |
|----------------------------|-------------------------|--------------|------------|--------------------------|
| Land | \$ 7,138,368 | \$ 1,376,075 | \$ - | \$ 8,514,443 |
| Buildings and improvements | 11,002,818 | 191,277 | 88,676 | 11,105,419 |
| Machinery and equipment | 3,175,741 | 99,051 | 424,817 | 2,849,975 |
| Water rights | 94,010 | - | - | 94,010 |
| Totals | \$ 21,410,937 | \$ 1,666,403 | \$ 513,493 | \$ 22,563,847 |

Land, buildings and equipment of the Proprietary Fund type at June 30, 2001 include:

| | |
|------------------------------------|---------------------|
| | Internal Service |
| Furniture and fixtures | \$ 71,497 |
| Equipment | 1,484,533 |
| Total fixed assets | 1,556,030 |
| Less: accumulated depreciation | (948,799) |
| Fixed assets (net of depreciation) | \$ 607,231 |

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 5 - FIXED ASSETS (Continued)

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, 2001 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.

Annual debt service requirements are as follows:

| <u>Fiscal Year</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total</u> |
|--------------------|-----------------------------|----------------------------|---------------------|
| 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 | 240,000 | 230,865 | 470,865 |
| 2007-2020 | <u>4,705,000</u> | <u>1,799,075</u> | <u>6,504,075</u> |
| | <u>\$ 5,880,000</u> | <u>\$ 3,044,600</u> | <u>\$ 8,924,600</u> |

NOTE 7 - TAXABLE TAX ALLOCATION BONDS

The 1996 Taxable Tax Allocation Bonds issued by the Bellflower Redevelopment Agency and outstanding at June 30, 2001 bear interest at 8.70% to 9.625% a year and mature serially in increasing amounts on each August 1, through 2026.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 7 - TAXABLE TAX ALLOCATION BONDS (Continued)

Annual debt service requirements are as follows:

| <u>Fiscal Year</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total</u> |
|--------------------|-----------------------------|----------------------------|---------------------|
| 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 | 30,000 | 184,478 | 214,478 |
| 2007-2027 | <u>1,920,000</u> | <u>2,517,337</u> | <u>4,437,337</u> |
| | <u>\$ 2,045,000</u> | <u>\$ 3,462,127</u> | <u>\$ 5,507,127</u> |

NOTE 8 - 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, 2001:

| | <u>Balance July 1, 2000</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2001</u> |
|-------------------------------|---------------------------------|-------------------|-------------------|----------------------------------|
| Certificates of participation | \$ 6,110,000 | \$ - | \$ 230,000 | \$ 5,880,000 |
| Tax allocation bonds | 2,065,000 | - | 20,000 | 2,045,000 |
| Compensated absences | <u>566,490</u> | <u>401,426</u> | <u>371,101</u> | <u>596,815</u> |
| | <u>\$ 8,741,490</u> | <u>\$ 401,426</u> | <u>\$ 621,101</u> | <u>\$ 8,521,815</u> |

NOTE 9 - LONG-TERM DEBT

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

| <u>Fiscal Year Ending June 30</u> | <u>Principal Maturities</u> | | | <u>Total Debt Service</u> |
|---|---------------------------------|--|---------------------|-------------------------------|
| | <u>Tax Allocation Bonds</u> | <u>Certificates of Participation</u> | <u>Interest</u> | |
| 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 | 30,000 | 240,000 | 415,343 | 685,343 |
| 2007-2027 | <u>1,920,000</u> | <u>4,705,000</u> | <u>4,316,412</u> | <u>10,941,412</u> |
| | <u>\$ 2,045,000</u> | <u>\$ 5,880,000</u> | <u>\$ 6,506,727</u> | <u>\$ 14,431,727</u> |

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 10 - 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.

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, 2001, the amount contributed by the City on behalf of the employees was \$218,412. 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, 2001 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, 2001, 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.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 10 - CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) - (Continued)

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> |
|--------------------|------------------------------------|--------------------------------------|-------------------------------|
| 6/30/99 | \$ 0 | 100% | \$ 0 |
| 6/30/00 | 0 | 100% | 0 |
| 6/30/01 | 0 | 100% | 0 |

* Employer contribution.

Schedule of Funding Progress for PERS

| <u>Actuarial Valuation Date</u> | <u>Entry Age Normal Accrued Liability (A)</u> | <u>Actuarial Value of Assets (B)</u> | <u>Unfunded Liability (Excess Assets) (A-B)</u> | <u>Funded Status (B/A)</u> | <u>Annual Covered Payroll (C)</u> | <u>UAAL** As a % of Covered Payroll [(A-B)/C]</u> |
|---------------------------------|---|--------------------------------------|---|----------------------------|-----------------------------------|---|
| 6/30/97 | \$10,897,994 | \$13,856,474 | \$(2,958,480) | 127.1% | \$2,619,603 | (112.9%) |
| 6/30/98 | 12,230,891 | 17,069,395 | (4,838,504) | 139.6% | 2,512,144 | (192.6%) |
| 6/30/99 | 12,885,554 | 18,605,616 | (5,720,062)* | 144.4% | 2,675,990 | (213.8%) |

* The remaining amortization period for the excess assets of \$5,720,062 was in excess of 20 years

** UAAL - Unfunded actuarial accrued liability

NOTE 11 - 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 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In addition to the pension benefits described in Note 10, 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 \$210,594 were recognized for postemployment medical benefits, covering 43 retirees. Postemployment benefits are funded on a pay-as-you-go basis.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 13 - 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, 2000, the City had equity balances as follows:

| | <u>General Liability</u> | <u>Workers' Compensation</u> | <u>Total</u> |
|------------------------------------|------------------------------|----------------------------------|---------------------|
| Beginning equity | \$ 879,865 | \$ 342,144 | \$ 1,222,009 |
| Deposit | 327,082 | 115,091 | 442,173 |
| Equity earnings | 10,324 | 935 | 11,259 |
| Additional deposits (retro refund) | 142,307 | 71,200 | 213,507 |
| Claims paid | (328,495) | (93,417) | (421,912) |
| Ending equity | <u>\$ 1,031,083</u> | <u>\$ 435,953</u> | <u>\$ 1,467,036</u> |

The equity balances for June 30, 2001 will not be available until March 2002.

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 13 - 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 \$22,725,036. 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 \$14,371,255. 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.

NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances at June 30, 2001 consisted of the following:

| <u>Due to/Due From</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|------------------------|----------------------------------|-------------------------------|
| General Fund | \$ 595,226 | \$ - |
| Special Revenue Funds: | | |
| Bikeway Fund | - | 32,845 |
| Gas Tax Fund | - | 128,867 |

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES (Continued)

| <u>Due to/Due From</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|--|----------------------------------|-------------------------------|
| Water Operating Fund | - | 68,557 |
| Parking District No. 1 Fund | - | 806 |
| Capital Projects Funds: | | |
| Capital Projects Fund | 13,747 | 129,754 |
| CDBG Fund | - | 234,398 |
| Debt Service Fund: | | |
| Public Facilities Corporation | - | 13,746 |
| | <u>\$ 608,973</u> | <u>\$ 608,973</u> |
| <u>Advances Receivable/Payable</u> | | |
| General Fund | \$ 1,722,912 | \$ - |
| Capital Projects Funds: | | |
| Redevelopment Agency Housing Set-Aside | - | 1,051,075 |
| Redevelopment Agency | - | 671,837 |
| | <u>\$ 1,722,912</u> | <u>\$ 1,722,912</u> |

NOTE 15 - 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> |

NOTE 16 - INTERFUND TRANSFERS

Individual interfund transfers for the fiscal year ending June 30, 2001 were:

| <u>Funds</u> | <u>Operating Transfers In</u> | <u>Operating Transfers Out</u> |
|--------------|-----------------------------------|------------------------------------|
| General Fund | \$ 1,675,714 | \$ 815,610 |

CITY OF BELLFLOWER
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 2001

NOTE 16 - INTERFUND TRANSFERS (Continued)

| <u>Funds</u> | <u>Operating Transfers In</u> | <u>Operating Transfers Out</u> |
|--|-----------------------------------|------------------------------------|
| Special Revenue Funds: | | |
| Gas Tax Fund | - | 1,266,283 |
| Water Operating Fund | 263,661 | - |
| Lighting Assessment Fund | - | 4,590 |
| Parking District No. 1 Fund | 17,927 | - |
| Building and Safety Fund | - | 337,657 |
| FED-COPS Grant Fund | 28,216 | - |
| Capital Projects Funds: | | |
| Capital Projects Fund | 11,742 | - |
| Redevelopment Agency | 231,375 | - |
| Redevelopment Agency Housing Set-Aside | - | 40,618 |
| Debt Service Funds: | | |
| Public Facilities Corporation | 505,805 | 11,742 |
| Redevelopment Agency | <u>40,618</u> | <u>298,558</u> |
| | <u>\$ 2,775,058</u> | <u>\$ 2,775,058</u> |

NOTE 17 - 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.

NOTE 18 - OTHER SIGNIFICANT EVENT

On May 11, 2001, the City of Bellflower entered into an agreement with Bellflower-Somerset Mutual Water Company to sell the City's water system at a base price of \$1,500,000, less a \$125,000 credit for the installation of automatic switchover equipment at the reservoir and each of the four source wells. The agreement was later amended on June 1, 2001 to provide an additional credit of \$12,000 for unanticipated repairs to the reservoir. As a result, the net sale price of the water system amounted to \$1,363,000. The base price of \$1,500,000 is payable in annual installments of \$300,000 beginning with the fiscal year 2000-01. The \$125,000 switchover credit is to be deducted from the annual installment payments as applicable equipment is installed, and the \$12,000 repair credit is to be deducted from the final installment payment. Prior to the sale of the City's water system, the Water Operating Fund had an accumulated fund deficit of \$263,661.



City of Bellflower

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

CITY OF BELLFLOWER
GENERAL FUND EXPLANATORY COMMENTS
June 30, 2001

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, 2001
with Comparative Totals for June 30, 2000

| <u>ASSETS</u> | <u>2001</u> | <u>2000</u> |
|--|--------------------------|--------------------------|
| Cash and investments | \$ 10,201,663 | \$ 9,175,379 |
| Accounts receivable - net | 2,161,161 | 1,922,836 |
| Due from other funds | 595,226 | 421,785 |
| Interest receivable | 126,643 | 110,582 |
| Contract receivable | 969,425 | - |
| Prepaid expenditures | 448,297 | 413,186 |
| Advances receivable | <u>1,722,912</u> | <u>671,837</u> |
| Total assets | <u>\$ 16,225,327</u> | <u>\$ 12,715,605</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 1,755,275 | \$ 1,820,366 |
| Accrued expenditures | 176,794 | 160,994 |
| Deposits | 34,375 | 12,259 |
| Deferred revenue | <u>1,182,478</u> | <u>121,635</u> |
| Total liabilities | <u>3,148,922</u> | <u>2,115,254</u> |
| Fund Balance: | | |
| Reserved: | | |
| Prepaid expenditures | 448,297 | 413,186 |
| Advances to redevelopment agency | 1,722,912 | 671,837 |
| Unreserved: | | |
| Undesignated | <u>10,905,196</u> | <u>9,515,328</u> |
| Total fund balance | <u>13,076,405</u> | <u>10,600,351</u> |
| Total liabilities and fund balance | <u>\$ 16,225,327</u> | <u>\$ 12,715,605</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | Variance Favorable (Unfavorable) | 2000 |
|----------------------------------|-------------------|-------------------|--|-------------------|
| | Budget | Actual | | Actual |
| Revenues: | | | | |
| Taxes: | | | | |
| Property taxes | \$ 1,395,000 | \$ 1,474,930 | \$ 79,930 | \$ 1,386,159 |
| Sales and use taxes | 4,650,000 | 5,561,785 | 911,785 | 5,026,873 |
| Transient lodging tax | 330,000 | 474,991 | 144,991 | 386,802 |
| Real property transfer tax | 100,000 | 102,104 | 2,104 | 108,801 |
| Business license tax | 400,000 | 409,389 | 9,389 | 386,961 |
| Utility franchises | 750,000 | 934,353 | 184,353 | 749,990 |
| Utility users' tax | 2,660,000 | 2,838,923 | 178,923 | 2,551,194 |
| Cable television | 310,000 | 345,989 | 35,989 | 307,014 |
| Total taxes | <u>10,595,000</u> | <u>12,142,464</u> | <u>1,547,464</u> | <u>10,903,794</u> |
| Licenses and Permits: | | | | |
| Yard sale permits | 9,000 | 7,725 | (1,275) | 9,170 |
| Bingo licenses | 3,500 | 4,262 | 762 | 4,515 |
| Bench advertising | 8,160 | 10,854 | 2,694 | 10,200 |
| Other permits | 2,000 | 10,253 | 8,253 | 11,478 |
| Total licenses and permits | <u>22,660</u> | <u>33,094</u> | <u>10,434</u> | <u>35,363</u> |
| Fines and Penalties: | | | | |
| Vehicle code fines | 430,000 | 390,795 | (39,205) | 470,575 |
| Other fines and penalties | 290,000 | 423,949 | 133,949 | 395,722 |
| Total fines and penalties | <u>720,000</u> | <u>814,744</u> | <u>94,744</u> | <u>866,297</u> |
| Investment Revenue: | | | | |
| Interest earned | 200,000 | 515,335 | 315,335 | 343,759 |
| Rents and concessions | 243,748 | 227,732 | (16,016) | 240,068 |
| Total investment revenue | <u>443,748</u> | <u>743,067</u> | <u>299,319</u> | <u>583,827</u> |
| Intergovernmental Revenue: | | | | |
| Highway carrier in-lieu tax | 1,000 | 2,365 | 1,365 | 1,211 |
| Motor vehicle in-lieu fees | 3,300,000 | 3,817,494 | 517,494 | 3,421,532 |
| Mandated costs | 10,000 | 42,980 | 32,980 | 18,242 |
| Return of Educational Revenue | | | | |
| Augmentation Fund transfer | - | 198,912 | 198,912 | 152,418 |
| Federal, state and county grants | 166,805 | 146,197 | (20,608) | 111,063 |
| Total intergovernmental revenue | <u>3,477,805</u> | <u>4,207,948</u> | <u>730,143</u> | <u>3,704,466</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | Variance Favorable (Unfavorable) | 2000 |
|------------------------------------|-------------------|-------------------|--|-------------------|
| | Budget | Actual | | Actual |
| Revenues - continued | | | | |
| Charges for Current Services: | | | | |
| Planning fees | \$ 17,000 | \$ 27,703 | \$ 10,703 | \$ 40,691 |
| Towing fees | 21,000 | 24,853 | 3,853 | 24,533 |
| Engineering fees | 13,000 | 14,143 | 1,143 | 5,878 |
| Waste inspection fees | 20,000 | 20,634 | 634 | 22,787 |
| Community auditorium | 15,000 | 32,900 | 17,900 | 33,647 |
| Parks and recreation | 381,500 | 369,643 | (11,857) | 326,624 |
| Other fees | 8,000 | 11,181 | 3,181 | 7,232 |
| Total charges for current services | <u>475,500</u> | <u>501,057</u> | <u>25,557</u> | <u>461,392</u> |
| Other Revenues: | | | | |
| Refunds and reimbursements | 43,475 | 18,134 | (25,341) | 67,885 |
| Liberty week | 14,000 | 9,476 | (4,524) | 11,877 |
| Donations | 500 | 806 | 306 | 351,775 |
| Sale of property | - | 315,056 | 315,056 | 8,481 |
| Other revenues | <u>19,000</u> | <u>21,724</u> | <u>2,724</u> | <u>45,325</u> |
| Total other revenues | <u>76,975</u> | <u>365,196</u> | <u>288,221</u> | <u>485,343</u> |
| Total revenues | <u>15,811,688</u> | <u>18,807,570</u> | <u>2,995,882</u> | <u>17,040,482</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| City council | 171,409 | 159,068 | 12,341 | 124,464 |
| City clerk | 238,744 | 232,266 | 6,478 | 204,264 |
| Election | 56,004 | 51,242 | 4,762 | (282) |
| City administrator | 212,089 | 191,549 | 20,540 | 171,621 |
| Parks and rec. commission | 2,550 | 2,265 | 285 | 1,618 |
| Planning commission | 14,400 | 7,359 | 7,041 | 9,477 |
| Finance | 370,120 | 335,037 | 35,083 | 315,882 |
| City attorney | 153,800 | 294,355 | (140,555) | 164,135 |
| Personnel/risk management | 296,390 | 274,537 | 21,853 | 185,339 |
| Non-departmental | <u>1,039,825</u> | <u>1,032,668</u> | <u>7,157</u> | <u>1,019,791</u> |
| Total general government | <u>2,555,331</u> | <u>2,580,346</u> | <u>(25,015)</u> | <u>2,196,309</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | Variance Favorable (Unfavorable) | 2000 |
|---------------------------------|------------------|------------------|--|------------------|
| | Budget | Actual | | Actual |
| Expenditures - continued | | | | |
| Public Safety: | | | | |
| Administration | \$ 923,442 | \$ 953,682 | \$ (30,240) | \$ 839,711 |
| Crossing guard | 130,719 | 140,181 | (9,462) | 138,732 |
| Sheriff | 6,042,507 | 5,895,189 | 147,318 | 5,700,666 |
| Support Services | 335,081 | 302,144 | 32,937 | 295,347 |
| Civil defense | 5,300 | 4,281 | 1,019 | 9,687 |
| Total public safety | <u>7,437,049</u> | <u>7,295,477</u> | <u>141,572</u> | <u>6,984,143</u> |
| Public Works: | | | | |
| Administration | 270,044 | 215,671 | 54,373 | 206,608 |
| Street maintenance | 2,527,344 | 2,143,953 | 383,391 | 2,060,980 |
| Graffiti removal | 6,600 | 10,236 | (3,636) | 11,395 |
| Lighting and landscaping | 417,875 | 418,407 | (532) | 394,625 |
| Maintenance | 1,034,993 | 980,375 | 54,618 | 759,947 |
| Total public works | <u>4,256,856</u> | <u>3,768,642</u> | <u>488,214</u> | <u>3,433,555</u> |
| Community Development: | | | | |
| Administration | 187,368 | 194,098 | (6,730) | 158,163 |
| Planning | 217,558 | 215,948 | 1,610 | 188,250 |
| Building and safety - | | | | |
| L.A. County contract | 20,000 | 14,057 | 5,943 | 23,481 |
| Farmers' market | 16,133 | 13,859 | 2,274 | 13,670 |
| Community promotion | 274,373 | 243,865 | 30,508 | 185,356 |
| Human services | 25,600 | 25,600 | - | 19,900 |
| Code enforcement | 107,382 | 103,872 | 3,510 | 130,571 |
| Total community development | <u>848,414</u> | <u>811,299</u> | <u>37,115</u> | <u>719,391</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | Variance Favorable (Unfavorable) | 2000 |
|---|-----------------------|----------------------|--|----------------------|
| | Budget | Actual | | Actual |
| Expenditures - continued | | | | |
| Parks and Recreation: | | | | |
| Administration | \$ 436,026 | \$ 388,489 | \$ 47,537 | \$ 378,440 |
| Simms park | 354,677 | 346,371 | 8,306 | 247,738 |
| Thompson park | 250,458 | 243,849 | 6,609 | 236,255 |
| Caruthers park | 211,211 | 208,917 | 2,294 | 193,715 |
| Aquatic center | 269,939 | 282,500 | (12,561) | 284,461 |
| Civic center | 64,694 | 51,772 | 12,922 | 45,708 |
| City-school recreation | 252,178 | 213,414 | 38,764 | 200,600 |
| Youth-teen program | 200,640 | 113,709 | 86,931 | 48,437 |
| Carpenter house | 500 | - | 500 | - |
| Batting cages | 5,715 | 4,909 | 806 | 10,681 |
| Preschool program | 27,273 | 26,725 | 548 | 26,895 |
| Share tri-cities | 24,509 | 25,337 | (828) | 23,575 |
| Total parks and recreation | <u>2,097,820</u> | <u>1,905,992</u> | <u>191,828</u> | <u>1,696,505</u> |
| Capital Outlay: | | | | |
| Capital outlay | <u>1,475,578</u> | <u>829,864</u> | <u>645,714</u> | <u>329,825</u> |
| Total expenditures | <u>18,671,048</u> | <u>17,191,620</u> | <u>1,479,428</u> | <u>15,359,728</u> |
| Excess of revenues over (under) expenditures | <u>(2,859,360)</u> | <u>1,615,950</u> | <u>4,475,310</u> | <u>1,680,754</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 1,652,401 | 1,675,714 | 23,313 | 1,858,796 |
| Operating transfers out | <u>(851,744)</u> | <u>(815,610)</u> | <u>36,134</u> | <u>(964,199)</u> |
| Total other financing sources (uses) | <u>800,657</u> | <u>860,104</u> | <u>59,447</u> | <u>894,597</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ (2,058,703)</u> | 2,476,054 | <u>\$ 4,534,757</u> | 2,575,351 |
| Fund balance - July 1 | | <u>10,600,351</u> | | <u>8,025,000</u> |
| Fund balance - June 30 | | <u>\$ 13,076,405</u> | | <u>\$ 10,600,351</u> |

CITY OF BELLFLOWER
SPECIAL REVENUE FUNDS EXPLANATORY COMMENTS
June 30, 2001

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.

Traffic Congestion Relief Fund

In fiscal year 2000-01, Assembly Bill 2928 established the Traffic Congestion Relief Fund (TCRF) in the State Treasury for the purpose of aiding cities and counties in maintaining and reconstructing local streets and roads. To expend the funds, certain maintenance of efforts requirements must be met.

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.

CITY OF BELLFLOWER
SPECIAL REVENUE FUNDS EXPLANATORY COMMENTS
June 30, 2001

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.

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, 2001
with Comparative Totals for June 30, 2000

| | <u>Bikeway Fund</u> | <u>Drug Forfeiture Fund</u> | <u>Transportation Fund</u> | <u>Proposition C Fund</u> |
|---------------------------|-------------------------|-------------------------------------|--------------------------------|-------------------------------|
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ - | \$ 1,617 | \$ 554,862 | \$ 914,823 |
| Accounts receivable - net | 32,845 | - | 76,574 | 63,525 |
| Due from other funds | - | - | - | - |
| Interest receivable | - | 144 | 7,468 | 11,640 |
| Prepaid expenditures | - | - | 23,145 | 20,304 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total assets | <u>\$ 32,845</u> | <u>\$ 1,761</u> | <u>\$ 662,049</u> | <u>\$ 1,010,292</u> |

LIABILITIES AND FUND BALANCES

| | | | | |
|--|------------------|-----------------|-------------------|---------------------|
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ 43,848 | \$ 39,196 |
| Accrued expenditures | - | - | 8,917 | 7,118 |
| Due to other funds | 32,845 | - | - | - |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Prepaid expenditures | - | - | 23,145 | 20,304 |
| Unreserved: | | | | |
| Designated for special revenue purposes | - | 1,761 | 586,139 | 943,674 |
| Undesignated | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities and fund balances | <u>\$ 32,845</u> | <u>\$ 1,761</u> | <u>\$ 662,049</u> | <u>\$ 1,010,292</u> |

| Gas Tax Fund | Traffic Congestion Fund | AQMD Fund | Sewer Reconstruction Fund | Water Operating Fund |
|-------------------|-------------------------------|------------------|---------------------------------|----------------------------|
| \$ - | \$ 501,723 | \$ 68,997 | \$ 336,164 | \$ - |
| 128,867 | - | 19,985 | - | 217,768 |
| - | - | - | - | - |
| - | 6,229 | 589 | 4,173 | - |
| - | - | - | - | - |
| <u>\$ 128,867</u> | <u>\$ 507,952</u> | <u>\$ 89,571</u> | <u>\$ 340,337</u> | <u>\$ 217,768</u> |

| | | | | |
|-------------------|-------------------|------------------|-------------------|-------------------|
| \$ - | \$ - | \$ 4,195 | \$ - | \$ 147,140 |
| - | - | - | - | 2,071 |
| 128,867 | - | - | - | 68,557 |
| - | - | - | - | - |
| - | 507,952 | 85,376 | 340,337 | - |
| - | - | - | - | - |
| <u>\$ 128,867</u> | <u>\$ 507,952</u> | <u>\$ 89,571</u> | <u>\$ 340,337</u> | <u>\$ 217,768</u> |

Continued

CITY OF BELLFLOWER
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2001
with Comparative Totals for June 30, 2000

| | Lighting Assessment Fund | Parking District No. 1 Fund | Building and Safety Fund | FED-COPS Grant Fund |
|---------------------------|--------------------------------|-----------------------------------|--------------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | | |
| Cash and investments | \$ - | \$ - | \$ 75,444 | \$ 233,686 |
| Accounts receivable - net | - | - | - | - |
| Due from other funds | - | - | - | - |
| Interest receivable | - | - | - | 2,989 |
| Prepaid expenditures | - | 3,206 | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u><u>\$ -</u></u> | <u><u>\$ 3,206</u></u> | <u><u>\$ 75,444</u></u> | <u><u>\$ 236,675</u></u> |

LIABILITIES AND FUND BALANCES

| | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 1,694 | \$ 70,668 | \$ 52,362 |
| Accrued expenditures | - | 706 | 4,776 | 47 |
| Due to other funds | - | 806 | - | - |
| Deferred revenue | - | - | - | 184,266 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Prepaid expenditures | - | 3,206 | - | - |
| Unreserved: | | | | |
| Designated for special revenue purposes | - | (3,206) | - | - |
| Undesignated | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities and fund balances | <u><u>\$ -</u></u> | <u><u>\$ 3,206</u></u> | <u><u>\$ 75,444</u></u> | <u><u>\$ 236,675</u></u> |

| CA-COPS Grant Fund | Totals | |
|--------------------------|---------------------|---------------------|
| | 2001 | 2000 |
| \$ 163,013 | \$ 2,850,329 | \$ 1,746,700 |
| - | 539,564 | 306,889 |
| - | - | 1,260 |
| 2,227 | 35,459 | 24,598 |
| - | 46,655 | 34,785 |
| <u>\$ 165,240</u> | <u>\$ 3,472,007</u> | <u>\$ 2,114,232</u> |

| | | |
|-------------------|---------------------|---------------------|
| \$ 162,212 | \$ 521,315 | \$ 274,825 |
| 47 | 23,682 | 21,890 |
| - | 231,075 | 317,253 |
| - | 184,266 | - |
| - | 46,655 | 34,785 |
| 2,981 | 2,465,014 | 1,626,244 |
| - | - | (160,765) |
| <u>\$ 165,240</u> | <u>\$ 3,472,007</u> | <u>\$ 2,114,232</u> |

CITY OF BELLFLOWER
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | <u>Bikeway Fund</u> | <u>Drug Forfeiture Fund</u> | <u>Transportation Fund</u> | <u>Proposition C Fund</u> |
|---|-------------------------|-------------------------------------|--------------------------------|-------------------------------|
| Revenues: | | | | |
| Licenses and permits | \$ - | \$ - | \$ - | \$ - |
| Investment revenue | - | 506 | 32,683 | 54,624 |
| Intergovernmental revenue | 32,845 | 6,321 | 876,570 | 727,976 |
| Charges for current services | - | - | - | - |
| Other revenues | - | - | - | 500 |
| | <u>32,845</u> | <u>6,827</u> | <u>909,253</u> | <u>783,100</u> |
| Total revenues | <u>32,845</u> | <u>6,827</u> | <u>909,253</u> | <u>783,100</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | - | 10,000 | - | - |
| Public works | - | - | 749,446 | 639,867 |
| Community development | - | - | - | - |
| Public utilities | - | - | - | - |
| Capital outlay | 32,845 | - | - | 43,594 |
| | <u>32,845</u> | <u>10,000</u> | <u>749,446</u> | <u>683,461</u> |
| Total expenditures | <u>32,845</u> | <u>10,000</u> | <u>749,446</u> | <u>683,461</u> |
| Excess of revenues over (under) expenditures | <u>-</u> | <u>(3,173)</u> | <u>159,807</u> | <u>99,639</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 | <u>-</u> | <u>(3,173)</u> | <u>159,807</u> | <u>99,639</u> |
| Fund balances - July 1 | <u>-</u> | <u>4,934</u> | <u>449,477</u> | <u>864,339</u> |
| Fund balances - June 30 | <u>\$ -</u> | <u>\$ 1,761</u> | <u>\$ 609,284</u> | <u>\$ 963,978</u> |

| Gas Tax Fund | Traffic Congestion Fund | AQMD Fund | Sewer Reconstruction Fund | Water Operating Fund |
|--------------------|-------------------------|------------------|---------------------------|----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 20,802 | 1,469 | 20,027 | - |
| 1,266,283 | 487,150 | 75,911 | - | - |
| - | - | - | - | 1,121,354 |
| - | - | 2,056 | - | - |
| <u>1,266,283</u> | <u>507,952</u> | <u>79,436</u> | <u>20,027</u> | <u>1,121,354</u> |
| - | - | - | - | - |
| - | - | 4,195 | - | - |
| - | - | - | - | - |
| - | - | - | - | 1,224,250 |
| - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>4,195</u> | <u>-</u> | <u>1,224,250</u> |
| <u>1,266,283</u> | <u>507,952</u> | <u>75,241</u> | <u>20,027</u> | <u>(102,896)</u> |
| - | - | - | - | 263,661 |
| <u>(1,266,283)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>(1,266,283)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>263,661</u> |
| - | 507,952 | 75,241 | 20,027 | 160,765 |
| - | - | 10,135 | 320,310 | (160,765) |
| <u>\$ -</u> | <u>\$ 507,952</u> | <u>\$ 85,376</u> | <u>\$ 340,337</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000
(Continued)

| | Lighting Assessment Fund | Parking District No. 1 Fund | Building and Safety Fund | FED-COPS Grant Fund |
|---|--------------------------------|-----------------------------------|--------------------------------|---------------------------|
| Revenues: | | | | |
| Licenses and permits | \$ - | \$ - | \$ 614,717 | \$ - |
| Investment revenue | - | - | - | 11,840 |
| Intergovernmental revenue | - | - | - | 253,944 |
| Charges for current services | 4,590 | 8,139 | - | - |
| Other revenues | - | - | - | - |
| Total revenues | <u>4,590</u> | <u>8,139</u> | <u>614,717</u> | <u>265,784</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | - | - | - | 294,000 |
| Public works | - | 26,066 | - | - |
| Community development | - | - | 277,060 | - |
| Public utilities | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>-</u> | <u>26,066</u> | <u>277,060</u> | <u>294,000</u> |
| Excess of revenues over (under) expenditures | <u>4,590</u> | <u>(17,927)</u> | <u>337,657</u> | <u>(28,216)</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | - | 17,927 | - | 28,216 |
| Operating transfers out | <u>(4,590)</u> | <u>-</u> | <u>(337,657)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(4,590)</u> | <u>17,927</u> | <u>(337,657)</u> | <u>28,216</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | - | - | - | - |
| Fund balances - July 1 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances - June 30 | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

| CA-COPS Grant Fund | Totals | |
|--------------------------|---------------------|---------------------|
| | 2001 | 2000 |
| \$ - | \$ 614,717 | \$ 321,854 |
| 9,375 | 151,326 | 98,755 |
| 148,188 | 3,875,188 | 3,276,679 |
| - | 1,134,083 | 1,049,452 |
| 300 | 2,856 | - |
| <u>157,863</u> | <u>5,778,170</u> | <u>4,746,740</u> |
| 166,716 | 470,716 | 509,092 |
| - | 1,419,574 | 1,426,327 |
| - | 277,060 | 221,007 |
| - | 1,224,250 | 1,040,198 |
| - | 76,439 | 286,895 |
| <u>166,716</u> | <u>3,468,039</u> | <u>3,483,519</u> |
| <u>(8,853)</u> | <u>2,310,131</u> | <u>1,263,221</u> |
| - | 309,804 | 47,433 |
| - | (1,608,530) | (1,331,345) |
| - | (1,298,726) | (1,283,912) |
| (8,853) | 1,011,405 | (20,691) |
| <u>11,834</u> | <u>1,500,264</u> | <u>1,520,955</u> |
| <u>\$ 2,981</u> | <u>\$ 2,511,669</u> | <u>\$ 1,500,264</u> |

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

BIKEWAY FUND

For the Fiscal Year Ended June 30, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | <u>2001</u> | | | <u>2000</u> |
|---|-------------------|---------------|--|----------------|
| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | <u>Actual</u> |
| Revenues: | | | | |
| Investment revenue | \$ 100 | \$ - | \$ (100) | \$ - |
| Intergovernmental revenue | 21,500 | 32,845 | 11,345 | 24,038 |
| Total revenues | <u>21,600</u> | <u>32,845</u> | <u>11,245</u> | <u>24,038</u> |
| Expenditures: | | | | |
| Capital outlay | 23,600 | 32,845 | (9,245) | 16,964 |
| Total expenditures | <u>23,600</u> | <u>32,845</u> | <u>(9,245)</u> | <u>16,964</u> |
| Excess of revenues over (under) expenditures | <u>\$ (2,000)</u> | - | <u>\$ 2,000</u> | 7,074 |
| Fund balance - July 1 | | - | | <u>(7,074)</u> |
| Fund balance - June 30 | | <u>\$ -</u> | | <u>\$ -</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | <u>2001</u> | | | <u>2000</u> |
|---|-----------------|-----------------|--|-----------------|
| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | <u>Actual</u> |
| Revenues: | | | | |
| Investment revenue | \$ 150 | \$ 506 | \$ 356 | \$ 197 |
| Intergovernmental revenue | <u>9,000</u> | <u>6,321</u> | <u>(2,679)</u> | <u>2,956</u> |
| Total revenues | <u>9,150</u> | <u>6,827</u> | <u>(2,323)</u> | <u>3,153</u> |
| Expenditures: | | | | |
| Public safety | <u>10,000</u> | <u>10,000</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>10,000</u> | <u>10,000</u> | <u>-</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>(850)</u> | <u>(3,173)</u> | <u>(2,323)</u> | <u>3,153</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ (850)</u> | (3,173) | <u>\$ (2,323)</u> | 3,153 |
| Fund balance - July 1 | | <u>4,934</u> | | <u>1,781</u> |
| Fund balance - June 30 | | <u>\$ 1,761</u> | | <u>\$ 4,934</u> |

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

For the Fiscal Year Ended June 30, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | <u>2001</u> | | | <u>2000</u> |
|---|-----------------|-------------------|--|-------------------|
| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | <u>Actual</u> |
| Revenues: | | | | |
| Investment revenue | \$ 17,000 | \$ 32,683 | \$ 15,683 | \$ 21,348 |
| Intergovernmental revenue | <u>756,000</u> | <u>876,570</u> | <u>120,570</u> | <u>810,176</u> |
| Total revenues | <u>773,000</u> | <u>909,253</u> | <u>136,253</u> | <u>831,524</u> |
| Expenditures: | | | | |
| Public works | <u>769,915</u> | <u>749,446</u> | <u>20,469</u> | <u>727,571</u> |
| Total expenditures | <u>769,915</u> | <u>749,446</u> | <u>20,469</u> | <u>727,571</u> |
| Excess of revenues over (under) expenditures | <u>\$ 3,085</u> | 159,807 | <u>\$ 156,722</u> | 103,953 |
| Fund balance - July 1 | | <u>449,477</u> | | <u>345,524</u> |
| Fund balance - June 30 | | <u>\$ 609,284</u> | | <u>\$ 449,477</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | | 2000 |
|---|---------------------|-------------------|--|-------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | |
| Investment revenue | \$ 15,000 | \$ 54,624 | \$ 39,624 | \$ 47,404 |
| Intergovernmental revenue | 632,000 | 727,976 | 95,976 | 673,880 |
| Other revenue | - | 500 | 500 | - |
| Total revenues | <u>647,000</u> | <u>783,100</u> | <u>136,100</u> | <u>721,284</u> |
| Expenditures: | | | | |
| Public works | 805,697 | 639,867 | 165,830 | 599,852 |
| Capital outlay | <u>667,600</u> | <u>43,594</u> | <u>624,006</u> | <u>165,451</u> |
| Total expenditures | <u>1,473,297</u> | <u>683,461</u> | <u>789,836</u> | <u>765,303</u> |
| Excess of revenues over (under) expenditures | <u>(826,297)</u> | <u>99,639</u> | <u>925,936</u> | <u>(44,019)</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ (826,297)</u> | 99,639 | <u>\$ 925,936</u> | (44,019) |
| Fund balance - July 1 | | <u>864,339</u> | | <u>908,358</u> |
| Fund balance - June 30 | | <u>\$ 963,978</u> | | <u>\$ 864,339</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | <u>2001</u> | | | <u>2000</u> |
|---|--------------------|--------------------|--|--------------------|
| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | <u>Actual</u> |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 1,141,500 | \$ 1,266,283 | \$ 124,783 | \$ 1,216,900 |
| Total revenues | <u>1,141,500</u> | <u>1,266,283</u> | <u>124,783</u> | <u>1,216,900</u> |
| Excess of revenues over (under) expenditures | <u>1,141,500</u> | <u>1,266,283</u> | <u>124,783</u> | <u>1,216,900</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers out | <u>(1,141,500)</u> | <u>(1,266,283)</u> | <u>(124,783)</u> | <u>(1,216,900)</u> |
| Total other financing sources (uses) | <u>(1,141,500)</u> | <u>(1,266,283)</u> | <u>(124,783)</u> | <u>(1,216,900)</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
TRAFFIC CONGESTION RELIEF FUND
For the Fiscal Year Ended June 30, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | | 2000 |
|---|-------------|-------------------|--|-------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | |
| Investment revenue | \$ - | \$ 20,802 | \$ 20,802 | \$ - |
| Intergovernmental revenue | - | 487,150 | 487,150 | - |
| Total revenues | - | 507,952 | 507,952 | - |
| Expenditures: | | | | |
| Capital outlay | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess of revenues over (under) expenditures | <u>\$ -</u> | 507,952 | <u>\$ 507,952</u> | - |
| Fund balance - July 1 | | - | | - |
| Fund balance - June 30 | | <u>\$ 507,952</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | <u>2001</u> | | | <u>2000</u> |
|---|--------------------|------------------|--|------------------|
| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | <u>Actual</u> |
| Revenues: | | | | |
| Investment revenue | \$ 100 | \$ 1,469 | \$ 1,369 | \$ 339 |
| Intergovernmental revenue | 72,000 | 75,911 | 3,911 | 74,575 |
| Other revenue | - | 2,056 | 2,056 | - |
| Total revenues | <u>72,100</u> | <u>79,436</u> | <u>7,336</u> | <u>74,914</u> |
| Expenditures: | | | | |
| Public works | <u>118,000</u> | <u>4,195</u> | <u>113,805</u> | <u>74,423</u> |
| Total expenditures | <u>118,000</u> | <u>4,195</u> | <u>113,805</u> | <u>74,423</u> |
| Excess of revenues over (under) expenditures | <u>\$ (45,900)</u> | 75,241 | <u>\$ 121,141</u> | 491 |
| Fund balance - July 1 | | <u>10,135</u> | | <u>9,644</u> |
| Fund balance - June 30 | | <u>\$ 85,376</u> | | <u>\$ 10,135</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | <u>2001</u> | | | <u>2000</u> |
|---|------------------|-------------------|--|-------------------|
| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | <u>Actual</u> |
| Revenues: | | | | |
| Investment revenue | \$ 15,000 | \$ 20,027 | \$ 5,027 | \$ 19,776 |
| Charges for current services | <u>1,000</u> | <u>-</u> | <u>(1,000)</u> | <u>99</u> |
| Total revenues | <u>16,000</u> | <u>20,027</u> | <u>4,027</u> | <u>19,875</u> |
| Expenditures: | | | | |
| Capital outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>104,480</u> |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>104,480</u> |
| Excess of revenues over (under) expenditures | <u>\$ 16,000</u> | 20,027 | <u>\$ 4,027</u> | (84,605) |
| Fund balance - July 1 | | <u>320,310</u> | | <u>404,915</u> |
| Fund balance - June 30 | | <u>\$ 340,337</u> | | <u>\$ 320,310</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | | 2000 |
|---|------------|--------------|--|--------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | |
| Charges for current services | \$ 981,600 | \$ 1,121,354 | \$ 139,754 | \$ 1,022,702 |
| Total revenues | 981,600 | 1,121,354 | 139,754 | 1,022,702 |
| Expenditures: | | | | |
| Public utilities | 980,947 | 1,224,250 | (243,303) | 1,040,198 |
| Total expenditures | 980,947 | 1,224,250 | (243,303) | 1,040,198 |
| Excess of revenues over (under) expenditures | 653 | (102,896) | (103,549) | (17,496) |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | - | 263,661 | 263,661 | - |
| Total other financing sources (uses) | - | 263,661 | 263,661 | - |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ 653 | 160,765 | \$ 160,112 | (17,496) |
| Fund balance - July 1 | | (160,765) | | (143,269) |
| Fund balance - June 30 | | \$ - | | \$ (160,765) |

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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | | 2000 |
|---|--------|----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | |
| Charges for current services | \$ - | \$ 4,590 | \$ 4,590 | \$ 13,598 |
| Total revenues | - | 4,590 | 4,590 | 13,598 |
| Expenditures: | | | | |
| Public safety | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess of revenues over (under) expenditures | - | 4,590 | 4,590 | 13,598 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers out | - | (4,590) | (4,590) | (13,598) |
| Total other financing sources (uses) | - | (4,590) | (4,590) | (13,598) |
| 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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | | 2000 |
|---|-----------------|-----------------|--|-----------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | |
| Charges for current services | \$ 7,500 | \$ 8,139 | \$ 639 | \$ 13,053 |
| Total revenues | <u>7,500</u> | <u>8,139</u> | <u>639</u> | <u>13,053</u> |
| Expenditures: | | | | |
| Public works | 31,606 | 26,066 | 5,540 | 24,481 |
| Total expenditures | <u>31,606</u> | <u>26,066</u> | <u>5,540</u> | <u>24,481</u> |
| Excess of revenues over (under) expenditures | <u>(24,106)</u> | <u>(17,927)</u> | <u>6,179</u> | <u>(11,428)</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 24,106 | 17,927 | (6,179) | 11,428 |
| Total other financing sources (uses) | <u>24,106</u> | <u>17,927</u> | <u>(6,179)</u> | <u>11,428</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | | 2000 |
|---|------------------|------------------|--|------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | |
| Licenses and permits | \$ 397,200 | \$ 614,717 | \$ 217,517 | \$ 321,854 |
| Total revenues | <u>397,200</u> | <u>614,717</u> | <u>217,517</u> | <u>321,854</u> |
| Expenditures: | | | | |
| Community development | 232,104 | 277,060 | (44,956) | 221,007 |
| Total expenditures | <u>232,104</u> | <u>277,060</u> | <u>(44,956)</u> | <u>221,007</u> |
| Excess of revenues over (under) expenditures | <u>165,096</u> | <u>337,657</u> | <u>172,561</u> | <u>100,847</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers out | (165,096) | (337,657) | (172,561) | (100,847) |
| Total other financing sources (uses) | <u>(165,096)</u> | <u>(337,657)</u> | <u>(172,561)</u> | <u>(100,847)</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | | 2000 |
|---|-----------|-----------|--|----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | |
| Investment revenue | \$ 10,000 | \$ 11,840 | \$ 1,840 | \$ 3,360 |
| Intergovernmental revenue | 318,346 | 253,944 | (64,402) | 324,042 |
| Total revenues | 328,346 | 265,784 | (62,562) | 327,402 |
| Expenditures: | | | | |
| Public safety | 306,675 | 294,000 | 12,675 | 363,407 |
| Total expenditures | 306,675 | 294,000 | 12,675 | 363,407 |
| Excess of revenues over (under) expenditures | 21,671 | (28,216) | (49,887) | (36,005) |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 35,372 | 28,216 | (7,156) | 36,005 |
| Total other financing sources (uses) | 35,372 | 28,216 | (7,156) | 36,005 |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ 57,043 | - | \$ (57,043) | - |
| Fund balance - July 1 | | - | | - |
| 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, 2001

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

| | <u>2001</u> | | | <u>2000</u> |
|---|----------------|-----------------|--|------------------|
| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | <u>Actual</u> |
| Revenues: | | | | |
| Investment revenue | \$ 3,000 | \$ 9,375 | \$ 6,375 | \$ 6,331 |
| Intergovernmental revenue | 150,000 | 148,188 | (1,812) | 150,112 |
| Other revenue | - | 300 | 300 | - |
| Total revenues | <u>153,000</u> | <u>157,863</u> | <u>4,863</u> | <u>156,443</u> |
| Expenditures: | | | | |
| Public safety | <u>152,227</u> | <u>166,716</u> | <u>(14,489)</u> | <u>145,685</u> |
| Total expenditures | <u>152,227</u> | <u>166,716</u> | <u>(14,489)</u> | <u>145,685</u> |
| Excess of revenues over (under) expenditures | <u>\$ 773</u> | (8,853) | <u>\$ (9,626)</u> | 10,758 |
| Fund balance - July 1 | | <u>11,834</u> | | <u>1,076</u> |
| Fund balance - June 30 | | <u>\$ 2,981</u> | | <u>\$ 11,834</u> |



City of Bellflower

CITY OF BELLFLOWER
CAPITAL PROJECTS FUNDS EXPLANATORY COMMENTS
June 30, 2001

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 funded with grants and restricted monies.

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 moderate 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 problems 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, 2001

with Comparative Totals for June 30, 2000

| | <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 | \$ - | \$ 223,157 | \$ 708,151 | \$ 174,604 |
| Cash and investments with fiscal agents | - | 718,881 | 248,150 | - |
| Accounts receivable - net | 357,551 | - | - | 402,516 |
| Due from other funds | 13,747 | - | - | - |
| Interest receivable | - | 2,950 | 9,559 | - |
| Notes/Contract receivable | - | 50,000 | 123,945 | 2,223,029 |
| Prepaid expenditures | - | - | - | 15,698 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total assets | <u>\$ 371,298</u> | <u>\$ 994,988</u> | <u>\$ 1,089,805</u> | <u>\$ 2,815,847</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 80,080 | \$ 167,045 | \$ 56,750 | \$ 57,020 |
| Accrued expenditures | - | 4,212 | - | 126,796 |
| Due to other funds | 129,754 | - | - | 234,398 |
| Deferred revenue | - | 50,000 | 123,945 | 2,397,633 |
| Advances payable | - | 671,837 | 1,051,075 | - |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Prepaid expenditures | - | - | - | 15,698 |
| Unreserved and undesignated | <hr/> | <hr/> | <hr/> | <hr/> |
| | 161,464 | 101,894 | (141,965) | (15,698) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities and fund balances | <u>\$ 371,298</u> | <u>\$ 994,988</u> | <u>\$ 1,089,805</u> | <u>\$ 2,815,847</u> |

Continued

| Clean It/ Lien It Fund | Home Fund | Totals | |
|------------------------------|-------------------|---------------------|---------------------|
| | | 2001 | 2000 |
| \$ - | \$ 82,569 | \$ 1,188,481 | \$ 662,845 |
| - | - | 967,031 | 2,139,011 |
| - | 5,098 | 765,165 | 244,392 |
| - | - | 13,747 | 14,995 |
| - | - | 12,509 | 16,822 |
| - | 822,442 | 3,219,416 | 2,309,181 |
| - | 578 | 16,276 | 17,639 |
| <u>\$ -</u> | <u>\$ 910,687</u> | <u>\$ 6,182,625</u> | <u>\$ 5,404,885</u> |
| | | | |
| \$ - | \$ 25,929 | \$ 386,824 | \$ 238,124 |
| - | 467 | 131,475 | 15,414 |
| - | - | 364,152 | 105,793 |
| - | 822,442 | 3,394,020 | 2,483,195 |
| - | - | 1,722,912 | 671,837 |
| - | 578 | 16,276 | 17,639 |
| - | 61,271 | 166,966 | 1,872,883 |
| <u>\$ -</u> | <u>\$ 910,687</u> | <u>\$ 6,182,625</u> | <u>\$ 5,404,885</u> |

CITY OF BELLFLOWER
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | <u>Capital Projects Fund</u> | <u>Redevelopment Agency Fund</u> | <u>Redevelopment Agency Housing Set-Aside Fund</u> | <u>CDBG Fund</u> |
|---|--------------------------------------|--|--|----------------------|
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ 130,583 | \$ - |
| Investment revenue | - | 69,583 | 52,713 | 78,853 |
| Intergovernmental revenue | 556,725 | - | - | 1,497,365 |
| Other revenues | 185,701 | 22 | - | 23,922 |
| | <u>742,426</u> | <u>69,605</u> | <u>183,296</u> | <u>1,600,140</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | 107 | - |
| Community development | - | 231,375 | - | 1,600,140 |
| Capital outlay | 707,684 | 849,827 | 1,051,075 | - |
| | <u>707,684</u> | <u>1,081,202</u> | <u>1,051,182</u> | <u>1,600,140</u> |
| Excess of revenues over (under) expenditures | <u>34,742</u> | <u>(1,011,597)</u> | <u>(867,886)</u> | <u>-</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 11,742 | 231,375 | - | - |
| Operating transfers out | - | - | (40,618) | - |
| | <u>11,742</u> | <u>231,375</u> | <u>(40,618)</u> | <u>-</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | 46,484 | (780,222) | (908,504) | - |
| Fund balances - July 1 | <u>114,980</u> | <u>882,116</u> | <u>766,539</u> | <u>-</u> |
| Fund balances - June 30 | <u>\$ 161,464</u> | <u>\$ 101,894</u> | <u>\$ (141,965)</u> | <u>\$ -</u> |

Continued

| Clean it/ Lien it Fund | Home Fund | Totals | |
|------------------------------|------------------|-------------------|---------------------|
| | | 2001 | 2000 |
| \$ - | \$ - | \$ 130,583 | \$ 128,427 |
| - | 6,308 | 207,457 | 600,365 |
| - | 58,571 | 2,112,661 | 984,665 |
| - | - | 209,645 | 59,406 |
| - | 64,879 | 2,660,346 | 1,772,863 |
| - | - | 107 | 2,341 |
| - | 129,917 | 1,961,432 | 1,537,774 |
| - | - | 2,608,586 | 755,268 |
| - | 129,917 | 4,570,125 | 2,295,383 |
| - | (65,038) | (1,909,779) | (522,520) |
| - | - | 243,117 | 775,956 |
| - | - | (40,618) | (41,139) |
| - | - | 202,499 | 734,817 |
| - | (65,038) | (1,707,280) | 212,297 |
| - | 126,887 | 1,890,522 | 1,678,225 |
| <u>\$ -</u> | <u>\$ 61,849</u> | <u>\$ 183,242</u> | <u>\$ 1,890,522</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | | 2000 |
|---|---------------------|-------------------|--|-------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 2,726,100 | \$ 556,725 | \$ (2,169,375) | \$ 140,184 |
| Other revenues | 1,984 | 185,701 | 183,717 | 59,406 |
| Total revenues | <u>2,728,084</u> | <u>742,426</u> | <u>(1,985,658)</u> | <u>199,590</u> |
| Expenditures: | | | | |
| Capital outlay | 3,196,100 | 707,684 | 2,488,416 | 538,173 |
| Total expenditures | <u>3,196,100</u> | <u>707,684</u> | <u>2,488,416</u> | <u>538,173</u> |
| Excess of revenues over (under) expenditures | <u>(468,016)</u> | <u>34,742</u> | <u>502,758</u> | <u>(338,583)</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | - | 11,742 | 11,742 | 315,689 |
| Total other financing sources (uses) | <u>-</u> | <u>11,742</u> | <u>11,742</u> | <u>315,689</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ (468,016)</u> | 46,484 | <u>\$ 514,500</u> | (22,894) |
| Fund balance - July 1 | | <u>114,980</u> | | <u>137,874</u> |
| Fund balance - June 30 | | <u>\$ 161,464</u> | | <u>\$ 114,980</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | Variance Favorable (Unfavorable) | 2000 |
|---|-----------------------|--------------------|--|-------------------|
| | Budget | Actual | | Actual |
| Revenues: | | | | |
| Investment revenue | \$ 40,000 | \$ 69,583 | \$ 29,583 | \$ 86,191 |
| Other revenues | - | 22 | 22 | - |
| Total revenues | <u>40,000</u> | <u>69,605</u> | <u>29,605</u> | <u>86,191</u> |
| Expenditures: | | | | |
| Community development | 278,621 | 231,375 | 47,246 | 460,267 |
| Capital outlay | 3,052,697 | 849,827 | 2,202,870 | 57,337 |
| Total expenditures | <u>3,331,318</u> | <u>1,081,202</u> | <u>2,250,116</u> | <u>517,604</u> |
| Excess of revenues over (under) expenditures | <u>(3,291,318)</u> | <u>(1,011,597)</u> | <u>2,279,721</u> | <u>(431,413)</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 628,621 | 231,375 | (397,246) | 460,267 |
| Total other financing sources (uses) | <u>628,621</u> | <u>231,375</u> | <u>(397,246)</u> | <u>460,267</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ (2,662,697)</u> | (780,222) | <u>\$ 1,882,475</u> | 28,854 |
| Fund balance - July 1 | | <u>882,116</u> | | <u>853,262</u> |
| Fund balance - June 30 | | <u>\$ 101,894</u> | | <u>\$ 882,116</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | | 2000 |
|---|---------------------|---------------------|--|-------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | |
| Taxes | \$ 122,400 | \$ 130,583 | \$ 8,183 | \$ 128,427 |
| Investment revenue | 1,000 | 52,713 | 51,713 | 50,843 |
| Total revenues | <u>123,400</u> | <u>183,296</u> | <u>59,896</u> | <u>179,270</u> |
| Expenditures: | | | | |
| General government | 1,000 | 107 | 893 | 2,341 |
| Community development | 230,000 | - | 230,000 | 19,645 |
| Capital outlay | - | 1,051,075 | (1,051,075) | - |
| Total expenditures | <u>231,000</u> | <u>1,051,182</u> | <u>(820,182)</u> | <u>21,986</u> |
| Excess of revenues over (under) expenditures | <u>(107,600)</u> | <u>(867,886)</u> | <u>(760,286)</u> | <u>157,284</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers out | <u>(188,344)</u> | <u>(40,618)</u> | <u>147,726</u> | <u>(41,139)</u> |
| Total other financing sources (uses) | <u>(188,344)</u> | <u>(40,618)</u> | <u>147,726</u> | <u>(41,139)</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ (295,944)</u> | (908,504) | <u>\$ (612,560)</u> | 116,145 |
| Fund balance - July 1 | | <u>766,539</u> | | <u>650,394</u> |
| Fund balance - June 30 | | <u>\$ (141,965)</u> | | <u>\$ 766,539</u> |

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

For the Fiscal Year Ended June 30, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | Variance Favorable (Unfavorable) | 2000 |
|---|-------------------|------------------|--|------------------|
| | Budget | Actual | | Actual |
| Revenues: | | | | |
| Investment revenue | \$ 80,000 | \$ 78,853 | \$ (1,147) | \$ 271,279 |
| Intergovernmental revenue | 2,413,562 | 1,497,365 | (916,197) | 831,338 |
| Other revenues | - | 23,922 | 23,922 | - |
| Total revenues | <u>2,493,562</u> | <u>1,600,140</u> | <u>(893,422)</u> | <u>1,102,617</u> |
| Expenditures: | | | | |
| Community development | 2,117,261 | 1,600,140 | 517,121 | 942,859 |
| Capital outlay | 93,000 | - | 93,000 | 159,758 |
| Total expenditures | <u>2,210,261</u> | <u>1,600,140</u> | <u>610,121</u> | <u>1,102,617</u> |
| Excess of revenues over (under) expenditures | <u>283,301</u> | <u>-</u> | <u>(283,301)</u> | <u>-</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ 283,301</u> | <u>-</u> | <u>\$ (283,301)</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | <u>2001</u> | | | <u>2000</u> |
|---|---------------|---------------|---|---------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> | <u>Actual</u> |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 4,000 | \$ - | \$ (4,000) | \$ - |
| Total revenues | <u>4,000</u> | <u>-</u> | <u>(4,000)</u> | <u>-</u> |
| Expenditures: | | | | |
| Community development | 4,000 | - | 4,000 | - |
| Total expenditures | <u>4,000</u> | <u>-</u> | <u>4,000</u> | <u>-</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
HOME FUND
For the Fiscal Year Ended June 30, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | Variance Favorable (Unfavorable) | 2000 |
|---|---------------------|------------------|--|-------------------|
| | Budget | Actual | | Actual |
| Revenues: | | | | |
| Investment revenue | \$ 83,000 | \$ 6,308 | \$ (76,692) | \$ 192,052 |
| Intergovernmental revenue | 1,311,319 | 58,571 | (1,252,748) | 13,143 |
| Total revenues | <u>1,394,319</u> | <u>64,879</u> | <u>(1,329,440)</u> | <u>205,195</u> |
| Expenditures: | | | | |
| Community development | 1,665,866 | 129,917 | 1,535,949 | 115,003 |
| Total expenditures | <u>1,665,866</u> | <u>129,917</u> | <u>1,535,949</u> | <u>115,003</u> |
| Excess of revenues over (under) expenditures | <u>(271,547)</u> | <u>(65,038)</u> | <u>206,509</u> | <u>90,192</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 144,660 | - | (144,660) | - |
| Total other financing sources (uses) | <u>144,660</u> | <u>-</u> | <u>(144,660)</u> | <u>-</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ (126,887)</u> | (65,038) | <u>\$ 61,849</u> | 90,192 |
| Fund balance - July 1 | | <u>126,887</u> | | <u>36,695</u> |
| Fund balance - June 30 | | <u>\$ 61,849</u> | | <u>\$ 126,887</u> |

CITY OF BELLFLOWER
DEBT SERVICE FUNDS EXPLANATORY COMMENTS
June 30, 2001

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 taxable tax allocation bonds issued by the Redevelopment Agency.

CITY OF BELLFLOWER
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 2001
with Comparative Totals for June 30, 2000

| | Public Facilities Corporation Debt Service Fund | Redevelopment Agency Debt Service Fund | <u>Totals</u> | |
|---|--|--|---------------------|-------------------|
| | | | <u>2001</u> | <u>2000</u> |
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ - | \$ 667,516 | \$ 667,516 | \$ 354,016 |
| Cash and investments with fiscal agents | 352,755 | 210,683 | 563,438 | 558,978 |
| Interest receivable | <u>-</u> | <u>11,301</u> | <u>11,301</u> | <u>21,327</u> |
| Total assets | <u>\$ 352,755</u> | <u>\$ 889,500</u> | <u>\$ 1,242,255</u> | <u>\$ 934,321</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 221,527 | \$ 221,527 | \$ 14,284 |
| Due to other funds | 13,746 | - | 13,746 | 14,994 |
| Fund Balances: | | | | |
| Reserves: | | | | |
| Bond redemption | - | - | - | 196,989 |
| Debt service | <u>339,009</u> | <u>667,973</u> | <u>1,006,982</u> | <u>708,054</u> |
| Total liabilities and fund balances | <u>\$ 352,755</u> | <u>\$ 889,500</u> | <u>\$ 1,242,255</u> | <u>\$ 934,321</u> |

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

For the Fiscal Year Ended June 30, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | Public Facilities Corporation Debt Service Fund | Redevelopment Agency Debt Service Fund | <u>Totals</u> | |
|---|---|---|---------------------|-------------------|
| | | | <u>2001</u> | <u>2000</u> |
| Revenues: | | | | |
| Taxes | \$ - | \$ 500,767 | \$ 500,767 | \$ 492,541 |
| Investment revenue | 19,470 | 69,846 | 89,316 | 149,200 |
| Total revenues | <u>19,470</u> | <u>570,613</u> | <u>590,083</u> | <u>641,741</u> |
| Expenditures: | | | | |
| Debt service | <u>507,235</u> | <u>217,032</u> | <u>724,267</u> | <u>977,394</u> |
| Total expenditures | <u>507,235</u> | <u>217,032</u> | <u>724,267</u> | <u>977,394</u> |
| Excess of revenues over (under) expenditures | <u>(487,765)</u> | <u>353,581</u> | <u>(134,184)</u> | <u>(335,653)</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 505,805 | 40,618 | 546,423 | 497,638 |
| Proceeds of refunding certificates | - | - | - | 6,360,000 |
| Payment to refunded certificate escrow agent | - | - | - | (5,482,084) |
| Operating transfers out | <u>(11,742)</u> | <u>(298,558)</u> | <u>(310,300)</u> | <u>(843,140)</u> |
| Total other financing sources (uses) | <u>494,063</u> | <u>(257,940)</u> | <u>236,123</u> | <u>532,414</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | 6,298 | 95,641 | 101,939 | 196,761 |
| Fund balances - July 1 | <u>332,711</u> | <u>572,332</u> | <u>905,043</u> | <u>708,282</u> |
| Fund balances - June 30 | <u>\$ 339,009</u> | <u>\$ 667,973</u> | <u>\$ 1,006,982</u> | <u>\$ 905,043</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | | 2000 |
|---|---------------------|-------------------|--|-------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | |
| Investment revenue | \$ 100 | \$ 19,470 | \$ 19,370 | \$ 72,309 |
| Total revenues | <u>100</u> | <u>19,470</u> | <u>19,370</u> | <u>72,309</u> |
| Expenditures: | | | | |
| Debt service | 513,645 | 507,235 | 6,410 | 758,671 |
| Total expenditures | <u>513,645</u> | <u>507,235</u> | <u>6,410</u> | <u>758,671</u> |
| Excess of revenues over (under) expenditures | <u>(513,545)</u> | <u>(487,765)</u> | <u>25,780</u> | <u>(686,362)</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 513,645 | 505,805 | (7,840) | 456,499 |
| Proceeds of refunding certificates | - | - | - | 6,360,000 |
| Payment to refunded certificate escrow agent | - | - | - | (5,482,084) |
| Operating transfers out | <u>(350,000)</u> | <u>(11,742)</u> | <u>338,258</u> | <u>(315,689)</u> |
| Total other financing sources (uses) | <u>163,645</u> | <u>494,063</u> | <u>330,418</u> | <u>1,018,726</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ (349,900)</u> | 6,298 | <u>\$ 356,198</u> | 332,364 |
| Fund balance - July 1 | | <u>332,711</u> | | <u>347</u> |
| Fund balance - June 30 | | <u>\$ 339,009</u> | | <u>\$ 332,711</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, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | 2001 | | Variance Favorable (Unfavorable) | 2000 |
|---|--------------------|-------------------|--|-------------------|
| | Budget | Actual | | Actual |
| Revenues: | | | | |
| Taxes | \$ 469,600 | \$ 500,767 | \$ 31,167 | \$ 492,541 |
| Investment revenue | 20,000 | 69,846 | 49,846 | 76,891 |
| Total revenues | <u>489,600</u> | <u>570,613</u> | <u>81,013</u> | <u>569,432</u> |
| Expenditures: | | | | |
| Debt Service | 218,418 | 217,032 | 1,386 | 218,723 |
| Total expenditures | <u>218,418</u> | <u>217,032</u> | <u>1,386</u> | <u>218,723</u> |
| Excess of revenues over (under) expenditures | <u>271,182</u> | <u>353,581</u> | <u>82,399</u> | <u>350,709</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 43,684 | 40,618 | (3,066) | 41,139 |
| Operating transfers out | <u>(345,805)</u> | <u>(298,558)</u> | <u>47,247</u> | <u>(527,451)</u> |
| Total other financing sources (uses) | <u>(302,121)</u> | <u>(257,940)</u> | <u>44,181</u> | <u>(486,312)</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ (30,939)</u> | 95,641 | <u>\$ 126,580</u> | (135,603) |
| Fund balance - July 1 | | <u>572,332</u> | | <u>707,935</u> |
| Fund balance - June 30 | | <u>\$ 667,973</u> | | <u>\$ 572,332</u> |

CITY OF BELLFLOWER
INTERNAL SERVICE FUND EXPLANATORY COMMENTS
June 30, 2001

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, 2001
with Comparative Totals for June 30, 2000

| | Equipment Replacement Fund | Totals | |
|---|----------------------------------|---------------------|---------------------|
| | | 2001 | 2000 |
| <u>ASSETS</u> | | | |
| Current assets: | | | |
| Cash and investments | \$ 624,068 | \$ 624,068 | \$ 463,636 |
| Interest receivable | 7,742 | 7,742 | 5,414 |
| Total current assets | <u>631,810</u> | <u>631,810</u> | <u>469,050</u> |
| Fixed assets: | | | |
| Furniture and fixtures | 71,497 | 71,497 | 50,652 |
| Equipment | <u>1,484,533</u> | <u>1,484,533</u> | <u>1,283,149</u> |
| | 1,556,030 | 1,556,030 | 1,333,801 |
| Accumulated depreciation | <u>(948,799)</u> | <u>(948,799)</u> | <u>(766,820)</u> |
| Fixed assets (net of accumulated depreciation) | <u>607,231</u> | <u>607,231</u> | <u>566,981</u> |
| Total assets | <u>\$ 1,239,041</u> | <u>\$ 1,239,041</u> | <u>\$ 1,036,031</u> |
| <u>LIABILITIES AND EQUITY</u> | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 26,252 | \$ 26,252 | \$ 46,651 |
| Total current liabilities | <u>26,252</u> | <u>26,252</u> | <u>46,651</u> |
| Equity: | | | |
| Contributed capital: | | | |
| General Fund | 512,309 | 512,309 | 512,309 |
| Retained earnings: | | | |
| Unreserved | <u>700,480</u> | <u>700,480</u> | <u>477,071</u> |
| Total equity | <u>1,212,789</u> | <u>1,212,789</u> | <u>989,380</u> |
| Total liabilities and equity | <u>\$ 1,239,041</u> | <u>\$ 1,239,041</u> | <u>\$ 1,036,031</u> |

CITY OF BELLFLOWER
INTERNAL SERVICE FUND
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended June 30, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | Equipment Replacement Fund | Totals | |
|---|----------------------------------|-------------------|-------------------|
| | | 2001 | 2000 |
| Revenues: | | | |
| Department charges | \$ 452,383 | \$ 452,383 | \$ 480,518 |
| Total revenues | <u>452,383</u> | <u>452,383</u> | <u>480,518</u> |
| Expenses: | | | |
| Depreciation | <u>246,113</u> | <u>246,113</u> | <u>221,459</u> |
| Total expenses | <u>246,113</u> | <u>246,113</u> | <u>221,459</u> |
| Operating income | <u>206,270</u> | <u>206,270</u> | <u>259,059</u> |
| Non-Operating Revenues and Expenses: | | | |
| Investment earnings | 43,749 | 43,749 | 20,852 |
| Loss on sale of fixed assets | <u>(26,610)</u> | <u>(26,610)</u> | <u>-</u> |
| Total non-operating revenues and expenses | <u>17,139</u> | <u>17,139</u> | <u>20,852</u> |
| Net income | 223,409 | 223,409 | 279,911 |
| Retained earnings - July 1 | <u>477,071</u> | <u>477,071</u> | <u>197,160</u> |
| Retained earnings - June 30 | <u>\$ 700,480</u> | <u>\$ 700,480</u> | <u>\$ 477,071</u> |

CITY OF BELLFLOWER
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2001
with Comparative Totals for the Fiscal Year Ended June 30, 2000

| | Equipment Replacement Fund | Totals | |
|---|----------------------------------|-------------------|-------------------|
| | | 2001 | 2000 |
| Cash Flows from Operating Activities: | | | |
| Operating income | \$ 206,270 | \$ 206,270 | \$ 259,059 |
| Adjustments to reconcile operating income to net cash provided (used): | | | |
| Depreciation | 246,113 | 246,113 | 221,459 |
| (Increase) decrease in interest receivable | (2,328) | (2,328) | (5,414) |
| Increase (decrease) in accounts payable | (20,399) | (20,399) | 7,367 |
| Net cash provided by operating activities | <u>429,656</u> | <u>429,656</u> | <u>482,471</u> |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Acquisitions of fixed assets | (315,925) | (315,925) | (185,795) |
| Proceeds from sale of fixed assets | <u>2,952</u> | <u>2,952</u> | <u>-</u> |
| Net cash used by capital and related financing activities | <u>(312,973)</u> | <u>(312,973)</u> | <u>(185,795)</u> |
| Cash Flows from Investing Activities: | | | |
| Investment earnings | <u>43,749</u> | <u>43,749</u> | <u>20,852</u> |
| Net cash provided by investing activities | <u>43,749</u> | <u>43,749</u> | <u>20,852</u> |
| Net increase in cash and cash equivalents | 160,432 | 160,432 | 317,528 |
| Cash and cash equivalents at beginning of year | <u>463,636</u> | <u>463,636</u> | <u>146,108</u> |
| Cash and cash equivalents at end of year | <u>\$ 624,068</u> | <u>\$ 624,068</u> | <u>\$ 463,636</u> |

CITY OF BELLFLOWER
AGENCY FUNDS EXPLANATORY COMMENTS
June 30, 2001

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

Agency Fund

Bellflower property owners 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, 2001
with Comparative Totals for June 30, 2000

| | <u>Agency Fund</u> | <u>Sonrisa Sewer Assessment Bond Fund</u> | <u>Totals</u> | |
|-------------------------------|------------------------|---|-------------------|-------------------|
| | | | <u>2001</u> | <u>2000</u> |
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ 248,758 | \$ - | \$ 248,758 | \$ 222,714 |
| Accounts receivable - net | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,271</u> |
| Total assets | <u>\$ 248,758</u> | <u>\$ -</u> | <u>\$ 248,758</u> | <u>\$ 223,985</u> |
| <u>LIABILITIES</u> | | | | |
| Deposits payable | <u>\$ 248,758</u> | <u>\$ -</u> | <u>\$ 248,758</u> | <u>\$ 223,985</u> |

CITY OF BELLFLOWER
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year ended June 30, 2001

| | <u>Balance</u> <u>July 1, 2000</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2001</u> |
|--|---------------------------------------|------------------|-------------------|--|
| <u>Agency Fund</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 222,714 | \$ 52,257 | \$ 26,213 | \$ 248,758 |
| Liabilities: | | | | |
| Deposits payable | \$ 222,714 | \$ 52,257 | \$ 26,213 | \$ 248,758 |
| <u>Sonrisa Sewer Assessment</u> | | | | |
| <u>Bond Fund</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ - | \$ 1,271 | \$ 1,271 | \$ - |
| Accounts receivable - net | 1,271 | - | 1,271 | - |
| Total assets | \$ 1,271 | \$ 1,271 | \$ 2,542 | \$ - |
| Liabilities: | | | | |
| Deposits payable | \$ 1,271 | \$ 1,271 | \$ 2,542 | \$ - |
| <u>Total - All Agency Funds</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 222,714 | \$ 53,528 | \$ 27,484 | \$ 248,758 |
| Accounts receivable - net | 1,271 | - | 1,271 | - |
| Total assets | \$ 223,985 | \$ 53,528 | \$ 28,755 | \$ 248,758 |
| Liabilities: | | | | |
| Deposits payable | \$ 223,985 | \$ 53,528 | \$ 28,755 | \$ 248,758 |

CITY OF BELLFLOWER
ACCOUNT GROUPS EXPLANATORY COMMENTS
June 30, 2001

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, 2001
with Comparative Totals for June 30, 2000

| | 2001 | 2000 |
|--|---------------|---------------|
| General Fixed Assets: | | |
| Land | \$ 8,514,443 | \$ 7,138,368 |
| Buildings and improvements | 11,105,419 | 11,002,818 |
| Machinery and equipment | 2,849,975 | 3,175,741 |
| Water rights | 94,010 | 94,010 |
| Total general fixed assets | \$ 22,563,847 | \$ 21,410,937 |
| Investment in General Fixed Assets: | | |
| General Fund | \$ 19,298,024 | \$ 18,996,671 |
| Special Capital Projects Fund | 538,630 | 436,406 |
| Local Law Enforcement Block Grant | 73,064 | 49,888 |
| CA-COPS Grant Fund | 77,206 | 82,257 |
| Transportation Fund | 210,233 | 210,233 |
| Proposition C Fund | 141,626 | 159,928 |
| AQMD Fund | 555,037 | 571,134 |
| Water Operating Fund | - | 122,602 |
| CDBG Fund | 615,362 | 777,774 |
| Redevelopment Agency Fund | 3,590 | 4,044 |
| Redevelopment Agency Housing Set-Aside Fund | 1,051,075 | - |
| Total investment in general fixed assets | \$ 22,563,847 | \$ 21,410,937 |

CITY OF BELLFLOWER
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
June 30, 2001
with Comparative Totals for June 30, 2000

| | Land | Buildings and Improvements | Machinery and Equipment | Water Rights | Totals | |
|-----------------------------------|------------------|----------------------------------|-------------------------------|-----------------|-------------------|-------------------|
| | | | | | 2001 | 2000 |
| General government | \$ 7,299,618 | \$ 3,307,238 | \$ 726,077 | \$ 94,010 | \$ 11,426,943 | \$ 11,122,751 |
| Public safety | - | - | 397,488 | - | 397,488 | 344,812 |
| Public works | - | 413,480 | 1,005,252 | - | 1,418,732 | 1,851,320 |
| Parks and recreation | 163,750 | 7,384,701 | 632,212 | - | 8,180,663 | 7,993,079 |
| Community development | 1,051,075 | - | 88,946 | - | 1,140,021 | 98,975 |
| Total general fixed assets | \$ 8,514,443 | \$ 11,105,419 | \$ 2,849,975 | \$ 94,010 | \$ 22,563,847 | \$ 21,410,937 |

CITY OF BELLFLOWER
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended June 30, 2001

| | <u>Balance at July 1, 2000</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance at June 30, 2001</u> |
|--------------------------------|------------------------------------|-------------------------|-----------------------|-------------------------------------|
| General government | \$ 11,122,751 | \$ 328,258 | \$ 24,066 | \$ 11,426,943 |
| Public safety | 344,812 | 67,777 | 15,101 | 397,488 |
| Public works | 1,851,320 | 8,288 | 440,876 | 1,418,732 |
| Parks and recreation | 7,993,079 | 207,842 | 20,258 | 8,180,663 |
| Community development | 98,975 | 1,054,238 | 13,192 | 1,140,021 |
| Total general fixed assets | <u>\$ 21,410,937</u> | <u>\$ 1,666,403</u> | <u>\$ 513,493</u> | <u>\$ 22,563,847</u> |

CITY OF BELLFLOWER
SCHEDULE OF GENERAL LONG-TERM DEBT
June 30, 2001
with Comparative Totals for June 30, 2000

| | <u>City of Bellflower</u> | <u>Bellflower Public Facilities Corporation</u> | <u>Bellflower Redevelopment Agency</u> | <u>Totals</u> | |
|---|-------------------------------|---|--|---------------------|---------------------|
| | | | | 2001 | 2000 |
| <u>Amount Available and to be Provided for Payment of General Long-Term Debt</u> | | | | | |
| Amount available in debt service funds | \$ - | \$ 339,009 | \$ 667,973 | \$ 1,006,982 | \$ 905,043 |
| Amount to be provided | <u>596,815</u> | <u>5,540,991</u> | <u>1,377,027</u> | <u>7,514,833</u> | <u>7,836,447</u> |
| Total amount available and to be provided for payment of general long-term debt | <u>\$ 596,815</u> | <u>\$ 5,880,000</u> | <u>\$ 2,045,000</u> | <u>\$ 8,521,815</u> | <u>\$ 8,741,490</u> |

General Long-Term Debt Payable

General long-term debt
(includes current portion
of debt)

| | | | | | |
|--------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Compensated absences | \$ 596,815 | \$ - | \$ - | \$ 596,815 | \$ 566,490 |
| Certificates of participation | - | 5,880,000 | - | 5,880,000 | 6,110,000 |
| Tax allocation bonds | <u>-</u> | <u>-</u> | <u>2,045,000</u> | <u>2,045,000</u> | <u>2,065,000</u> |
| Total general long-term debt payable | <u>\$ 596,815</u> | <u>\$ 5,880,000</u> | <u>\$ 2,045,000</u> | <u>\$ 8,521,815</u> | <u>\$ 8,741,490</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 |
|-------------|--------------------|---------------|------------------|--------------------|-----------------------|----------------|--------------|---------------|
| 2000-01 | \$ 2,580,453 | \$ 7,766,193 | \$ 6,412,466 | \$ 1,905,992 | \$ 3,049,791 | \$ 3,514,889 | \$ 724,267 | \$ 25,954,051 |
| 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 |

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 |
|-------------|---------------|----------------------|---------------------|--------------------|----------------------------|------------------------------|------------|---------------|
| 2000-01 | \$ 12,773,814 | \$ 647,811 | \$ 814,744 | \$ 1,191,166 | \$10,195,797 | \$ 1,635,140 | \$ 577,697 | \$ 27,836,169 |
| 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 |

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 |
|-------------|-----------------|-------------------|--------------|--------------|---------------------|------------------|------------|---------------|
| 2000-01 | \$ 5,561,785 | \$ 2,838,923 | \$ 2,106,280 | \$ 1,280,342 | \$ 474,991 | \$ 409,389 | \$ 102,104 | \$ 12,773,814 |
| 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 |

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

| Fiscal Year | Lighting District No. 70 | Vehicle Parking District No. 1 | Total |
|----------------|--------------------------------|--------------------------------------|-----------|
| 2000-01 | \$ 4,590 | \$ 8,139 | \$ 12,729 |
| 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 |

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 and 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 2000-01 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 |
|-------------|-----------------|-----------------|-------------------|-----------------|---------------|-------------------|----------------|----------------------------|
| 2000-01 | \$1,066,098,292 | \$1,346,905,544 | \$80,936,931 | \$2,493,940,767 | \$135,999,931 | \$2,357,940,836 | 5.82% | 100% |
| 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% |

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) |
|-------------|--------------------|---|-----------------------------|-----------------------------|--------------------------------|-----------------------------------|-------------|-------------|
| 2000-01 | \$ 0.001314 | \$ 0.001552 | \$ 0.008800 | \$ 0.025668 | \$ 0.022793 | \$ 0.056877 | \$ 1.000000 | \$ 1.117004 |
| 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 |

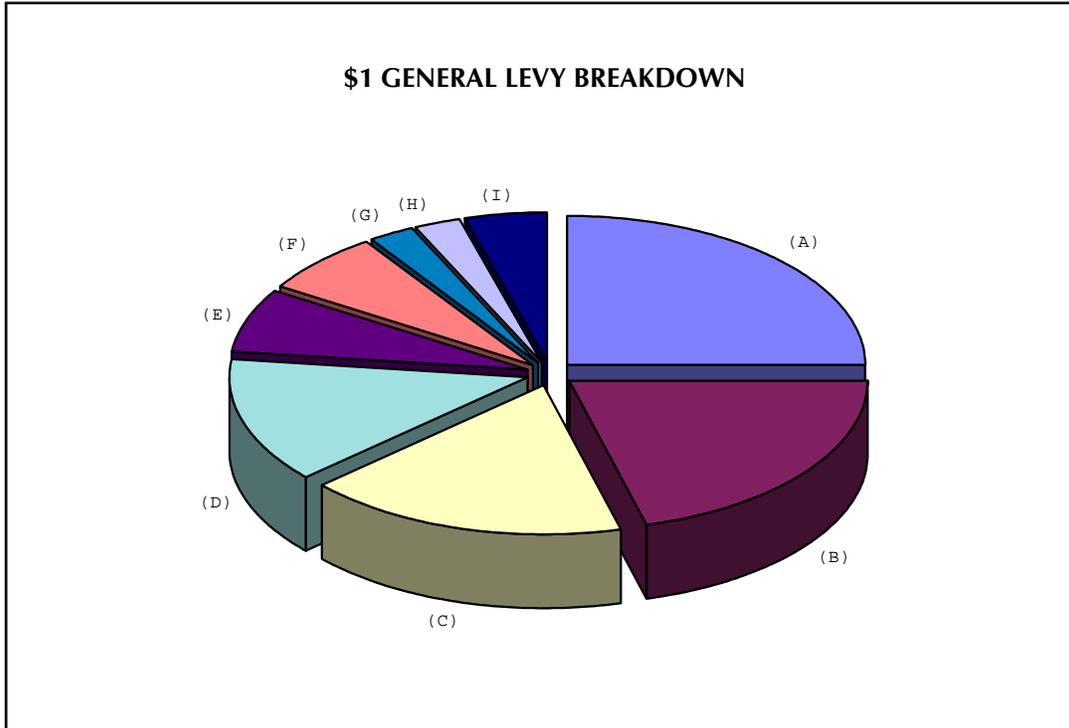
NOTE: (1) The breakdown of \$1 base levy per \$100 of assessed valuation is shown on the following page.

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

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

CITY OF BELLFLOWER

PROPERTY TAX DOLLAR BREAKDOWN Fiscal Year Ended June 30, 2001



| | | | | |
|---|------------|------------------|--|---------------|
| 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 2000-01 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 (2) | | |
|-------------|--------------------|---------------------------|---------------------------|--------------------------|---------------------------|---------------------------|
| | Total Current Levy | Total Current Collections | Percent of Levy Collected | Total Current Levy | Total Current Collections | Percent of Levy Collected |
| 2000-01 | \$ 1,353,946 | \$ 1,316,044 | 97.2% | \$ 443,085 | \$ 430,405 | 97.1% |
| 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 | 78.5% |
| 1992-93 | 671,696 | 671,696 | 100.0% | - | - | - |
| 1991-92 | 562,537 | 562,537 | 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 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 |
|-------------|----------------|--------------------|-------------------------|------------------------|-----------------|--|----------------------------|
| 2000-01 | 74,893 | \$ 2,357,940,836 | \$ - | \$ - | \$ - | 0.0% | \$ - |
| 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% | - |

COMPUTATION OF LEGAL DEBT MARGIN:

| | |
|--|-------------------------|
| Assessed Valuation | <u>\$ 2,357,940,836</u> |
| Legal Debt Limit - 3.75% of Assessed Valuation | \$ 88,422,781 |
| Amount of Debt Applicable to Debt Limit | - |
| LEGAL DEBT MARGIN | <u>\$ 88,422,781</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, 2001

| | Percent Applicable | Debt at June 30, 2001 |
|---|-----------------------|--------------------------|
| <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u> | | |
| Los Angeles County | 0.433% | \$ 183,484 |
| Los Angeles County Flood Control District | 0.459% | 108,508 |
| Metropolitan Water District | 0.230% | 1,213,204 |
| Downey Unified School District | 3.799% | 642,801 |
| Paramount Unified School District | 10.650% | 3,158,711 |
| Los Angeles County Regional Park and Open Space Assessment District | 0.433% | 1,896,627 |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT | | \$ 7,203,335 |
| <u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u> | | |
| Los Angeles County General Fund Obligations | 0.433% | \$ 7,287,250 |
| Los Angeles County Pension Obligations | 0.433% | 8,316,122 |
| Los Angeles County Superintendent of Schools Certificates of Participation | 0.433% | 137,714 |
| Los Angeles County Flood Control District Certificates of Participation | 0.459% | 772,245 |
| Los Angeles County Sanitation District No.2 Authority | 10.213% | 3,778,661 |
| Los Angeles County Sanitation District No.3 Authority | 0.247% | 68,603 |
| Los Angeles County Sanitation District No.18 Authority | 0.006% | 1,168 |
| Cerritos Community College District Certificates of Participation | 12.366% | 479,183 |
| Compton Community College District Certificates of Participation | 2.812% | 62,848 |
| Paramount Unified School District Certificates of Participation | 10.650% | 4,114,628 |
| City of Bellflower Certificates of Participation | 100.000% | 5,880,000 |
| TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT | | \$ 30,898,422 |
| Less: Los Angeles County Certificates of Participation (100% self-supporting from leasehold revenues on properties in Marina Del Rey) | | 494,140 |
| TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT | | \$ 30,404,282 |
| GROSS COMBINED TOTAL DEBT | | \$ 38,101,757 (1) |
| NET COMBINED TOTAL DEBT | | \$ 37,607,617 |

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

Ratios to 2000-01 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 0.31%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$5,880,000) 0.26%
Gross Combined Total Debt 1.69%
Net Combined Total Debt 1.67%

| | |
|-------------------------------------|------------------|
| 2000-01 Assessed Valuation | \$ 2,357,940,836 |
| Redevelopment Incremental Valuation | 103,886,767 |
| Adjusted Assessed Valuation | \$ 2,254,054,069 |

STATE SCHOOL BUILDING AID REPAYABLE AS OF JUNE 30, 2001: \$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> |
|------------------------|------------------|-----------------|-----------------------------------|---|--|
| 2000-01 | \$ - | \$ - | \$ - | \$ 25,954,051 | 0.0% |
| 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% |

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> |
|--------------------|---|--|--------------------------------|------------------------------------|----------------------------------|
| 2000-01 | 201 | 920 | 1,121 | \$ 34,179 | \$ - (A) |
| 1999-00 | 220 | 759 | 979 | 24,797 | 415,292 |
| 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 |

NOTE: (A) Fiscal year 2000-01 data for bank deposits will not be available until December 31, 2001.

SOURCES: (1) City Community Development Department
(2) FDIC website at <http://www2.fdic.gov/sod/sodInstBranchRpt.asp> for 2000-01 and subsequent fiscal years
The Findley Reports on California Financial Institutions for 1999-00 and prior fiscal years

CITY OF BELLFLOWER

TOP 25 PROPERTY TAXPAYERS Fiscal Year Ended June 30, 2001

** Listed Alphabetically

| | Owner (Number of Parcels) | Assessed Value | Estimated Total Tax | Average Tax Ratio |
|----|---------------------------------------|----------------|---------------------|-------------------|
| 1 | Advanced Group 98 71 | \$ 13,730,280 | \$ 8,960 | 0.065% |
| 2 | Ahern Rentals Inc. | 1,638,963 | 9,401 | 0.574% |
| 3 | Bellflower Business Partners LP | 5,282,483 | 17,585 | 0.333% |
| 4 | Bellflower Capital LLC | 6,412,092 | 21,138 | 0.330% |
| 5 | Belmont Place Bellflower Associates | 8,627,132 | 28,140 | 0.326% |
| 6 | BPP Golden State Acquisitions | 4,556,608 | 14,856 | 0.326% |
| 7 | Bruce H. & Mia M. Kang | 2,701,140 | 8,806 | 0.326% |
| 8 | Bryant Rubber Corporation | 1,570,251 | 9,029 | 0.575% |
| 9 | Dan Top U S A Inc. | 3,222,316 | 9,364 | 0.291% |
| 10 | Haagen GDH Partnership & Leon Marx | 12,241,523 | 39,911 | 0.326% |
| 11 | HPW Properties Inc. | 3,899,350 | 12,689 | 0.325% |
| 12 | Hufcor Airwall Inc. | 2,479,786 | 8,814 | 0.355% |
| 13 | K Mart Corporation | 14,367,194 | 9,375 | 0.065% |
| 14 | Kaiser Foundation Hospitals | 100,107,355 | 7,858 | 0.008% |
| 15 | Kenneth J. Cleveland Company Trust | 6,289,340 | 12,117 | 0.193% |
| 16 | KUVE Limited | 3,915,000 | 9,024 | 0.230% |
| 17 | Lorrin S. Wong Company Trust, Et. Al. | 6,745,260 | 16,007 | 0.237% |
| 18 | Media One of Los Angeles Inc. | 3,024,322 | 10,130 | 0.335% |
| 19 | Mediaone of LA Inc. | 29,920,300 | 127,241 | 0.425% |
| 20 | Ronald D. Slate Trust | 3,374,287 | 10,974 | 0.325% |
| 21 | Shadrall Associates | 3,372,263 | 10,994 | 0.326% |
| 22 | Stephen & Mary Sandberg Trustees | 3,217,611 | 10,490 | 0.326% |
| 23 | Tommy H. Chow Company Trust | 2,432,910 | 7,917 | 0.325% |
| 24 | Universal Care Inc. | 2,312,402 | 8,781 | 0.380% |
| 25 | William J. Wade Trust | 7,778,246 | 25,312 | 0.325% |

SOURCE: HdL Coren & Cone (based on Los Angeles County Assessor 2000-01 Combined Tax Rolls)

CITY OF BELLFLOWER

TOP 25 SALES TAX PRODUCERS Fiscal Year Ended June 30, 2001

** Listed Alphabetically

| | Name of Business | Type of Business |
|----|-----------------------------|----------------------------|
| 1 | Ahern Rentals | Repair Shops |
| 2 | Ahmeds Union 76 | Service Stations |
| 3 | Bancamerica Auto Finance | Auto Lease |
| 4 | Bellflower Arco | Service Stations |
| 5 | Circle K | Grocery Stores Beer/Wine |
| 6 | Don A Vee Jeep Suzuki | New Motor Vehicle Dealers |
| 7 | Emilios Beverage Warehouse | Package Liquor Stores |
| 8 | Ford Credit Titling Trust | Auto Lease |
| 9 | Ford West | New Motor Vehicle Dealers |
| 10 | G & M Oil | Service Stations |
| 11 | George Chevrolet | New Motor Vehicle Dealers |
| 12 | K Mart | Discount Department Stores |
| 13 | Kaiser Foundation Hospitals | Health Services |
| 14 | Mc Donalds | Fast Food |
| 15 | Mikes Auto Sales | Used Automotive Dealers |
| 16 | Norms Restaurants | Fast Food |
| 17 | Notricas 32nd St Market | Grocery Stores Liquor |
| 18 | One Star Enterprises | Used Automotive Dealers |
| 19 | Pep Boys | Automotive Supply Stores |
| 20 | Ralphs | Grocery Stores Liquor |
| 21 | Rapid Gas | Service Stations |
| 22 | Staples | Office Supplies/Furniture |
| 23 | Stater Bros | Grocery Stores Liquor |
| 24 | Taco Bell | Fast Food |
| 25 | TCI Materials Management | Specialty Stores |

Percent of total sales tax paid by
the top 25 producers: 62.14%

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, 2001

| Carrier | Type of Insurance | Policy Number | Effective Date | Liability Limits | Annual Premium |
|---|--|------------------------------|-------------------|--|----------------|
| California Joint Powers Insurance Authority (CJPIA) | Comprehensive General and Automobile Liability | - | 7/1/00 - 6/30/01 | Per Claim: \$ 50,000,000 Annual: \$ 50,000,000 Deductible: \$ 20,000 | \$ 332,314 |
| CJPIA | Workers' Compensation | - | 7/1/00 - 6/30/01 | Per Claim: \$ 5,000,000 Annual: \$ 5,000,000 Deductible: \$ 50,000 | \$ 133,296 |
| CJPIA | All Risk Property (Including Boiler & Machinery) | - | 2001 | Insured Value: \$ 41,069,511 Deductible: \$ 5,000 | \$ 7,535 |
| CJPIA | Earthquake and Flood | - | 2001 | Per Claim: \$ 14,371,255 Aggregate: \$ 14,371,255 Earthquake Deductible: 5% (\$100,000 minimum) Flood Deductible: \$ 25,000 | \$ 53,203 |
| CJPIA | Environmental Liability | - | 7/1/00 - 6/30/01 | Aggregate: \$ 10,000,000 Deductible: \$ 50,000 | \$ 6,351 |
| 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 | IYG340276B | 7/1/00 - 6/30/01 | Coverage Limit: \$ 1,000,000 Per Claim: \$ 1,000,000 Aggregate: \$ 1,000,000 | \$ 7,595 |
| Robert F. Driver Company Inc. (Hartford Insurance Co.) (National Union Fire Insurance Co.) | RFD Commercial Crime Program | 72BPEAK 4998 872-70-90 | 2001 | Maximum: \$ 1,000,000 Deductible: \$ 2,500 | \$ 2,180 |
| Williams Insurance Brokers (Massachusetts Plate Glass) | Plate Glass | 04-22897 | 9/12/00 - 9/12/01 | 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, 2001

| | | | |
|---|--|--------------------------|---|
| 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 | 8 |
| Population: | | Detectives | 5 |
| 2001 State Estimate | 74,893 | Community Relations | 1 |
| 2000 U.S. Census | 72,878 | Community Services | 14 (5 full-time & 9 part-time) |
| 1990 U.S. Census | 61,815 | Probation | 0.5 |
| 1980 U.S. Census | 53,441 | Deputy District Attorney | 1 |
| Race Per 2000 U.S. Census: | | 40-Hour Patrol Cars | 26 |
| Hispanic | 31,503 43.2% | Motorcycles | 2 |
| White | 22,403 30.7% | Patrol Helicopter | 1 (shared among six cities) |
| Black | 9,540 13.1% | Hotels and Motels: | 18 facilities; 685 rooms |
| Asian | 7,062 9.7% | Transportation: | |
| Other | 2,370 3.3% | Rail | Amtrak; Southern Pacific and Santa Fe (freight only) |
| Streets | 97.4 miles | Air | Long Beach Airport, 5 miles; Los Angeles International Airport (LAX), 20 miles; John Wayne International Airport (Orange County), 24 miles |
| Parks | 8 | Bus | The Bus (City of Bellflower); Dial-A-Ride; Long Beach Transit Company; Norwalk Transit Company; Metropolitan Transportation Authority (MTA) |
| Employees | 78 full-time 147 part-time | Water | Long Beach and Los Angeles Ports |
| Education | 10 Elementary Schools 3 High Schools 1 Adult School 7 Private Institutions | Highways | I-105, I-605, S-91 and S-710 |
| Library * | 1 | Major Thoroughfares | Alondra, Artesia, Bellflower and Lakewood Boulevards and Rosecrans Avenue |
| Fire Protection: * | | Occupied City Dwellings: | |
| Number of Stations | 2 | 2001 (State Estimate) | 23,379 |
| * Services provided by the Los Angeles County | | 2000 (U.S. Census) | 23,367 |
| | | 1984 | 23,250 |
| | | 1960 | 15,035 |



City of Bellflower

**SUPPLEMENTAL INFORMATION SECTION
(SINGLE AUDIT)**

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CALIFORNIA ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS

OFFICES:

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

HADLEY HUI, C.P.A.
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*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 statements of the City of Bellflower (City) as of and for the fiscal year ended June 30, 2001, and have issued our report thereon dated September 14, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 14, 2001

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, 2001. The City's major federal programs are 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 auditing standards generally accepted in the United States of America; 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, 2001. 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, 2001, and have issued our report thereon dated September 14, 2001. 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 14, 2001

CITY OF BELLFLOWER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2001

| Federal Grantor/ Pass-Through Grantor Program Title | Federal CFDA Number | Agency or Pass-Through Program Number | Federal Expenditures |
|--|---------------------------|--|----------------------------|
| Department of Transportation | | | |
| Federal-Aid Project No. 07-5348 | 20.205 | STPLHG-5348 (001) | \$ 19,024 |
| Federal-Aid Project No. 07-5348 | 20.205 | STPLH-5348 (003) | 73,983 |
| Federal-Aid Project No. 07-5348 | 20.205 | STPLH-5348 (004) | 81,295 |
| Federal-Aid Project No. 07-5348 | 20.205 | STPLH-5348 (008) | 20,177 |
| Traffic Safety Enhancement Project | 20.600 | PT0103 | 29,254 |
| Total Department of Transportation | | | <u>\$ 223,733</u> |
| U.S. Department of Housing and Urban Development: | | | |
| Community Development Block Grant | 14.218 | B 98 MC 060512 | \$ 454,145 |
| Community Development Block Grant | 14.218 | B 97 MC 060512 | 1,043,220 |
| HOME | 14.239 | B 99 MC 060547 | 58,571 |
| Total U.S Department of Housing and Urban Development | | | <u>\$ 1,555,936</u> |
| U.S. Department of Justice: | | | |
| Local Law Enforcement Block Grant | 16.710 | 99 LBVX 8504 | \$ 240,054 |
| Local Law Enforcement Block Grant | 16.710 | 00 LBVX 1364 | 13,890 |
| Strategies in Community Prosecution | 16.609 | Los Angeles County District Attorney | 31,260 |
| Juvenile Accountability Incentive Block Grant | 16.523 | IP 99 016219 | 23,455 |
| Total U.S. Department of Justice | | | <u>\$ 308,659</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u><u>\$ 2,088,328</u></u> |

CITY OF BELLFLOWER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2001

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 |
| Home Program | CFDA No. 14.239 |
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, 2001

NONE