

Bellflower, California

# Comprehensive Annual Financial Report

Year Ended June 30, 2002



**CITY OF BELLFLOWER  
CALIFORNIA**  
[www.bellflower.org](http://www.bellflower.org)

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2002**

**PREPARED BY  
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**CITY OF BELLFLOWER**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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December 3, 2002

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, 2002 is hereby respectfully submitted to you. The CAFR was prepared by the City's Finance Department in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

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 is 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 more than 75,000 residents. Served by numerous freeways including Route 91, 105, 405, 605, and 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

Bellflower has a diverse business environment including many fine restaurants, major auto dealerships, an extreme sports theme park, 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, 2002, the fiscal condition for Bellflower remained favorable as the General Fund balance grew to \$14,932,270, an increase of \$1,855,865 from the 2000-01 fund balance of \$13,076,405. The available General Fund balance, net of Redevelopment Agency advances of \$1,158,145, was \$13,774,125. This year's increase was attributable to strong automobile sales, greater intergovernmental revenues based on Census 2000, conservative budgeting practices, and carryover of certain capital projects.

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

Major General Fund Revenue Sources	<u>2001-2002</u>	<u>2000-2001</u>	<u>1999-2000</u>	<u>1998-1999</u>
Sales tax	\$5,523,843 (0.7%)	\$5,561,785 10.6%	\$5,026,873 7.7%	\$4,667,089 9.0%
Motor vehicle in-lieu fees	4,347,166 13.9%	3,817,494 11.6%	3,421,532 10.6%	3,094,702 8.0%
Utility users' tax	2,818,491 (0.7%)	2,838,923 11.3%	2,551,194 (3.1%)	2,634,142 4.3%
Property tax	1,555,113 5.4%	1,474,930 6.4%	1,386,159 2.9%	1,346,709 (0.8%)
Franchise fees	1,241,640 (3.0%)	1,280,342 21.1%	1,057,004 5.8%	998,691 3.9%
Total	\$15,486,253 3.4%	\$14,973,474 11.4%	\$13,442,762 5.5%	\$12,741,333 6.3%

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>01-02</u>	<u>00-01</u>	<u>99-00</u>	<u>98-99</u>
Automobiles and transportation	50.0%	48.4%	53.8%	52.5%
General consumer goods	13.0	15.0	12.1	11.2
Business and industry	11.4	7.8	7.5	7.6
Restaurants and hotels	9.3	9.1	9.3	9.9
Fuel and service stations	7.9	10.6	8.4	9.0
Food and drugs	6.9	7.6	7.2	8.5
Building and construction	1.5	1.5	1.7	1.3

The sales tax revenue decreased minimally by \$37,942, or 0.7%. While the sales in general consumer goods, fuel and service stations, and food and drugs suffered due to the sluggish economy, the strength in the automobiles and transportation, business and industry, and restaurants and hotels absolved most of the decreases.

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 increased substantially by \$529,672, or 13.9%. MVIL fees continue to be strong and have increased consistently over the past several years. The recent great incentives, including 0% interest financing, offered by major automobile manufacturers have continued to entice consumers into buying or leasing new vehicles.

Utility users' tax. In November 1993, Bellflower imposed a five percent (5%) utility users' tax (UUT) on electric, gas and telephone services. The voters subsequently approved the tax on March 4, 1997.

The UUT revenue decreased minimally by \$20,432, or 0.7%. During the fiscal year, the UUT on electricity increased drastically due to the price increase caused by the energy crisis. As a result, the Council took action to suspend the UUT collected by Southern California Edison for four months from February 2002 through May 2002 to alleviate the financial burden borne by Bellflower residents and business owners. This 4-month UUT suspension reduced the tax burden by approximately \$450,000. During the same time period, the UUT on telecommunications and natural gas decreased due to the sluggish economy.

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.

The property tax revenue increased \$80,183, or 5.4%. Bellflower's taxable assessed valuation, net of homeowners' exemptions, on real and personal properties was higher by 5.7% due to the increasing real estate prices.

Franchise fees. Bellflower collects franchise fees from the providers of cable television, electric, gas, water, oil pipeline and refuse services for their use of public rights-of-way. State statutes and Federal oversight agency regulations generally establish the rates and methods in which the applicable franchise fees can be charged.

The franchise fees decreased \$38,702, or 3%. The fees collected from electric and gas service providers increased \$69,640; however, large one-time payments received in fiscal year 2000-01 mainly caused the net decrease for fiscal year 2001-02.

Outlook. Although the financial position and operations remained favorable for fiscal year 2001-02, the U.S. and California economic conditions are still negative. In addition, California cities could be adversely impacted by the State's efforts to balance the estimated \$6.1 billion shortfall in fiscal year 2002-03. If no corrective actions are taken, the State Legislative Analyst's Office projects a cumulative deficit of \$21.1 billion in fiscal year 2003-04. Potential State cuts and shifts with grave or important impact to Bellflower include: Vehicle License Tax Backfill, Traffic Congestion Management Funds, Supplemental Law Enforcement Services Grant and Educational Revenue Augmentation Fund.

Bellflower, together with over 40 other cities, is also negatively impacted by an unfunded mandate of the State of California's Los Angeles Regional Water Quality Control Board. The mandate, as delineated in the National Pollution Discharge Elimination System (NPDES) Permit, establishes water discharge requirements for municipal storm water and urban runoff discharges. The projected cost for compliance by Bellflower over the first 5-year life of the permit is expected to be \$2,700,000. Due to the complexity of the regulations, future costs are not yet determinable.

Other areas of concern include declining interest income caused by the Fed's repeated interest rate cuts and increasing medical, property insurance, and workers' compensation costs.

During this period of economic downturn and major fiscal challenges, the City has taken measures to do the right things to further its success:

- The City provided tax relief to Bellflower residents and business owners by suspending the utility users tax collected by Southern California Edison for four months.
- The City has established cost saving measures, such as the installation of LED traffic lights, facility energy study, and the placement of a cap on employer-paid medical premiums. LED traffic lights are saving electricity by an average of 60%, and the medical cost containment measures will result in the average medical cost increase of 3% in 2003 for all active employees when the premiums are scheduled to increase from 19% to 23%.
- The City continues to seek grant funding for the maintenance and improvement of streets and parks.
- The City continues to provide financial assistance to improve existing and attract new businesses.
- The City maintains its focus on the future and "growing together" with families and community businesses. At the planning stage, the City is working to revitalize its downtown area and make it the hub for new businesses and family gatherings. The City has begun studying design concepts for a new project, "Towncenter Plaza," that dramatically enhances downtown by adding decorative walking paths, grassy areas, water features, an outdoor civic plaza, and a mix of new retail shops and restaurants. Incorporating the best elements and features from similar successful projects seen in other cities, the Towncenter Plaza may include a mix of housing units such as studios, small cottages and live-work spaces. The project will have a positive impact on existing businesses throughout the community and attract new businesses to town. This innovative project strives to offer residents and visitors a cohesive link to plenty of quality options to dine, shop and enjoy performances in a beautiful setting along with a wide variety of essential community services.
- In addition, with the increasing popularity of extreme sports, the City believes it is on the right track in striking the development deal with the Hollywood Sports Park, the first ever action sports and recreation theme park. This park allows visitors from around the world to enjoy BMX biking, skateboarding, in-line skating, paintball games, rock climbing, a slick track speedway, volleyball, basketball, tennis, arcade and banquet facilities. At its pre-opening Bellflower Residents' Day on July 7, 2002, Hollywood Sports Park received more than 1,500 guests. The success of the event generated substantial publicity throughout the region, including front-page coverage in several leading newspapers, and on Channel 4 News and Fox News, Southern California's local news stations. Hollywood Sports Park officially opened to the public on July 8, 2002.

It is these types of projects and positive images that the City has worked hard with due diligence to foster community pride and to entice greater private investment "to make Bellflower an excellent place to live, work and play."

## 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:

- Provided weekly legislative updates to the City Council informing them on issues relevant to the Bellflower community. Legislative updates to the City Council began in July 2001, and continue as relevant information becomes available.
- Performed quarterly audits of personnel files to ensure for accuracy and consistency.
- Expanded upon the existing employee training program and developed a tracking mechanism to spotlight employee attendance and determine future training needs. An in-service training policy was approved in February 2002. This policy specifies general, specialized, and technical training for various City employees.
- Improved the applicant fingerprinting process. The City procured a Live Scan fingerprinting machine. It is used for City job applicants, and outside customers. The new machine allows for a 72-hour versus 6-week processing time by the Department of Justice.
- Coordinated community calendars (e.g., Chamber of Commerce, School District, etc.) to improve City meeting and special event coordination.
- Expanded involvement of local businesses and restaurants on the boulevard through the Bellflower Citizen, Bellflower Honors Program, and BRAVO ceremony.
- Developed a full-color City Newsletter, separate from the Parks & Recreation brochure, to be distributed monthly. The newsletter is distributed to all residential and business addresses. Circulation: residential – 23,000, commercial – 3,000.
- Completed the Cable TV taping project for City Council meetings. The video equipment and personnel are fully operational. The Public Affairs division is utilizing the operation for City Council Meetings, and many other cablecasted programs, including the All About Bellflower news program; community events; and public service announcements.
- Moved and expanded the City Store to a storefront location in the Town Center.
- Created a Summer Concert Series for the Town Center.
- 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, Redevelopment Agency and Public Facilities Corporation. It provides financial reporting services and fiscal guidance and solutions on accounting and budgeting issues to other departments. Specifically, the Department is responsible for biennial 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 maintenance, revenue monitoring, and other functions.

- Received outstanding financial reporting awards from the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) for the past eight consecutive years.
- Maintained accurate financial records for successful financial audits. Clean audit letters were received for the City, Redevelopment Agency, Public Facilities Corporation, Federal grants, Transportation Development Act (TDA) Article 3, Proposition A, and Proposition C.
- Prepared the biennial budget timely for Council adoption in June.
- Conducted an analysis of fees charged by the City in comparison with other cities. A Master Fee Schedule was approved by the City Council in April 2002.
- Continued making technological updates:
  - Improved network connection speed for vital remote locations.
  - Provided network connection to selected remote locations.
  - Replaced computers and network hardware and updated software.

## **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:**

- Processed 12,000 parking tickets and scheduled 441 administrative reviews and 147 administrative hearings
- Processed 1056 new business licenses, closed 308 business licenses, and denied 15 business licenses

### **Planning:**

- Processed discretionary approval/applications received: 29 Conditional Use Permits, 3 Variances, 7 Subdivision Maps, 4 Determinations of Similarity, 4 sign permits, 10 Code Amendments/Zone Ordinance Text Amendments, 3 Parcel Maps, 6 Tentative Tract Maps, and 4 zone changes in a complete and timely manner throughout the year.

- Approved 5 planned developments improving the City's single-family housing stock.

**Building:**

- Maintained Council-directed objective regarding plan check turnaround of ten days for most residential and commercial projects.
- Completed a full complement of public handouts on issues regarding education and assistance on building code matters.

**Code Enforcement:**

- Implemented monthly department in-house training for the community development including code enforcement staff.

**Public Works:**

- Maintained compliance with all Federal, State, and County requirements regarding Public Works projects in the City.
- Consistently maintained a 10 day standard turn-around to complete plan checks on subdivision maps as set by City Council.
- Placed slurry seal on local streets as part of a seven-year maintenance cycle.
- Placed asphalt overlays on local streets as part of the ongoing maintenance program. Included in the budget is \$700,000 of AB 2928 monies.
- Constructed storm drain at Somerset and Bellflower Boulevards.
- Re-plastered pools at the Aquatic Center.
- Constructed handicapped access ramps at various locations.
- Completed the Downtown Streetscape project.
- Continued a 7-day a week graffiti removal program.
- Received 1,409 requests for service.
- Cleaned 174 storm drain catch basins.
- Constructed 57,518.00 square feet of sidewalk, 6,960.00 square feet of aprons, and 60 handicap ramps.
- Removed 171 trees, 4,893 square feet of sidewalk, 1,227 square feet of aprons, and 909 lineal feet of curb and gutter.

## Housing and Grants:

- Provided funding for 2 first-time home ownership loans to low and moderate income households.
- 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.
- Completed the Public Service Agency Rehabilitation Program to upgrade facilities owned by local nonprofit service providers.

## Redevelopment:

- Completed plans for improving the 91 freeway off-ramps at Bellflower Boulevard to enhance the visual entry point to the City. Project will be implemented in conjunction with the installation of the 91 Freeway soundwall.
- Hollywood Sports Park has been completed and opened to the public.

## Public Safety

The Public Safety Department is responsible for managing the City's public safety and community policing programs. Bellflower's public safety and community po contracts for 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, emergency management, and the Bellflower Sheriff's Substation.

- **Crime Reduction.** The 2001 Part I Crime Rate is up 4.7% as compared with 2000, and down 51.2% 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 2000 to 2001.

Comparison of Region Part I Crime Rates			
Crime	2000	2001	% Change
Criminal Homicide	5	9	80.0%
Forcible Rape	14	9	-35.7%
Robbery	181	211	16.6%
Aggravated Assault	239	197	-21.3%
Burglary, Residential	344	300	-12.8%
Burglary, Non-Residential	154	205	33.1%
Burglary, Vehicle	396	452	14.1%
Larceny/Theft	659	743	12.7%
Grand Theft Auto	492	545	10.7%
Arson	27	30	11.1%

Comparison of Region Part I Crime Rates			
Crime	2000	2001	% Change
Total Part I Crime	2511	2701	7.6%
Bellflower Population	72,878	74,893	8.6%
Part I Crime Rate	345.00	360.65	4.5%

- **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 2001 in Bellflower and for all cities in the Lakewood Sheriff's Station regions:

Comparison of Calls for Service – 2001			
Shift	Bellflower	Region	% of Region
Early Morning	5,844	17,018	34.3%
Day	11,143	35,606	31.3%
Evening	14,338	47,757	30.0%
Total Calls	31,325	100,381	31.2%
Total Calls Per Day	86	275	N/A
911	7,781	23,352	33.3%
911 Calls Per Day	21	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 along with the available resources. The Following chart compares Bellflower response times for 2001 with the average for all cities in the Lakewood Sheriff's Station region:

Comparison of Response Times – 2001 (in minutes)		
Call	Bellflower	Region
Emergency	2.9	3.8
Priority	7.1	7.2
Routine	31.4	32.8

- **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 and prostitution activities. These efforts have included:

- Five prostitution stings resulting in 12 arrests.
- Five "John" stings, resulting in 63 arrests.
- Three parole and probation sweeps resulting in 7 arrests.
- Two outstanding Warrant Sweeps resulting in 3 arrests.
- Ongoing saturation patrol efforts in high crime areas resulting in 77 arrests.

- **Eucalyptus-Cornuta-Woodruff Corridor Enrichment Program (CEP).** Deputies made 114 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 over 65 arrests & citations.
  - One operation targeting the illegal sales of alcohol beverages to minors resulting in 5 arrests.
  - Recovery of stolen and abandoned shopping carts resulting in 26 arrests and the recovery of more than 220 carts.
  - Enforcement of the 10:00 p.m. curfew ordinance resulting in 56 arrests.
  - Enforcement of daytime loitering ordinance resulting in 60 arrests.
  - Abatement of illegal vendors resulting in 29 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. Appropriations of multi-year competitive grants obtained in the previous year continued into 2001.
  
- **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 2001, Bellflower's ratio of hazardous cites to fatal and injury traffic accidents was 22.7:1, up from 17.7 in 2000. The ratio for the Lakewood Station region was 18.3:1 as compared with 15.7:1 in 2000.
  
- **Emergency Management.** Staff participated in semi-annual tabletop disaster drills, monthly County-wide Emergency Management Information System (EMIS) exercises and periodic 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.
  
- **Ad-Hoc Committee.** Established 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. A grant in the amount of \$325,000 was awarded to Bellflower and a School Resource Deputy will be sharing time between Bellflower and Mayfair High School.
  
- **Every 15 Minutes.** The "Every 15 Minutes" driver awareness program was coordinated by Deputy Eric Ford, in conjunction with numerous community partners, BUSD, and the City.
  
- **Public Information Program for Domestic Violence Prevention.** In addition to domestic violence intervention/prevention training given to patrol deputies, copies of an informational booklet have been acquired and will be given out by deputies to victims immediately following a crime occurrence. This booklet will provide facts and other referral resources that may break the cycle of violence for certain victims. We also will distribute these booklets through the Substation information rack.

## **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 2001-02, 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.

- Expanded visibility and productivity of Bellflower Volunteer Center. The Center coordinates numerous community beautification projects and works with BUSD for student community service requirements.
- Reduced missed loops for the fixed route transportation system by 13% over fiscal year 2000-01.
- Hosted a Teen Job Fair and Job Application/Interview Training Fair.
- Held several special events including Holiday Decorating Contest, Tree Lighting Ceremony, and Snow to Bellflower Play Day.
- Partnered with the Chamber of Commerce to hold the Cinco de Mayo Celebration and Chili Cook-off 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.

- Developed a Departmental "New Hire Orientation Package" to expeditiously acquaint newly-hired staff members with the City's Agenda procedures and facilitate their productivity.
- Cross-trained departmental staff to increase the City's personnel resources and ensure a high level of service.
- Conducted annual purge of City's records for offsite storage or destruction, pursuant to the City's Records Management Program and Policies.
- Reviewed the City's fees associated with copying documents, and worked with Administration to expand the City's policy to include video tapes, audio cassettes, CDs/DVDs, and large documents.

## **Election:**

- Prepared and scheduled the destruction of the March 6, 2001, General Municipal Election materials, pursuant to the Elections Code and the City's Records Management Program and Policies.
- Prepared an analysis of the Precinct Officer's Election Evaluations.
- Updated the "Frequently Asked Questions: Election Information; Voting Information; Registration Information; and Absentee Ballot Information" for distribution and posting on the bsite.

## **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 and a residential survey in 2002-03.
- Continue providing weekly legislative updates to the City Council informing them on bills and other 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.
- Continue performing 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 ergonomic program and continue to provide education and training on developing ergonomically sound workstations. Develop OSHA-mandated ergonomic policy.
- 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's web site to offer interactive opportunities such as payment for parking tickets and Parks and Recreation class registration.

- Expand the City's 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's web site.
- Develop an organization-wide facility needs plan.

### **Finance**

- Continue preparing the biennial 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 the Comprehensive Annual Financial Report to receive financial reporting excellence awards from the Government Finance Officers Association and California Society of Municipal Finance Officers.
- Review viable telephone service providers for local and long distance services.
- Continue providing technology updates.

### **Community Development**

#### **Administration:**

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

#### **Planning:**

- Create a Citywide-parking ordinance.
- Adopt a Citywide sign ordinance using concepts used in the Town Center Ordinance.
- Adopt a Noise Ordinance.
- 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.
- Implement aspects of the OCCUR project through code amendments.

**Building:**

- Continue maintaining 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.
- Continue evaluating complaint receipt process and adjust as necessary to improve response time.
- Continue improving 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.

**Public Works:**

- Continue working on the Greenway project extending a bike and pedestrian trail from the Hollywood Sports Park to Caruthers Park.
- 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.
- Complete final design of landscape improvements at the Bellflower/91 freeway off-ramps.
- Complete soundwall 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 pursuing 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.
- Leverage maximum funding for improvements to commercial projects in the Federal CDBG area.

#### **Redevelopment:**

- Complete the billboard project at Caruthers Park.
- 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 irresponsibility 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.
- Continue marketing Hollywood Sports Park to benefit Downtown and other Redevelopment Project Area properties.

#### **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 the traffic enforcement index to 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.
- Continue public information program for domestic violence prevention.
- Public information programs for community policing and emergency preparedness.

## **Parks and Recreation**

- Continue partnership with public and private agencies for the development and expansion of recreation opportunities.
- Increase volunteer hours by 5% during fiscal year 2002-03.
- Evaluate implementation of recreation software to streamline class registration and operations.
- Continue developing a youth volunteer program with emphasis placed on Bellflower church and school participation.
- Increase number of downtown Boulevard special events.
- Continue partnership with the Chamber of Commerce for the implementation of downtown boulevard special events.

## **City Clerk**

- Continue refining and standardizing the City's document preparation procedures.
- 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) of the City's agreement and franchise files, separating the active and inactive files and storing them accordingly.
- Continue to concentrate departmental resources toward the in-house scanning of the City's permanent records to preserve the record, facilitate research projects, allow access of the records to all users on the network, and eliminate duplicate copies.
- Continue coordinating the Records Management Committee meetings to further improve the City's Records Management Program and Policies.
- Monitor Agreement/Franchise Control and Compliance.
- 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.
- Conduct Precinct Officers' Training classes and Election Board Training classes.
- Create a public handout explaining the functions being performed on Election night.

- Review election procedures and record possible areas for improvement.
- Continue to improve the City's voter outreach program and increase voter registration.
- Conduct the March 2003 General Municipal Election (three seats open).
- Coordinate the March 2003 Oath of Office Ceremony.

### **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

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

City management is responsible for establishing and maintaining an internal control structure designed to ensure that City assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). 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, 2002 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, 2002 and the amount and percentage of increases and decreases in relation to prior year revenues:

Revenues	Amount	Percent of Total	Increase (Decrease) from 2001	Percent of Increase (Decrease)
Taxes	\$13,108,206	46.9%	\$ 334,392	2.6%
Licenses and Permits	640,057	2.3	(7,754)	(1.2)
Fines and Penalties	816,619	2.9	1,875	0.2
Investment Revenue	975,559	3.5	(215,607)	(18.1)
Intergovernmental Revenue	11,379,955	40.8	1,184,158	11.6
Charges for Services	500,371	1.8	(1,134,769)	(69.4)
Other Revenues	501,834	1.8	(75,863)	(13.1)
<b>Total Revenues</b>	<b>\$27,922,601</b>	<b>100.0%</b>	<b>\$86,432</b>	<b>0.3%</b>

**Taxes**, the largest revenue source, increased \$334,392, or 2.6%. The property tax, including property tax increment, was the major contributor of the growth with an increase of \$346,003 (16.4%). Real property transfer, business license and transient occupancy taxes also increased \$25,184 (24.7%), \$29,606 (7.2%) and \$30,675 (6.5%), respectively, for a total of \$85,465. The sales tax, utility users tax, and franchise fees, on the other hand, decreased \$37,942 (0.7%), \$20,432 (0.7%) and \$38,702 (3.0%), respectively, for a total of \$97,076.

**Licenses and Permits** decreased \$7,754, or 1.2%. Building permit and plan check fees had nominal changes. The majority of the decrease was caused by the expiration and non-renewal of a bench advertising permit (\$5,754, or 53.0%).

**Fines and Penalties** increased nominally by \$1,875, or 0.2%. Traffic, municipal code and other violation penalties increased \$19,461 (4.6%), but parking fines decreased \$17,586 (4.5%).

**Investment Revenue** decreased \$215,607, or 18.1%. Due to the Fed's aggressive interest rate cuts to historic lows, interest income declined \$366,592 (39.8%), but housing loan repayments increased \$99,290 (116.6%). Rental and concession income also increased \$43,578 (19.1%)

**Intergovernmental Revenue**, the second largest revenue source, increased \$1,184,158, or 11.6%. Motor vehicle in-lieu fees, State grants for park improvements, and Federal HOME grant increased \$529,672 (13.9%), \$369,221 (100.0%), and \$1,286,188 (2195.9%), respectively, whereas ERAF backfill, Traffic Congestion Relief funds, and Federal CDBG grant decreased \$198,912 (100.0%), \$300,649 (61.7%), and \$341,118 (22.8%), respectively.

**Charges for Services** decreased \$1,134,769, or 69.4%, due primary to the sale of the City's water system to Bellflower-Somerset Mutual Water Company on May 11, 2001.

**Other Revenues** decreased \$75,863, or 13.1%. A significant portion of the decrease was caused by the reduced funding requirement from the Union Pacific Railroad for the railroad crossing elimination project in the amount of \$65,605 (35.7%).

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, 2002 and the amount and percentage of increases and decreases in relation to prior year amounts:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2001	Percent of Increase (Decrease)
Current:				
General Government	\$ 2,735,896	9.5%	\$ 155,443	6.0%
Public Safety	7,991,080	27.8	224,887	2.9
Public Works	5,199,187	18.1	10,971	0.2
Community Development	4,203,269	14.7	1,153,478	37.8
Parks and Recreation	2,270,664	7.9	364,672	19.1
Public Utilities	-	0.0	(1,224,250)	(100.0)
Capital Outlay	5,587,972	19.5	2,073,083	59.0
Debt Service	723,930	2.5	(337)	(0.1)
Total Expenditures	\$28,711,998	100.0%	\$ 2,757,947	10.6%

**General Government** expenditures increased \$155,443 or 6.0 %. Personnel (including cost-of-living), insurance premiums, equipment replacement charges and membership costs increased, whereas legal and election costs decreased (last municipal election held in March 2001).

**Public Safety** expenditures increased \$224,887, or 2.9%. The Sheriff's Department, crossing guard and animal control contract costs and grant equipment purchases increased.

**Public Works** expenditures increased \$10,970, or 0.2%. In fiscal year 2001-02, slurry seal, tree trimming, and street resurfacing expenditures were reclassified as capital outlay. Energy costs relating to streetlights, traffic lights and facilities and Proposition A (transportation) and Proposition C (street) expenditures increased.

**Community Development** expenditures increased \$1,153,478, or 37.8%. Redevelopment, community promotion, and planning expenditures increased. New positions were created for community promotion and planning to augment related services based on demand and to further the City's revitalization efforts. The Redevelopment Agency continued providing financial assistance to businesses through grants and loans.

**Parks and Recreation** expenditures increased \$364,672, or 19.1%, due primarily to new recreation programs and activities and related staffing increases.

**Public Utilities** had no expenditures in fiscal year 2001-02 as the City's water system was sold to Bellflower-Somerset Mutual Water Company on May 11, 2001.

**Capital Outlay** increased \$2,073,083, or 59.0%. Capital outlay, by its nature, can fluctuate significantly from one year to another. Capital outlay generally includes improvements to streets, sidewalks, medians, parkways, facilities and other infrastructure assets and real property acquisitions. In fiscal year 2001-02, slurry seal, tree trimming, and street resurfacing expenditures previously classified as public works were reclassified as capital outlay.

During the year, notable capital projects included Bellflower Boulevard beautification improvements, Towncenter property acquisitions, LED traffic light installations and the 180-unit Flora Vista Senior Housing Project.

**Debt Service** decreased \$337, or 0.1%. No new bonds backed by the faith, credit or taxing power of the City or Redevelopment Agency were issued during the year.

General Fund Balance. The General Fund balance increased \$1,855,865 from \$13,076,405 to \$14,932,270. Of the \$1,855,865 increase, the General Fund departments in aggregate saved \$1,643,968, and revenues came in higher than expected by \$1,467,118. The available General Fund balance, net of Redevelopment Agency advances of \$1,158,145, was \$13,774,125.

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, 2002 amounted to \$5,640,000.

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, 2002 amounted to \$2,025,000.

Conduit Financing. On May 29, 2001, the Bellflower Redevelopment Agency and 9920 Flora Vista, L.P. (Developer) entered into a Disposition and Development/Affordable Housing Agreement (DDA) to construct 180 low-income rental units for seniors, at an approximate cost of \$17,640,985. Under the terms of the DDA, subsequently amended and restated, the Agency agreed to certain financial commitments including the purchase of vacant land, a developer loan in the amount of \$2,124,776 and tax-exempt bond financing. On March 25, 2002, the Agency adopted a resolution to authorize the sale and issuance of conduit Multifamily Housing Revenue Bonds (Bellflower Terrace Seniors), Series 2002A and 2002B, in the aggregate amount of \$9,000,000 as allocated in private activity bonds by the California Debt Limit Allocation Committee. In April 2002, Series 2002A bonds in the amount of \$8,595,000 and Series 2002B bonds in the amount of \$405,000 were issued to fund the project. The Series 2002A bonds are senior bonds that are credit enhanced by Fannie Mae and secured by certain property. The senior bonds bear 5% to 5.5% interest with the maturity date of June 1, 2035 and mandatory remarketing date of June 1, 2023. The Series 2002B bonds are subordinate bonds that are not credit enhanced by Fannie Mae, but are secured by certain property. These subordinate bonds bear 8% interest with the maturity date of August 20, 2035. *Neither the faith, credit nor the taxing power of the City or the Agency is pledged to the repayment of the bonds.* Accordingly, no liability has been recorded in the general purpose financial statements. As of June 30, 2002, the amounts of principal outstanding on the bonds were \$8,595,000 for Series 2002A and \$405,000 for Series 2002B, for a total of \$9,000,000.

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 2001-02, the City's Appropriation Limit and the Appropriations Subject to the Limit were \$33,139,557 and \$13,755,301, 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, 2002, the City had \$16,591,328 in non-restricted cash and investments, largely invested in Local Agency Investment Fund. The average monthly cash and investment balance was \$14,276,832 that earned interest of \$502,889, an average return of 3.5 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, 2002, the general fixed assets of the City totaled \$23,774,707. 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 the 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, 2002. 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, 2001. 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 eight 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, 2002.

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, 2001. I am also submitting the CAFR to CSMFO to determine its eligibility for a Certificate of Award for the fiscal year ended June 30, 2002.

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,

A handwritten signature in black ink, appearing to read 'Tae G. Rhee', with a long horizontal flourish extending to the right.

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, 2001

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.



*Thomas A. Crave*  
President

*Jeffrey L. Esler*  
Executive Director

# California Society of Municipal Finance Officers

Certificate of Award

***Outstanding Financial Reporting 2000-2001***

Presented to the

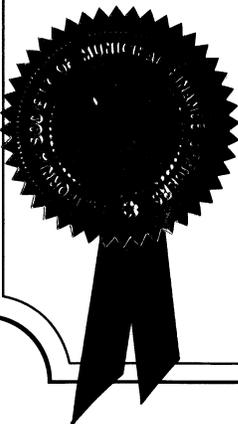
***City of Bellflower***

*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 20, 2002***

  
Chair, Professional & Technical Standards Committee

***Dedicated to Excellence in Municipal Financial Management***



# MISSION STATEMENT

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**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

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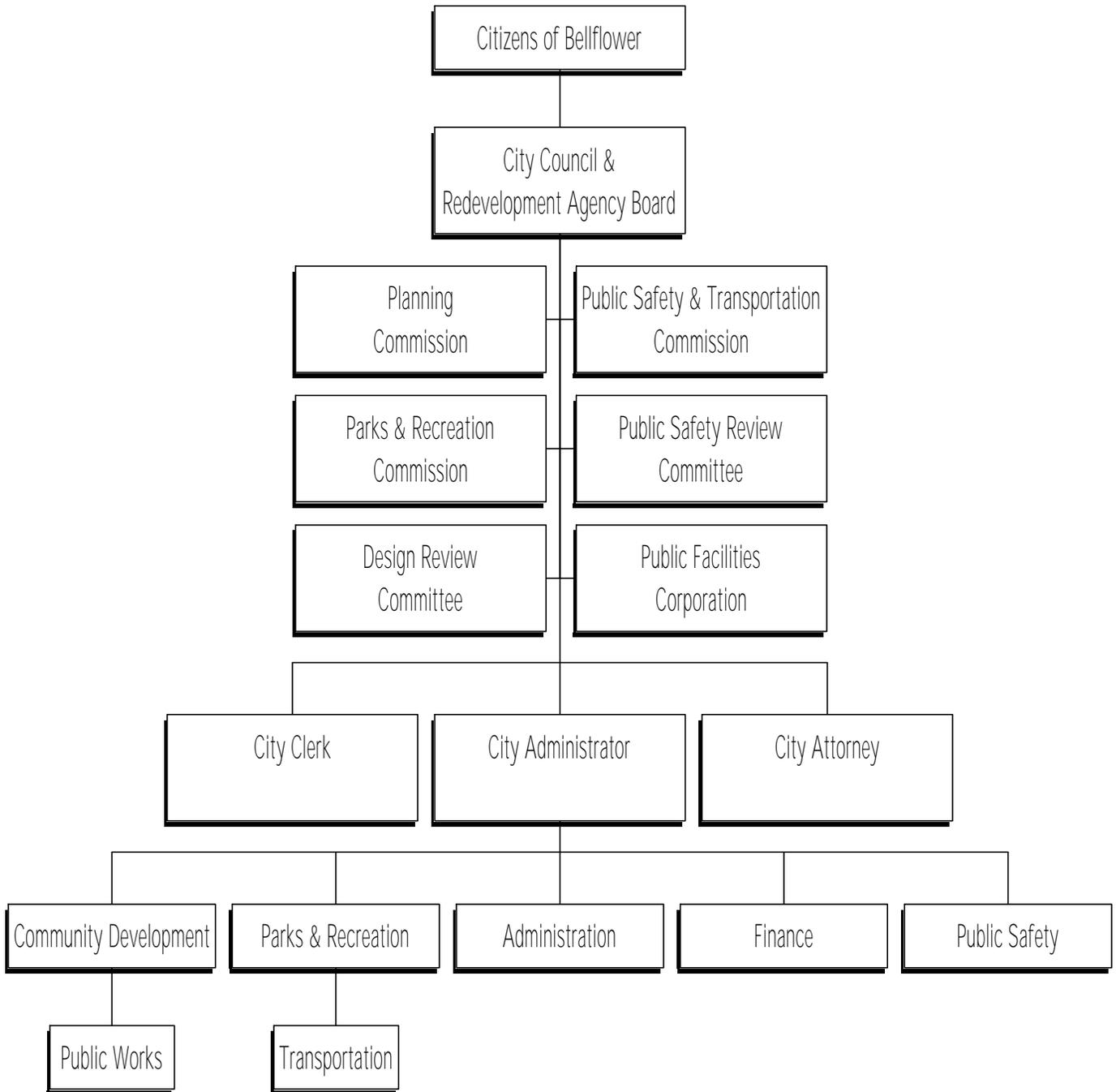
### CITY COUNCIL

John K. Pratt, Mayor  
Scott A. Larsen, Mayor Pro Tem  
Randall J. Bomgaars, Councilmember  
Dorothy R. King, Councilmember  
Ray T. Smith, 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, 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  
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BEVERLY HILLS, CALIFORNIA 90210

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TONI RICE, 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:  
BEVERLY HILLS, CALIFORNIA  
SANTA MARIA, CALIFORNIA  
SACRAMENTO, CALIFORNIA  
TUSTIN, CALIFORNIA

HADLEY HUI, C.P.A.  
CONNIE WU, C.P.A.  
CINDY BOHANAN, C.P.A.  
PAUL NIEDERMULLER, C.P.A.  
KAREN A. POHL, C.P.A.  
LINDA N. GRAHAM, C.P.A.  
\*DENOTES PROFESSIONAL CORPORATION

## INDEPENDENT AUDITOR'S REPORT

Honorable City Council  
Of the City of Bellflower  
Bellflower, California

We have audited the accompanying general purpose financial statements of the City of Bellflower as of and for the fiscal year ended June 30, 2002, 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, 2002, 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 13, 2002 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 13, 2002



**GENERAL PURPOSE  
FINANCIAL STATEMENTS**

**CITY OF BELLFLOWER**  
**EXPLANATORY COMMENTS**

June 30, 2002

**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, 2002, 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.

**FIDUCIARY FUND TYPES**

These funds (Agency) 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, 2002

with Comparative Totals for June 30, 2001

	Governmental Fund Types			
	General	Special	Capital	Debt
	Fund	Revenue Funds	Projects Funds	Service Funds
<b>ASSETS AND OTHER DEBITS</b>				
Cash and investments	\$ 12,870,342	\$ 2,451,960	\$ 164,989	\$ -
Cash and investments with fiscal agents	-	-	1	215,117
Accounts receivable - net	1,903,765	343,305	927,473	44,622
Due from other funds	658,823	-	-	-
Interest receivable	82,789	18,340	10	665
Notes/Contract receivable	692,819	-	4,795,891	-
Prepaid expenditures	462,696	53,421	21,446	-
Advances receivable	1,158,145	-	-	-
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>\$ 17,829,379</u>	<u>\$ 2,867,026</u>	<u>\$ 5,909,810</u>	<u>\$ 260,404</u>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>				
Liabilities:				
Accounts payable	\$ 1,591,280	\$ 190,362	\$ 463,946	\$ 4,626
Accrued expenditures	281,604	25,456	330,405	-
Due to other funds	-	173,554	444,608	40,661
Deposits	79,158	-	-	-
Deferred revenue	945,067	188,452	4,960,394	-
Compensated absences	-	-	-	-
Advances payable	-	-	1,158,145	-
Certificates of participation	-	-	-	-
Bonds payable	-	-	-	-
Total liabilities	<u>2,897,109</u>	<u>577,824</u>	<u>7,357,498</u>	<u>45,287</u>
Fund Equity and Other Credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained Earnings:				
Unreserved	-	-	-	-
Fund Balances:				
Reserved:				
Debt service	-	-	-	215,117
Prepaid expenditures	462,696	53,421	21,446	-
Advances to redevelopment agency	1,158,145	-	-	-
Unreserved:				
Designated for special revenue purposes	-	2,235,781	-	-
Undesignated	13,311,429	-	(1,469,134)	-
Total fund equity and other credits	<u>14,932,270</u>	<u>2,289,202</u>	<u>(1,447,688)</u>	<u>215,117</u>
Total liabilities, fund equity and other credits	<u>\$ 17,829,379</u>	<u>\$ 2,867,026</u>	<u>\$ 5,909,810</u>	<u>\$ 260,404</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	2002	2001
\$ 1,017,452	\$ 329,115	\$ -	\$ -	\$ 16,833,858	\$ 15,780,815
-	-	-	-	215,118	1,530,469
-	-	-	-	3,219,165	3,465,890
-	-	-	-	658,823	608,973
6,809	-	-	-	108,613	193,654
-	-	-	-	5,488,710	4,188,841
-	-	-	-	537,563	511,228
-	-	-	-	1,158,145	1,722,912
606,043	-	23,774,707	-	24,380,750	23,171,078
-	-	-	215,117	215,117	1,006,982
-	-	-	8,150,010	8,150,010	7,514,833
<u>\$ 1,630,304</u>	<u>\$ 329,115</u>	<u>\$ 23,774,707</u>	<u>\$ 8,365,127</u>	<u>\$ 60,965,872</u>	<u>\$ 59,695,675</u>
\$ 12,697	\$ -	\$ -	\$ -	\$ 2,262,911	\$ 2,911,193
-	-	-	-	637,465	331,951
-	-	-	-	658,823	608,973
-	329,115	-	-	408,273	283,133
-	-	-	-	6,093,913	4,760,764
-	-	-	700,127	700,127	596,815
-	-	-	-	1,158,145	1,722,912
-	-	-	5,640,000	5,640,000	5,880,000
-	-	-	2,025,000	2,025,000	2,045,000
<u>12,697</u>	<u>329,115</u>	<u>-</u>	<u>8,365,127</u>	<u>19,584,657</u>	<u>19,140,741</u>
-	-	23,774,707	-	23,774,707	22,563,847
512,309	-	-	-	512,309	512,309
1,105,298	-	-	-	1,105,298	700,480
-	-	-	-	215,117	1,006,982
-	-	-	-	537,563	511,228
-	-	-	-	1,158,145	1,722,912
-	-	-	-	2,235,781	2,468,220
-	-	-	-	11,842,295	11,068,956
<u>1,617,607</u>	<u>-</u>	<u>23,774,707</u>	<u>-</u>	<u>41,381,215</u>	<u>40,554,934</u>
<u>\$ 1,630,304</u>	<u>\$ 329,115</u>	<u>\$ 23,774,707</u>	<u>\$ 8,365,127</u>	<u>\$ 60,965,872</u>	<u>\$ 59,695,675</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues:				
Taxes	\$ 12,211,036	\$ -	\$ 185,546	\$ 711,624
Licenses and permits	28,506	611,551	-	-
Fines and penalties	816,619	-	-	-
Investment revenue	635,004	103,030	208,743	28,782
Intergovernmental revenue	4,537,716	3,847,755	2,994,484	-
Charges for current services	489,710	10,661	-	-
Other revenues	340,047	7,044	154,743	-
Total revenues	<u>19,058,638</u>	<u>4,580,041</u>	<u>3,543,516</u>	<u>740,406</u>
Expenditures:				
Current:				
General government	2,735,896	-	-	-
Public safety	7,598,159	392,921	-	-
Public works	3,433,753	1,765,434	-	-
Community development	1,344,888	320,984	2,537,397	-
Parks and recreation	2,270,664	-	-	-
Public utilities	-	-	-	-
Capital outlay	1,342,142	703,740	3,542,090	-
Debt service	-	-	-	723,930
Total expenditures	<u>18,725,502</u>	<u>3,183,079</u>	<u>6,079,487</u>	<u>723,930</u>
Excess of revenues over (under) expenditures	<u>333,136</u>	<u>1,396,962</u>	<u>(2,535,971)</u>	<u>16,476</u>
Other Financing Sources (Uses):				
Operating transfers in	2,081,580	50,855	958,907	550,609
Operating transfers out	(558,851)	(1,670,284)	(53,866)	(1,358,950)
Total other financing sources (uses)	<u>1,522,729</u>	<u>(1,619,429)</u>	<u>905,041</u>	<u>(808,341)</u>
Excess of revenues and other sources over (under) expenditures and other uses	1,855,865	(222,467)	(1,630,930)	(791,865)
Fund balances - July 1	<u>13,076,405</u>	<u>2,511,669</u>	<u>183,242</u>	<u>1,006,982</u>
Fund balances - June 30	<u><u>\$ 14,932,270</u></u>	<u><u>\$ 2,289,202</u></u>	<u><u>\$ (1,447,688)</u></u>	<u><u>\$ 215,117</u></u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

2002	2001
\$ 13,108,206	\$ 12,773,814
640,057	647,811
816,619	814,744
975,559	1,191,166
11,379,955	10,195,797
500,371	1,635,140
501,834	577,697
27,922,601	27,836,169
2,735,896	2,580,453
7,991,080	7,766,193
5,199,187	5,188,216
4,203,269	3,049,791
2,270,664	1,905,992
-	1,224,250
5,587,972	3,514,889
723,930	724,267
28,711,998	25,954,051
(789,397)	1,882,118
3,641,951	2,775,058
(3,641,951)	(2,775,058)
-	-
(789,397)	1,882,118
16,778,298	14,896,180
\$ 15,988,901	\$ 16,778,298

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, 2002**

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 11,636,000	\$ 12,211,036	\$ 575,036
Licenses and permits	32,200	28,506	(3,694)
Fines and penalties	815,000	816,619	1,619
Investment revenue	671,276	635,004	(36,272)
Intergovernmental revenue	3,722,394	4,537,716	815,322
Charges for current services	445,550	489,710	44,160
Other revenues	269,100	340,047	70,947
Total revenues	<u>17,591,520</u>	<u>19,058,638</u>	<u>1,467,118</u>
Expenditures:			
Current:			
General government	2,889,567	2,735,896	153,671
Public safety	7,720,951	7,598,159	122,792
Public works	3,774,984	3,433,753	341,231
Community development	1,358,222	1,344,888	13,334
Parks and recreation	2,544,861	2,270,664	274,197
Capital outlay	2,080,885	1,342,142	738,743
Debt service	-	-	-
Total expenditures	<u>20,369,470</u>	<u>18,725,502</u>	<u>1,643,968</u>
Excess of revenues over (under) expenditures	<u>(2,777,950)</u>	<u>333,136</u>	<u>3,111,086</u>
Other Financing Sources (Uses):			
Operating transfers in	1,369,276	2,081,580	712,304
Operating transfers out	(563,154)	(558,851)	4,303
Total other financing sources (uses)	<u>806,122</u>	<u>1,522,729</u>	<u>716,607</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (1,971,828)</u>	1,855,865	<u>\$ 3,827,693</u>
Fund balances - July 1		<u>13,076,405</u>	
Fund balances - June 30		<u>\$ 14,932,270</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)
\$ -	\$ -	\$ -	\$ 149,800	\$ 185,546	\$ 35,746
454,500	611,551	157,051	-	-	-
-	-	-	-	-	-
74,550	103,030	28,480	60,000	208,743	148,743
3,511,520	3,847,755	336,235	7,130,124	2,994,484	(4,135,640)
7,600	10,661	3,061	-	-	-
-	7,044	7,044	1,984	154,743	152,759
<u>4,048,170</u>	<u>4,580,041</u>	<u>531,871</u>	<u>7,341,908</u>	<u>3,543,516</u>	<u>(3,798,392)</u>
-	-	-	1,000	-	1,000
389,400	392,921	(3,521)	-	-	-
1,823,896	1,765,434	58,462	-	-	-
388,908	320,984	67,924	3,037,033	2,537,397	499,636
-	-	-	-	-	-
1,412,600	703,740	708,860	6,819,490	3,542,090	3,277,400
-	-	-	-	-	-
<u>4,014,804</u>	<u>3,183,079</u>	<u>831,725</u>	<u>9,857,523</u>	<u>6,079,487</u>	<u>3,778,036</u>
33,366	1,396,962	1,363,596	(2,515,615)	(2,535,971)	(20,356)
53,469	50,855	(2,614)	690,574	958,907	268,333
(1,302,092)	(1,670,284)	(368,192)	(43,236)	(53,866)	(10,630)
<u>(1,248,623)</u>	<u>(1,619,429)</u>	<u>(370,806)</u>	<u>647,338</u>	<u>905,041</u>	<u>257,703</u>
<u>\$ (1,215,257)</u>	(222,467)	<u>\$ 992,790</u>	<u>\$ (1,868,277)</u>	(1,630,930)	<u>\$ 237,347</u>
	<u>2,511,669</u>			<u>183,242</u>	
	<u>\$ 2,289,202</u>			<u>\$ (1,447,688)</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, 2002**  
**(Continued)**

	Debt Service Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 573,200	\$ 711,624	\$ 138,424
Licenses and permits	-	-	-
Fines and penalties	-	-	-
Investment revenue	9,500	28,782	19,282
Intergovernmental revenue	-	-	-
Charges for current services	-	-	-
Other revenues	-	-	-
Total revenues	<u>582,700</u>	<u>740,406</u>	<u>157,706</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service	725,863	723,930	1,933
Total expenditures	<u>725,863</u>	<u>723,930</u>	<u>1,933</u>
Excess of revenues over (under) expenditures	<u>(143,163)</u>	<u>16,476</u>	<u>159,639</u>
Other Financing Sources (Uses):			
Operating transfers in	552,921	550,609	(2,312)
Operating transfers out	<u>(757,758)</u>	<u>(1,358,950)</u>	<u>(601,192)</u>
Total other financing sources (uses)	<u>(204,837)</u>	<u>(808,341)</u>	<u>(603,504)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (348,000)</u>	<u>(791,865)</u>	<u>\$ (443,865)</u>
Fund balances - July 1		<u>1,006,982</u>	
Fund balances - June 30		<u>\$ 215,117</u>	

See accompanying notes to the general purpose financial statements

Combined Totals (Memorandum Only)

Budget	Actual	Variance Favorable (Unfavorable)
\$ 12,359,000	\$ 13,108,206	\$ 749,206
486,700	640,057	153,357
815,000	816,619	1,619
815,326	975,559	160,233
14,364,038	11,379,955	(2,984,083)
453,150	500,371	47,221
271,084	501,834	230,750
<u>29,564,298</u>	<u>27,922,601</u>	<u>(1,641,697)</u>
2,890,567	2,735,896	154,671
8,110,351	7,991,080	119,271
5,598,880	5,199,187	399,693
4,784,163	4,203,269	580,894
2,544,861	2,270,664	274,197
10,312,975	5,587,972	4,725,003
725,863	723,930	1,933
<u>34,967,660</u>	<u>28,711,998</u>	<u>6,255,662</u>
<u>(5,403,362)</u>	<u>(789,397)</u>	<u>4,613,965</u>
2,666,240	3,641,951	975,711
<u>(2,666,240)</u>	<u>(3,641,951)</u>	<u>(975,711)</u>
-	-	-
<u>\$ (5,403,362)</u>	<u>(789,397)</u>	<u>\$ 4,613,965</u>
	<u>16,778,298</u>	
	<u>\$ 15,988,901</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	Proprietary Fund Type	Totals (Memorandum Only)	
	Internal Service	2002	2001
Revenues:			
Department charges	\$ 648,549	\$ 648,549	\$ 452,383
Total operating revenues	<u>648,549</u>	<u>648,549</u>	<u>452,383</u>
Expenses:			
Administration	36,408	36,408	-
Depreciation	244,366	244,366	246,113
Total operating expenses	<u>280,774</u>	<u>280,774</u>	<u>246,113</u>
Operating income	<u>367,775</u>	<u>367,775</u>	<u>206,270</u>
Non-Operating Revenues and Expenses:			
Investment earnings	36,165	36,165	43,749
Gain (loss) on sale of fixed assets	878	878	(26,610)
Total non-operating revenues and expenses	<u>37,043</u>	<u>37,043</u>	<u>17,139</u>
Net income	404,818	404,818	223,409
Retained earnings - July 1	<u>700,480</u>	<u>700,480</u>	<u>477,071</u>
Retained earnings - June 30	<u>\$ 1,105,298</u>	<u>\$ 1,105,298</u>	<u>\$ 700,480</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>Proprietary Fund Type</u>	<u>Totals (Memorandum Only)</u>	
	<u>Internal Service</u>	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:			
Operating income	\$ 367,775	\$ 367,775	\$ 206,270
Adjustments to reconcile operating income to net cash provided (used):			
Depreciation	244,366	244,366	246,113
Increase (decrease) in accounts payable	<u>(13,555)</u>	<u>(13,555)</u>	<u>(20,399)</u>
Net cash provided by operating activities	<u>598,586</u>	<u>598,586</u>	<u>431,984</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisitions of fixed assets	(243,230)	(243,230)	(315,925)
Proceeds from sale of fixed assets	<u>930</u>	<u>930</u>	<u>2,952</u>
Net cash used by capital and related financing activities	<u>(242,300)</u>	<u>(242,300)</u>	<u>(312,973)</u>
Cash Flows from Investing Activities:			
Investment earnings	<u>37,098</u>	<u>37,098</u>	<u>41,421</u>
Net cash provided by investing activities	<u>37,098</u>	<u>37,098</u>	<u>41,421</u>
Net increase in cash and cash equivalents	393,384	393,384	160,432
Cash and cash equivalents at beginning of year	<u>624,068</u>	<u>624,068</u>	<u>463,636</u>
Cash and cash equivalents at end of year	<u>\$ 1,017,452</u>	<u>\$ 1,017,452</u>	<u>\$ 624,068</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, 2002**

**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 accounting principles generally accepted in the United States of America, 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 to the Finance Director, City of Bellflower, 16600 Civic Center Drive, Bellflower, CA 90706, or by calling (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 accounting principles generally accepted in the United States of America 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, 2002**

**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, 2002**

**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 the agency fund 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, 2002.

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.

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.

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. Budgets and Budgetary Accounting (Continued)

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 accounting principles generally accepted in the United States of America. Supplementary budgetary appropriations were \$3,908,540 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 fiscal year are cleared out and reappropriated in the following fiscal 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. 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 in the governmental funds are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in the 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.

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

I. Fixed Assets (Continued)

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 or purchase are capitalized, but not depreciated, in the general fixed assets account group. Fixed assets acquired by lease or purchase are capitalized and depreciated in the proprietary funds.

J. 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.

K. 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 inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

L. 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 accounting principles generally accepted in the United States of America. Inter-fund eliminations have not been made in the aggregation of these totals.

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

M. 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 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.

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.

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

O. Compensated Absences

Vacation time may be accumulated up to 1,040 hours per non-represented employee and 320 hours per represented 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, 2002, a fund deficit of \$1,500,752 existed in the Redevelopment Agency Fund. This deficit was both anticipated and budgeted as the City and Redevelopment Agency agreed to loan and expend necessary funds as their ongoing efforts to revitalize the downtown area. While the fund deficit is expected to be eliminated with future property tax increment, it is not expected to be anytime soon in the near future. Until then, the General Fund will continue to provide necessary cash advances to cover the Agency's cash deficit.

Excess of Expenditures Over Appropriations

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

<u>Fund</u>	<u>Excess Expenditures</u>
Special Revenue Funds:	
TDA Article 3 Bikeway Fund	\$ 7,928
CA-COPS Grant Fund	3,521

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

<u>Fund</u>	<u>Excess Expenditures</u>
Capital Projects Funds:	
Redevelopment Agency Housing Set-Aside Fund	3,209

**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, 2002, the City had the following cash and investments on hand:

Pooled cash	Carrying Amount
	<u>\$ 1,333,175</u>
Pooled investments	15,500,683
Cash and investments with fiscal agents	215,118
Total cash and investments	<u>\$ 17,048,976</u>

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

Cash and investments	\$ 16,833,858
Cash and investments with fiscal agents	215,118
Total cash and investments	<u>\$ 17,048,976</u>

**Authorized Investments**

In compliance with the applicable State statute, the Statement of Investment Policy is adopted annually by the City Council. Investments authorized under the Investment Policy included:

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

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

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 City's name;
- Category 2 - collateralized with securities held by the pledging financial institution's trust department or agent in the City'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 City's name;
- Category 2 - uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City'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 City's name.

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

At June 30, 2002, the carrying amount of the City's deposits was \$1,333,175. The bank's balance was \$1,336,071. This difference is due to the normal deposits in transit and outstanding checks. The cash deposits by category were as follows:

	<u>Category</u>			<u>Bank</u>	<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Balance</u>	<u>Amount</u>
Bank accounts	<u>\$ 599,013</u>	<u>\$ 737,058</u>	<u>\$ -</u>	<u>\$ 1,336,071</u>	<u>\$1,333,175</u>
Total deposits	<u>\$ 599,013</u>	<u>\$ 737,058</u>	<u>\$ -</u>	<u>\$ 1,336,071</u>	<u>\$1,333,175</u>

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

City investments by category as of June 30, 2002 were as follows:

	Category			Carrying Amount/ Fair Value
	1	2	3	
Investments Controlled by the City:				
LAIF	\$ N/A	\$ N/A	\$ N/A	\$15,500,683
Total investments controlled by City Treasurer	N/A	N/A	N/A	15,500,683
Amounts Invested by Fiscal Agents:				
U.S. Government Money Market Fund	N/A	N/A	N/A	215,118
Total invested by Fiscal Agents	N/A	N/A	N/A	215,118
Total investments	\$ -	\$ -	\$ -	\$15,715,801

During the year ended June 30, 2002, 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, 2002**

**NOTE 4 - NOTES AND CONTRACT RECEIVABLE**

	<u>Amount</u>
Notes receivable from mortgage loans for housing and commercial property rehabilitation and construction:	
Redevelopment Agency	\$ 647,620
Redevelopment Agency Housing Set-Aside	126,456
Community Development Block Grant	2,037,081
HOME	1,914,553
Total Notes Receivable	4,725,710
Contract receivable from the sale of the City's Water system:	
General Fund	692,819
Community Development Block Grant	70,181
Total Contract Receivable	763,000
Total Notes and Contract Receivable	\$ 5,488,710

**NOTE 5 - FIXED ASSETS**

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

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2002</u>
Land	\$ 8,514,443	\$ 198,302	\$ -	\$ 8,712,745
Buildings and improvements	11,105,419	715,521	15,305	11,805,635
Machinery and equipment	2,849,975	420,330	107,988	3,162,317
Water rights	94,010	-	-	94,010
Totals	\$ 22,563,847	\$ 1,334,153	\$ 123,293	\$ 23,774,707

Land, buildings and equipment of the Proprietary Fund type at June 30, 2002 include:

	<u>Internal</u> <u>Service</u>
Furniture and fixtures	\$ 84,886
Equipment	1,700,561
Total fixed assets	1,785,447
Less: accumulated depreciation	(1,179,404)
Fixed assets (net of depreciation)	\$ 606,043

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**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, 2002 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>
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	245,000	220,739	465,739
2008-2020	<u>4,460,000</u>	<u>1,578,336</u>	<u>6,038,336</u>
	<u>\$ 5,640,000</u>	<u>\$ 2,777,415</u>	<u>\$ 8,417,415</u>

**NOTE 7 - TAXABLE TAX ALLOCATION BONDS**

The 1996 Taxable Tax Allocation Bonds issued by the Bellflower Redevelopment Agency and outstanding at June 30, 2002 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, 2002**

**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>
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	30,000	181,868	211,868
2008-2027	<u>1,890,000</u>	<u>2,335,469</u>	<u>4,225,469</u>
	<u>\$ 2,025,000</u>	<u>\$ 3,268,950</u>	<u>\$ 5,293,950</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, 2002:

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2002</u>
Certificates of participation	\$ 5,880,000	\$ -	\$ 240,000	\$ 5,640,000
Tax allocation bonds	2,045,000	-	20,000	2,025,000
Compensated absences	<u>596,815</u>	<u>453,116</u>	<u>349,804</u>	<u>700,127</u>
	<u>\$ 8,521,815</u>	<u>\$ 453,116</u>	<u>\$ 609,804</u>	<u>\$ 8,365,127</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>	
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	30,000	245,000	402,607	677,607
2008-2027	<u>1,890,000</u>	<u>4,460,000</u>	<u>3,913,805</u>	<u>10,263,805</u>
	<u>\$ 2,025,000</u>	<u>\$ 5,640,000</u>	<u>\$ 6,046,365</u>	<u>\$ 13,711,365</u>

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**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, 2002, the amount contributed by the City on behalf of the employees was \$255,230. 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, 2002 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, 2002, 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, 1999, 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, 2002**

**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>
6/30/00	\$ 0	100%	\$ 0
6/30/01	0	100%	0
6/30/02	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>
6/30/99	\$12,885,554	\$18,605,616	\$(5,720,062)	144.4%	\$2,675,990	(213.8%)
6/30/00	13,792,256	20,316,575	(6,524,319)	147.3%	3,117,826	(209.3%)
6/30/01	14,915,052	20,922,173	(6,007,121)	140.3%	3,284,340	(182.9%)

\*\* 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 the Public Employees' Retirement System (PERS). During the fiscal year, expenditures of \$257,272 were recognized for postemployment medical benefits, covering 44 retirees. Postemployment benefits are funded on a pay-as-you-go basis.

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**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 89 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.

Environmental Insurance

The City of Bellflower participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by City of Bellflower. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50,000,000 for the 3-year period from July 1, 2000 through June 30, 2003, with reinstatement of \$50,000,000 if the initial \$50,000,000 is depleted. Each member of the Authority has a \$10,000,000 limit during the 3-year term of the policy.

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 \$19,337,701. 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 \$14,493,784. 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.

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 13 - CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (CJPIA) – (Continued)**

Fidelity Bonds

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

Special Event Tenant User Liability Insurance

The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on City property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays for the insurance. The insurance is arranged by the Authority.

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 notary errors and omissions.

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 to the California Joint Powers Authority, 4952 La Palma Avenue, La Palma, CA 90623, or calling (562) 467-8700.

**NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES**

Individual fund interfund receivable and payable balances at June 30, 2002 consisted of the following:

<u>Due to/Due From</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 658,823	\$ -
Special Revenue Funds:		
Bikeway Fund	-	31,928
Drug Forfeiture Fund	-	7,655
Gas Tax Fund	-	133,890
Lighting Assessment Fund	-	81
Capital Projects Funds:		
Capital Projects Fund	-	251,551
CDBG Fund	-	41,617
HOME Fund	-	151,440
Debt Service Fund:		
Redevelopment Agency Debt Service Fund	-	40,661
	<u>\$ 658,823</u>	<u>\$ 658,823</u>

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES (Continued)**

<u>Advances Receivable/Payable</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 1,158,145	\$ -
Capital Projects Funds:		
Redevelopment Agency Fund	-	1,158,145
	<u>\$ 1,158,145</u>	<u>\$ 1,158,145</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	\$ 512,309	\$ -	\$ -	\$ 512,309

**NOTE 16 - INTERFUND TRANSFERS**

Individual interfund transfers for the fiscal year ending June 30, 2002 were:

<u>Funds</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 2,081,580	\$ 558,851
Special Revenue Funds:		
Gas Tax Fund	-	1,377,557
Lighting Assessment Fund	-	2,160
Parking District No. 1 Fund	29,063	-
Building and Safety Fund	-	290,567
FED-COPS Grant Fund	21,792	-
Capital Projects Funds:		
Redevelopment Agency Fund	958,907	-
Redevelopment Agency Housing Set-Aside Fund	-	53,866
Debt Service Funds:		
Public Facilities Corporation Fund	507,996	344,113
Redevelopment Agency Fund	42,613	1,014,837
	<u>\$ 3,641,951</u>	<u>\$ 3,641,951</u>

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 17 – MULTIFAMILY HOUSING REVENUE BONDS (SERIES 2002A & 2002B)**

On May 29, 2001, the Bellflower Redevelopment Agency and 9920 Flora Vista, L.P. (Developer) entered into a Disposition and Development/Affordable Housing Agreement (DDA) to construct 180 low-income rental units for seniors, at an approximate cost of \$17,640,985. Under the terms of the DDA, subsequently amended and restated, the Agency agreed to certain financial commitments including the purchase of vacant land, a developer loan in the amount of \$2,124,776 and tax-exempt bond financing. In April 2001, the Agency purchased vacant land required for the development and ground lease from the Los Angeles County Metropolitan Transportation Authority at the cost of \$1,051,075. In addition, the Agency loaned \$1,238,000 to the developer as of June 30, 2002, leaving an outstanding loan commitment of \$886,776. This balance is payable by the Agency in eight annual installments of \$110,847, with the first payment due on January 15, 2003. The total developer loan of \$2,124,776 is evidenced by two promissory notes, bearing 7% interest and repayable with residual rent receipts.

To fulfill its bond financing commitment, the Agency adopted a resolution on March 25, 2002 to authorize the sale and issuance of conduit Multifamily Housing Revenue Bonds (Bellflower Terrace Seniors), Series 2002A and 2002B, in the aggregate amount of \$9,000,000 as allocated in private activity bonds by the California Debt Limit Allocation Committee. In April 2002, Series 2002A bonds in the amount of \$8,595,000 and Series 2002B bonds in the amount of \$405,000 were issued to fund the project. The Series 2002A bonds are senior bonds that are credit enhanced by Fannie Mae and secured by certain property. The senior bonds bear 5% to 5.5% interest with the maturity date of June 1, 2035 and mandatory remarketing date of June 1, 2023. The Series 2002B bonds are subordinate bonds that are not credit enhanced by Fannie Mae, but are secured by certain property. These subordinate bonds bear 8% interest with the maturity date of August 20, 2035.

Neither the faith, credit nor the taxing power of the City or the Agency is pledged to the repayment of the bonds. Accordingly, no liability has been recorded in the General Long-Term Debt Account Group. As of June 30, 2002, the amounts of principal outstanding on the bonds were \$8,595,000 for Series 2002A and \$405,000 for Series 2002B, for a total of \$9,000,000. The remaining bond funds for Series 2002A and 2002B were \$7,682,429 and \$293,788, respectively, for a total of \$7,976,217.

**NOTE 18 - COMMITMENTS**

**Multifamily Low-Income Rental Housing Development for Seniors**

In connection with the low-income housing project described in Note 17, the Redevelopment Agency made certain financial commitments to the developer, specifically land purchase, \$2,124,776 in loans and \$9,000,000 in conduit bond financing. At June 30, 2002, the only outstanding commitment was the \$886,776 balance remaining on the developer loan, payable in eight annual installments of \$110,847, with the first payment due on January 15, 2003.

**Hollywood Sports Park**

On March 21, 2000, the City of Bellflower, Redevelopment Agency, and Hollywood Sports Park, LLC entered into a Disposition and Development Agreement (DDA) to construct a 23-acre extreme sports theme park providing paintball, rock climbing, BMX biking, skateboarding, in-line skating and other activities. Under the terms of the DDA, subsequently amended and restated, the City agreed to lease its land to the developer, and the Agency agreed to provide certain improvements and financial assistance, including \$650,000 for the construction of a parking lot. At June 30, 2002, the remaining balance on the parking lot construction commitment was \$249,494.

**CITY OF BELLFLOWER**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 19 - CONTINGENCIES**

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

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

**CITY OF BELLFLOWER**  
**GENERAL FUND EXPLANATORY COMMENTS**  
**June 30, 2002**

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, 2002**  
**with Comparative Totals for June 30, 2001**

<b><u>ASSETS</u></b>	<u>2002</u>	<u>2001</u>
Cash and investments	\$ 12,870,342	\$ 10,201,663
Accounts receivable - net	1,903,765	2,161,161
Due from other funds	658,823	595,226
Interest receivable	82,789	126,643
Contract receivable	692,819	969,425
Prepaid expenditures	462,696	448,297
Advances receivable	<u>1,158,145</u>	<u>1,722,912</u>
 Total assets	 <u>\$ 17,829,379</u>	 <u>\$ 16,225,327</u>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable	\$ 1,591,280	\$ 1,755,275
Accrued expenditures	281,604	176,794
Deposits	79,158	34,375
Deferred revenue	<u>945,067</u>	<u>1,182,478</u>
 Total liabilities	 <u>2,897,109</u>	 <u>3,148,922</u>
Fund Balance:		
Reserved:		
Prepaid expenditures	462,696	448,297
Advances to redevelopment agency	1,158,145	1,722,912
Unreserved:		
Undesignated	<u>13,311,429</u>	<u>10,905,196</u>
 Total fund balance	 <u>14,932,270</u>	 <u>13,076,405</u>
 Total liabilities and fund balance	 <u>\$ 17,829,379</u>	 <u>\$ 16,225,327</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
<b>Revenues:</b>				
Taxes:				
Property taxes	\$ 1,453,000	\$ 1,555,113	\$ 102,113	\$ 1,474,930
Sales and use taxes	5,140,000	5,523,843	383,843	5,561,785
Transient lodging tax	403,000	505,666	102,666	474,991
Real property transfer tax	92,000	127,288	35,288	102,104
Business license tax	393,000	438,995	45,995	409,389
Utility franchises	820,000	905,177	85,177	934,353
Utility users' tax	2,985,000	2,818,491	(166,509)	2,838,923
Cable television	350,000	336,463	(13,537)	345,989
Total taxes	<u>11,636,000</u>	<u>12,211,036</u>	<u>575,036</u>	<u>12,142,464</u>
Licenses and Permits:				
Yard sale permits	6,000	7,820	1,820	7,725
Bingo licenses	4,000	4,836	836	4,262
Bench advertising	12,000	5,100	(6,900)	10,854
Other permits	10,200	10,750	550	10,253
Total licenses and permits	<u>32,200</u>	<u>28,506</u>	<u>(3,694)</u>	<u>33,094</u>
Fines and Penalties:				
Vehicle code fines	415,000	373,209	(41,791)	390,795
Other fines and penalties	400,000	443,410	43,410	423,949
Total fines and penalties	<u>815,000</u>	<u>816,619</u>	<u>1,619</u>	<u>814,744</u>
Investment Revenue:				
Interest earned	414,000	363,694	(50,306)	515,335
Rents and concessions	257,276	271,310	14,034	227,732
Total investment revenue	<u>671,276</u>	<u>635,004</u>	<u>(36,272)</u>	<u>743,067</u>
Intergovernmental Revenue:				
Highway carrier in-lieu tax	1,000	1,938	938	2,365
Motor vehicle in-lieu fees	3,500,000	4,347,166	847,166	3,817,494
Mandated costs	20,000	2,831	(17,169)	42,980
Return of Educational Revenue				
Augmentation Fund transfer	-	-	-	198,912
Federal, state and county grants	201,394	185,781	(15,613)	146,197
Total intergovernmental revenue	<u>3,722,394</u>	<u>4,537,716</u>	<u>815,322</u>	<u>4,207,948</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
<b>Revenues - continued</b>				
Charges for Current Services:				
Planning fees	\$ 26,000	\$ 26,270	\$ 270	\$ 27,703
Towing fees	21,000	20,574	(426)	24,853
Engineering fees	6,000	31,569	25,569	14,143
Waste inspection fees	20,000	28,161	8,161	20,634
Community auditorium	30,000	27,751	(2,249)	32,900
Parks and recreation	334,500	346,134	11,634	369,643
Other fees	8,050	9,251	1,201	11,181
Total charges for current services	<u>445,550</u>	<u>489,710</u>	<u>44,160</u>	<u>501,057</u>
Other Revenues:				
Refunds and reimbursements	2,500	43,350	40,850	18,134
Liberty week	10,000	9,880	(120)	9,476
Donations	500	496	(4)	806
Sale of property	250,000	279,753	29,753	315,056
Other revenues	6,100	6,568	468	21,724
Total other revenues	<u>269,100</u>	<u>340,047</u>	<u>70,947</u>	<u>365,196</u>
Total revenues	<u>17,591,520</u>	<u>19,058,638</u>	<u>1,467,118</u>	<u>18,807,570</u>
<b>Expenditures:</b>				
General Government:				
City council	199,950	199,835	115	159,068
City clerk	275,652	263,314	12,338	232,266
Election	-	(60)	60	51,242
City administrator	302,985	282,094	20,891	191,549
Parks and rec. commission	3,150	2,750	400	2,265
Planning commission	17,150	9,456	7,694	7,359
Finance	437,945	408,216	29,729	335,037
City attorney	210,000	142,637	67,363	294,355
Personnel/risk management	233,437	235,280	(1,843)	274,537
Non-departmental	1,209,298	1,192,374	16,924	1,032,668
Total general government	<u>2,889,567</u>	<u>2,735,896</u>	<u>153,671</u>	<u>2,580,346</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
<b>Expenditures - continued</b>				
Public Safety:				
Administration	\$ 1,128,552	\$ 1,083,231	\$ 45,321	\$ 953,682
Crossing guard	161,171	161,479	(308)	140,181
Sheriff	6,033,857	5,973,095	60,762	5,895,189
Support Services	376,871	361,493	15,378	302,144
Civil defense	20,500	18,861	1,639	4,281
Total public safety	<u>7,720,951</u>	<u>7,598,159</u>	<u>122,792</u>	<u>7,295,477</u>
Public Works:				
Administration	254,250	230,586	23,664	215,671
Street maintenance	1,716,935	1,604,085	112,850	2,143,953
Graffiti removal	10,100	11,704	(1,604)	10,236
Lighting and landscaping	626,875	509,449	117,426	418,407
Maintenance	1,166,824	1,077,929	88,895	980,375
Total public works	<u>3,774,984</u>	<u>3,433,753</u>	<u>341,231</u>	<u>3,768,642</u>
Community Development:				
Administration	263,076	208,980	54,096	194,098
Planning	368,176	398,046	(29,870)	215,948
Building and safety -				
L.A. County contract	20,000	35,120	(15,120)	14,057
Farmers' market	18,413	15,627	2,786	13,859
Community promotion	479,854	476,038	3,816	243,865
Human services	26,600	26,600	-	25,600
Code enforcement	182,103	184,477	(2,374)	103,872
Total community development	<u>1,358,222</u>	<u>1,344,888</u>	<u>13,334</u>	<u>811,299</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
<b>Expenditures - continued</b>				
Parks and Recreation:				
Administration	\$ 665,583	\$ 607,116	\$ 58,467	\$ 388,489
Simms park	422,145	392,562	29,583	346,371
Thompson park	285,299	279,797	5,502	243,849
Caruthers park	254,201	251,895	2,306	208,917
Aquatic center	336,982	301,169	35,813	282,500
Civic center	73,471	58,245	15,226	51,772
City-school recreation	249,872	192,591	57,281	213,414
Youth-teen program	189,986	121,050	68,936	113,709
Carpenter house	500	-	500	-
Batting cages	8,472	7,360	1,112	4,909
Preschool program	31,403	30,816	587	26,725
Share tri-cities	26,947	28,063	(1,116)	25,337
Total parks and recreation	<u>2,544,861</u>	<u>2,270,664</u>	<u>274,197</u>	<u>1,905,992</u>
Capital Outlay:				
Capital outlay	<u>2,080,885</u>	<u>1,342,142</u>	<u>738,743</u>	<u>829,864</u>
Total expenditures	<u>20,369,470</u>	<u>18,725,502</u>	<u>1,643,968</u>	<u>17,191,620</u>
Excess of revenues over (under) expenditures	<u>(2,777,950)</u>	<u>333,136</u>	<u>3,111,086</u>	<u>1,615,950</u>
Other Financing Sources (Uses):				
Operating transfers in	1,369,276	2,081,580	712,304	1,675,714
Operating transfers out	<u>(563,154)</u>	<u>(558,851)</u>	<u>4,303</u>	<u>(815,610)</u>
Total other financing sources (uses)	<u>806,122</u>	<u>1,522,729</u>	<u>716,607</u>	<u>860,104</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (1,971,828)</u>	1,855,865	<u>\$ 3,827,693</u>	2,476,054
Fund balance - July 1		<u>13,076,405</u>		<u>10,600,351</u>
Fund balance - June 30		<u>\$ 14,932,270</u>		<u>\$ 13,076,405</u>

**CITY OF BELLFLOWER**  
**SPECIAL REVENUE FUNDS EXPLANATORY COMMENTS**  
**June 30, 2002**

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, 2002**

**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.

With the sale of the entire water system in fiscal year 2000-01, there are no activities associated with this fund beginning with the fiscal year 2001-02.

**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 Grant (LLEBG) 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, 2002**  
**with Comparative Totals for June 30, 2001**

	<u>Bikeway Fund</u>	<u>Drug Forfeiture Fund</u>	<u>Transportation Fund</u>	<u>Proposition C Fund</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ -	\$ -	\$ 458,616	\$ 1,080,624
Accounts receivable - net	31,928	23,306	114,847	-
Interest receivable	-	-	3,922	7,683
Prepaid expenditures	-	-	27,526	25,895
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 31,928</u>	<u>\$ 23,306</u>	<u>\$ 604,911</u>	<u>\$ 1,114,202</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 55,180	\$ 29,975
Accrued expenditures	-	-	10,187	9,753
Due to other funds	31,928	7,655	-	-
Deferred revenue	-	-	-	-
Fund Balances:				
Reserved:				
Prepaid expenditures	-	-	27,526	25,895
Unreserved:				
Designated for special revenue purposes	-	15,651	512,018	1,048,579
Undesignated	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 31,928</u>	<u>\$ 23,306</u>	<u>\$ 604,911</u>	<u>\$ 1,114,202</u>

Gas Tax Fund	Traffic Congestion Fund	AQMD Fund	Sewer Reconstruction Fund	Water Operating Fund
\$ -	\$ 179,772	\$ 84,148	\$ 350,325	\$ -
133,890	16,229	22,937	-	-
-	1,434	271	2,573	-
-	-	-	-	-
<u>\$ 133,890</u>	<u>\$ 197,435</u>	<u>\$ 107,356</u>	<u>\$ 352,898</u>	<u>\$ -</u>

\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
133,890	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	197,435	107,356	352,898	-
-	-	-	-	-
<u>\$ 133,890</u>	<u>\$ 197,435</u>	<u>\$ 107,356</u>	<u>\$ 352,898</u>	<u>\$ -</u>

Continued

**CITY OF BELLFLOWER**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**June 30, 2002**  
**with Comparative Totals for June 30, 2001**

	Lighting Assessment Fund	Parking District No. 1 Fund	Building and Safety Fund	FED-COPS Grant Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ -	\$ 2,207	\$ 33,566	\$ 224,624
Accounts receivable - net	81	87	-	-
Interest receivable	-	-	-	1,690
Prepaid expenditures	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 81</u>	<u>\$ 2,294</u>	<u>\$ 33,566</u>	<u>\$ 226,314</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:				
Accounts payable	\$ -	\$ 1,477	\$ 28,883	\$ 37,862
Accrued expenditures	-	817	4,683	-
Due to other funds	81	-	-	-
Deferred revenue	-	-	-	188,452
Fund Balances:				
Reserved:				
Prepaid expenditures	-	-	-	-
Unreserved:				
Designated for special revenue purposes	-	-	-	-
Undesignated	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 81</u>	<u>\$ 2,294</u>	<u>\$ 33,566</u>	<u>\$ 226,314</u>

CA-COPS Grant Fund	Totals	
	2002	2001
\$ 38,078	\$ 2,451,960	\$ 2,850,329
-	343,305	539,564
767	18,340	35,459
-	53,421	46,655
<u>\$ 38,845</u>	<u>\$ 2,867,026</u>	<u>\$ 3,472,007</u>

\$ 36,985	\$ 190,362	\$ 521,315
16	25,456	23,682
-	173,554	231,075
-	188,452	184,266
-	53,421	46,655
1,844	2,235,781	2,468,220
-	-	(3,206)
<u>\$ 38,845</u>	<u>\$ 2,867,026</u>	<u>\$ 3,472,007</u>

**CITY OF BELLFLOWER**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>Bikeway Fund</u>	<u>Drug Forfeiture Fund</u>	<u>Transportation Fund</u>	<u>Proposition C Fund</u>
Revenues:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Investment revenue	-	53	21,847	36,363
Intergovernmental revenue	31,928	23,837	954,965	792,071
Charges for current services	-	-	-	-
Other revenues	-	-	3,570	-
	<u>31,928</u>	<u>23,890</u>	<u>980,382</u>	<u>828,434</u>
Total revenues	<u>31,928</u>	<u>23,890</u>	<u>980,382</u>	<u>828,434</u>
Expenditures:				
Current:				
Public safety	-	10,000	-	-
Public works	-	-	1,050,122	677,747
Community development	-	-	-	-
Public utilities	-	-	-	-
Capital outlay	31,928	-	-	40,191
	<u>31,928</u>	<u>10,000</u>	<u>1,050,122</u>	<u>717,938</u>
Total expenditures	<u>31,928</u>	<u>10,000</u>	<u>1,050,122</u>	<u>717,938</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>13,890</u>	<u>(69,740)</u>	<u>110,496</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>13,890</u>	<u>(69,740)</u>	<u>110,496</u>
Fund balances - July 1	<u>-</u>	<u>1,761</u>	<u>609,284</u>	<u>963,978</u>
Fund balances - June 30	<u>\$ -</u>	<u>\$ 15,651</u>	<u>\$ 539,544</u>	<u>\$ 1,074,474</u>

Gas Tax Fund	Traffic Congestion Fund	AQMD Fund	Sewer Reconstruction Fund	Water Operating Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	15,410	2,725	12,561	-
1,377,557	186,501	134,974	-	-
-	-	-	-	-
-	-	3,474	-	-
<u>1,377,557</u>	<u>201,911</u>	<u>141,173</u>	<u>12,561</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	512,428	119,193	-	-
<u>-</u>	<u>512,428</u>	<u>119,193</u>	<u>-</u>	<u>-</u>
<u>1,377,557</u>	<u>(310,517)</u>	<u>21,980</u>	<u>12,561</u>	<u>-</u>
-	-	-	-	-
(1,377,557)	-	-	-	-
<u>(1,377,557)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(310,517)	21,980	12,561	-
-	507,952	85,376	340,337	-
<u>\$ -</u>	<u>\$ 197,435</u>	<u>\$ 107,356</u>	<u>\$ 352,898</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**  
**(Continued)**

	Lighting Assessment Fund	Parking District No. 1 Fund	Building and Safety Fund	FED-COPS Grant Fund
Revenues:				
Licenses and permits	\$ -	\$ -	\$ 611,551	\$ -
Investment revenue	-	-	-	9,258
Intergovernmental revenue	-	-	-	196,124
Charges for current services	2,160	8,501	-	-
Other revenues	-	-	-	-
Total revenues	<u>2,160</u>	<u>8,501</u>	<u>611,551</u>	<u>205,382</u>
Expenditures:				
Current:				
Public safety	-	-	-	227,173
Public works	-	37,565	-	-
Community development	-	-	320,984	-
Public utilities	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>37,565</u>	<u>320,984</u>	<u>227,173</u>
Excess of revenues over (under) expenditures	<u>2,160</u>	<u>(29,064)</u>	<u>290,567</u>	<u>(21,791)</u>
Other Financing Sources (Uses):				
Operating transfers in	-	29,064	-	21,791
Operating transfers out	<u>(2,160)</u>	<u>-</u>	<u>(290,567)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,160)</u>	<u>29,064</u>	<u>(290,567)</u>	<u>21,791</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	
	2002	2001
\$ -	\$ 611,551	\$ 614,717
4,813	103,030	151,326
149,798	3,847,755	3,875,188
-	10,661	1,134,083
-	7,044	2,856
<u>154,611</u>	<u>4,580,041</u>	<u>5,778,170</u>
155,748	392,921	470,716
-	1,765,434	1,419,574
-	320,984	277,060
-	-	1,224,250
-	703,740	76,439
<u>155,748</u>	<u>3,183,079</u>	<u>3,468,039</u>
<u>(1,137)</u>	<u>1,396,962</u>	<u>2,310,131</u>
-	50,855	309,804
-	(1,670,284)	(1,608,530)
<u>-</u>	<u>(1,619,429)</u>	<u>(1,298,726)</u>
(1,137)	(222,467)	1,011,405
<u>2,981</u>	<u>2,511,669</u>	<u>1,500,264</u>
<u>\$ 1,844</u>	<u>\$ 2,289,202</u>	<u>\$ 2,511,669</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 100	\$ -	\$ (100)	\$ -
Intergovernmental revenue	23,900	31,928	8,028	32,845
Total revenues	<u>24,000</u>	<u>31,928</u>	<u>7,928</u>	<u>32,845</u>
Expenditures:				
Capital outlay	24,000	31,928	(7,928)	32,845
Total expenditures	<u>24,000</u>	<u>31,928</u>	<u>(7,928)</u>	<u>32,845</u>
Excess of revenues over (under) expenditures	<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**  
**DRUG FORFEITURE FUND**

**For the Fiscal Year Ended June 30, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 300	\$ 53	\$ (247)	\$ 506
Intergovernmental revenue	<u>10,000</u>	<u>23,837</u>	<u>13,837</u>	<u>6,321</u>
Total revenues	<u>10,300</u>	<u>23,890</u>	<u>13,590</u>	<u>6,827</u>
Expenditures:				
Public safety	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess of revenues over (under) expenditures	<u>\$ 300</u>	13,890	<u>\$ 13,590</u>	(3,173)
Fund balance - July 1		<u>1,761</u>		<u>4,934</u>
Fund balance - June 30		<u>\$ 15,651</u>		<u>\$ 1,761</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 25,000	\$ 21,847	\$ (3,153)	\$ 32,683
Intergovernmental revenue	850,000	954,965	104,965	876,570
Other revenue	-	3,570	3,570	-
Total revenues	<u>875,000</u>	<u>980,382</u>	<u>105,382</u>	<u>909,253</u>
Expenditures:				
Public works	<u>1,083,146</u>	<u>1,050,122</u>	<u>33,024</u>	<u>749,446</u>
Total expenditures	<u>1,083,146</u>	<u>1,050,122</u>	<u>33,024</u>	<u>749,446</u>
Excess of revenues over (under) expenditures	<u>\$ (208,146)</u>	(69,740)	<u>\$ 138,406</u>	159,807
Fund balance - July 1		<u>609,284</u>		<u>449,477</u>
Fund balance - June 30		<u>\$ 539,544</u>		<u>\$ 609,284</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 10,000	\$ 36,363	\$ 26,363	\$ 54,624
Intergovernmental revenue	710,000	792,071	82,071	727,976
Other revenue	-	-	-	500
Total revenues	<u>720,000</u>	<u>828,434</u>	<u>108,434</u>	<u>783,100</u>
Expenditures:				
Public works	701,921	677,747	24,174	639,867
Capital outlay	<u>684,600</u>	<u>40,191</u>	<u>644,409</u>	<u>43,594</u>
Total expenditures	<u>1,386,521</u>	<u>717,938</u>	<u>668,583</u>	<u>683,461</u>
Excess of revenues over (under) expenditures	<u>\$ (666,521)</u>	110,496	<u>\$ 777,017</u>	99,639
Fund balance - July 1		<u>963,978</u>		<u>864,339</u>
Fund balance - June 30		<u>\$ 1,074,474</u>		<u>\$ 963,978</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Intergovernmental revenue	\$ 1,236,500	\$ 1,377,557	\$ 141,057	\$ 1,266,283
Total revenues	<u>1,236,500</u>	<u>1,377,557</u>	<u>141,057</u>	<u>1,266,283</u>
Excess of revenues over (under) expenditures	<u>1,236,500</u>	<u>1,377,557</u>	<u>141,057</u>	<u>1,266,283</u>
Other Financing Sources (Uses):				
Operating transfers out	<u>(1,236,500)</u>	<u>(1,377,557)</u>	<u>(141,057)</u>	<u>(1,266,283)</u>
Total other financing sources (uses)	<u>(1,236,500)</u>	<u>(1,377,557)</u>	<u>(141,057)</u>	<u>(1,266,283)</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 15,000	\$ 15,410	\$ 410	\$ 20,802
Intergovernmental revenue	<u>206,000</u>	<u>186,501</u>	<u>(19,499)</u>	<u>487,150</u>
Total revenues	<u>221,000</u>	<u>201,911</u>	<u>(19,089)</u>	<u>507,952</u>
Expenditures:				
Capital outlay	<u>510,000</u>	<u>512,428</u>	<u>2,428</u>	<u>-</u>
Total expenditures	<u>510,000</u>	<u>512,428</u>	<u>2,428</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>\$ (289,000)</u>	(310,517)	<u>\$ (21,517)</u>	507,952
Fund balance - July 1		<u>507,952</u>		<u>-</u>
Fund balance - June 30		<u>\$ 197,435</u>		<u>\$ 507,952</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 150	\$ 2,725	\$ 2,575	\$ 1,469
Intergovernmental revenue	125,000	134,974	9,974	75,911
Other revenue	-	3,474	3,474	2,056
Total revenues	<u>125,150</u>	<u>141,173</u>	<u>16,023</u>	<u>79,436</u>
Expenditures:				
Public works	-	-	-	4,195
Capital outlay	<u>194,000</u>	<u>119,193</u>	<u>74,807</u>	<u>-</u>
Total expenditures	<u>194,000</u>	<u>119,193</u>	<u>74,807</u>	<u>4,195</u>
Excess of revenues over (under) expenditures	<u>\$ (68,850)</u>	21,980	<u>\$ 90,830</u>	75,241
Fund balance - July 1		<u>85,376</u>		<u>10,135</u>
Fund balance - June 30		<u>\$ 107,356</u>		<u>\$ 85,376</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 15,000	\$ 12,561	\$ (2,439)	\$ 20,027
Total revenues	<u>15,000</u>	<u>12,561</u>	<u>(2,439)</u>	<u>20,027</u>
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>\$ 15,000</u>	12,561	<u>\$ (2,439)</u>	20,027
Fund balance - July 1		<u>340,337</u>		<u>320,310</u>
Fund balance - June 30		<u>\$ 352,898</u>		<u>\$ 340,337</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Charges for current services	\$ -	\$ -	\$ -	\$ 1,121,354
Total revenues	-	-	-	1,121,354
Expenditures:				
Public utilities	-	-	-	1,224,250
Total expenditures	-	-	-	1,224,250
Excess of revenues over (under) expenditures	-	-	-	(102,896)
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	263,661
Total other financing sources (uses)	-	-	-	263,661
Excess of revenues and other sources over (under) expenditures and other uses	\$ -	-	\$ -	160,765
Fund balance - July 1		-		(160,765)
Fund balance - June 30		\$ -		\$ -

**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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues:				
Charges for current services	\$ -	\$ 2,160	\$ 2,160	\$ 4,590
Total revenues	<u>-</u>	<u>2,160</u>	<u>2,160</u>	<u>4,590</u>
Expenditures:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>2,160</u>	<u>2,160</u>	<u>4,590</u>
Other Financing Sources (Uses):				
Operating transfers out	-	(2,160)	(2,160)	(4,590)
Total other financing sources (uses)	<u>-</u>	<u>(2,160)</u>	<u>(2,160)</u>	<u>(4,590)</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**  
**PARKING DISTRICT NO. 1 FUND**  
**For the Fiscal Year Ended June 30, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Charges for current services	\$ 7,600	\$ 8,501	\$ 901	\$ 8,139
Total revenues	<u>7,600</u>	<u>8,501</u>	<u>901</u>	<u>8,139</u>
Expenditures:				
Public works	<u>38,829</u>	<u>37,565</u>	<u>1,264</u>	<u>26,066</u>
Total expenditures	<u>38,829</u>	<u>37,565</u>	<u>1,264</u>	<u>26,066</u>
Excess of revenues over (under) expenditures	<u>(31,229)</u>	<u>(29,064)</u>	<u>2,165</u>	<u>(17,927)</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>31,229</u>	<u>29,064</u>	<u>(2,165)</u>	<u>17,927</u>
Total other financing sources (uses)	<u>31,229</u>	<u>29,064</u>	<u>(2,165)</u>	<u>17,927</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Licenses and permits	\$ 454,500	\$ 611,551	\$ 157,051	\$ 614,717
Total revenues	<u>454,500</u>	<u>611,551</u>	<u>157,051</u>	<u>614,717</u>
Expenditures:				
Community development	388,908	320,984	67,924	277,060
Total expenditures	<u>388,908</u>	<u>320,984</u>	<u>67,924</u>	<u>277,060</u>
Excess of revenues over (under) expenditures	<u>65,592</u>	<u>290,567</u>	<u>224,975</u>	<u>337,657</u>
Other Financing Sources (Uses):				
Operating transfers out	<u>(65,592)</u>	<u>(290,567)</u>	<u>(224,975)</u>	<u>(337,657)</u>
Total other financing sources (uses)	<u>(65,592)</u>	<u>(290,567)</u>	<u>(224,975)</u>	<u>(337,657)</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, 2002

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

	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Investment revenue	\$ 6,000	\$ 9,258	\$ 3,258	\$ 11,840
Intergovernmental revenue	200,120	196,124	(3,996)	253,944
Total revenues	<u>206,120</u>	<u>205,382</u>	<u>(738)</u>	<u>265,784</u>
Expenditures:				
Public safety	<u>227,173</u>	<u>227,173</u>	<u>-</u>	<u>294,000</u>
Total expenditures	<u>227,173</u>	<u>227,173</u>	<u>-</u>	<u>294,000</u>
Excess of revenues over (under) expenditures	<u>(21,053)</u>	<u>(21,791)</u>	<u>(738)</u>	<u>(28,216)</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>22,240</u>	<u>21,791</u>	<u>(449)</u>	<u>28,216</u>
Total other financing sources (uses)	<u>22,240</u>	<u>21,791</u>	<u>(449)</u>	<u>28,216</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ 1,187</u>	-	<u>\$ (1,187)</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**

**CA - COPS GRANT FUND**

For the Fiscal Year Ended June 30, 2002

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

	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Investment revenue	\$ 3,000	\$ 4,813	\$ 1,813	\$ 9,375
Intergovernmental revenue	150,000	149,798	(202)	148,188
Other revenue	-	-	-	300
Total revenues	<u>153,000</u>	<u>154,611</u>	<u>1,611</u>	<u>157,863</u>
Expenditures:				
Public safety	<u>152,227</u>	<u>155,748</u>	<u>(3,521)</u>	<u>166,716</u>
Total expenditures	<u>152,227</u>	<u>155,748</u>	<u>(3,521)</u>	<u>166,716</u>
Excess of revenues over (under) expenditures	<u>\$ 773</u>	(1,137)	<u>\$ (1,910)</u>	(8,853)
Fund balance - July 1		<u>2,981</u>		<u>11,834</u>
Fund balance - June 30		<u>\$ 1,844</u>		<u>\$ 2,981</u>



**CITY OF BELLFLOWER**  
**CAPITAL PROJECTS FUNDS EXPLANATORY COMMENTS**  
**June 30, 2002**

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.

**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, 2002**  
**with Comparative Totals for June 30, 2001**

	<u>Capital Projects Fund</u>	<u>Redevelopment Agency Fund</u>	<u>Redevelopment Agency Housing Set-Aside Fund</u>	<u>CDBG Fund</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ -	\$ -	\$ 487	\$ 164,502
Cash and investments with fiscal agents	-	1	-	-
Accounts receivable - net	602,096	-	11,156	118,137
Due from other funds	-	-	-	-
Interest receivable	-	-	10	-
Notes/Contract receivable	-	647,620	126,456	2,107,262
Prepaid expenditures	-	-	-	20,302
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 602,096</u>	<u>\$ 647,621</u>	<u>\$ 138,109</u>	<u>\$ 2,410,203</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:				
Accounts payable	\$ 286,095	\$ 58,362	\$ -	\$ 76,866
Accrued expenditures	23,039	284,246	-	19,955
Due to other funds	251,551	-	-	41,617
Deferred revenue	-	647,620	126,456	2,271,765
Advances payable	-	1,158,145	-	-
Fund Balances:				
Reserved:				
Prepaid expenditures	-	-	-	20,302
Unreserved and undesignated	<u>41,411</u>	<u>(1,500,752)</u>	<u>11,653</u>	<u>(20,302)</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 602,096</u>	<u>\$ 647,621</u>	<u>\$ 138,109</u>	<u>\$ 2,410,203</u>

Home Fund	Totals	
	2002	2001
\$ -	\$ 164,989	\$ 1,188,481
-	1	967,031
196,084	927,473	765,165
-	-	13,747
-	10	12,509
1,914,553	4,795,891	3,219,416
1,144	21,446	16,276
<u>\$ 2,111,781</u>	<u>\$ 5,909,810</u>	<u>\$ 6,182,625</u>

\$ 42,623	\$ 463,946	\$ 386,824
3,165	330,405	131,475
151,440	444,608	364,152
1,914,553	4,960,394	3,394,020
-	1,158,145	1,722,912
1,144	21,446	16,276
(1,144)	(1,469,134)	166,966
<u>\$ 2,111,781</u>	<u>\$ 5,909,810</u>	<u>\$ 6,182,625</u>

**CITY OF BELLFLOWER**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**For the Fiscal Year Ended June 30, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>Capital Projects Fund</u>	<u>Redevelopment Agency Fund</u>	<u>Redevelopment Agency Housing Set-Aside Fund</u>	<u>CDBG Fund</u>
Revenues:				
Taxes	\$ -	\$ -	\$ 185,546	\$ -
Investment revenue	-	9,398	14,893	148,419
Intergovernmental revenue	493,478	-	-	1,156,247
Other revenues	120,096	-	11,254	23,393
Total revenues	<u>613,574</u>	<u>9,398</u>	<u>211,693</u>	<u>1,328,059</u>
Expenditures:				
Current:				
General government	-	-	-	-
Community development	-	1,114,883	-	1,317,141
Capital outlay	733,627	1,456,068	4,209	10,918
Total expenditures	<u>733,627</u>	<u>2,570,951</u>	<u>4,209</u>	<u>1,328,059</u>
Excess of revenues over (under) expenditures	<u>(120,053)</u>	<u>(2,561,553)</u>	<u>207,484</u>	<u>-</u>
Other Financing Sources (Uses):				
Operating transfers in	-	958,907	-	-
Operating transfers out	-	-	(53,866)	-
Total other financing sources (uses)	<u>-</u>	<u>958,907</u>	<u>(53,866)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(120,053)</u>	<u>(1,602,646)</u>	<u>153,618</u>	<u>-</u>
Fund balances - July 1	<u>161,464</u>	<u>101,894</u>	<u>(141,965)</u>	<u>-</u>
Fund balances - June 30	<u>\$ 41,411</u>	<u>\$ (1,500,752)</u>	<u>\$ 11,653</u>	<u>\$ -</u>

Continued

Home Fund	Totals	
	2002	2001
\$ -	\$ 185,546	\$ 130,583
36,033	208,743	207,457
1,344,759	2,994,484	2,112,661
-	154,743	209,645
<u>1,380,792</u>	<u>3,543,516</u>	<u>2,660,346</u>
-	-	107
105,373	2,537,397	1,961,432
<u>1,337,268</u>	<u>3,542,090</u>	<u>2,608,586</u>
<u>1,442,641</u>	<u>6,079,487</u>	<u>4,570,125</u>
<u>(61,849)</u>	<u>(2,535,971)</u>	<u>(1,909,779)</u>
-	958,907	243,117
-	<u>(53,866)</u>	<u>(40,618)</u>
-	<u>905,041</u>	<u>202,499</u>
(61,849)	(1,630,930)	(1,707,280)
<u>61,849</u>	<u>183,242</u>	<u>1,890,522</u>
<u>\$ -</u>	<u>\$ (1,447,688)</u>	<u>\$ 183,242</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Intergovernmental revenue	\$ 3,049,100	\$ 493,478	\$ (2,555,622)	\$ 556,725
Other revenues	1,984	120,096	118,112	185,701
Total revenues	<u>3,051,084</u>	<u>613,574</u>	<u>(2,437,510)</u>	<u>742,426</u>
Expenditures:				
Capital outlay	<u>3,060,300</u>	<u>733,627</u>	<u>2,326,673</u>	<u>707,684</u>
Total expenditures	<u>3,060,300</u>	<u>733,627</u>	<u>2,326,673</u>	<u>707,684</u>
Excess of revenues over (under) expenditures	<u>(9,216)</u>	<u>(120,053)</u>	<u>(110,837)</u>	<u>34,742</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,742</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,742</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (9,216)</u>	<u>(120,053)</u>	<u>\$ (110,837)</u>	<u>46,484</u>
Fund balance - July 1		<u>161,464</u>		<u>114,980</u>
Fund balance - June 30		<u>\$ 41,411</u>		<u>\$ 161,464</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ -	\$ 9,398	\$ 9,398	\$ 69,583
Other revenues	-	-	-	22
Total revenues	<u>-</u>	<u>9,398</u>	<u>9,398</u>	<u>69,605</u>
Expenditures:				
Community development	1,145,212	1,114,883	30,329	231,375
Capital outlay	<u>2,108,774</u>	<u>1,456,068</u>	<u>652,706</u>	<u>849,827</u>
Total expenditures	<u>3,253,986</u>	<u>2,570,951</u>	<u>683,035</u>	<u>1,081,202</u>
Excess of revenues over (under) expenditures	<u>(3,253,986)</u>	<u>(2,561,553)</u>	<u>692,433</u>	<u>(1,011,597)</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>690,574</u>	<u>958,907</u>	<u>268,333</u>	<u>231,375</u>
Total other financing sources (uses)	<u>690,574</u>	<u>958,907</u>	<u>268,333</u>	<u>231,375</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (2,563,412)</u>	(1,602,646)	<u>\$ 960,766</u>	(780,222)
Fund balance - July 1		<u>101,894</u>		<u>882,116</u>
Fund balance - June 30		<u>\$ (1,500,752)</u>		<u>\$ 101,894</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Taxes	\$ 149,800	\$ 185,546	\$ 35,746	\$ 130,583
Investment revenue	5,000	14,893	9,893	52,713
Other revenue	-	11,254	11,254	-
Total revenues	<u>154,800</u>	<u>211,693</u>	<u>56,893</u>	<u>183,296</u>
Expenditures:				
General government	1,000	-	1,000	107
Capital outlay	-	4,209	(4,209)	1,051,075
Total expenditures	<u>1,000</u>	<u>4,209</u>	<u>(3,209)</u>	<u>1,051,182</u>
Excess of revenues over (under) expenditures	<u>153,800</u>	<u>207,484</u>	<u>53,684</u>	<u>(867,886)</u>
Other Financing Sources (Uses):				
Operating transfers out	<u>(43,236)</u>	<u>(53,866)</u>	<u>(10,630)</u>	<u>(40,618)</u>
Total other financing sources (uses)	<u>(43,236)</u>	<u>(53,866)</u>	<u>(10,630)</u>	<u>(40,618)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ 110,564</u>	153,618	<u>\$ 43,054</u>	(908,504)
Fund balance - July 1		<u>(141,965)</u>		<u>766,539</u>
Fund balance - June 30		<u>\$ 11,653</u>		<u>\$ (141,965)</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Investment revenue	\$ 50,000	\$ 148,419	\$ 98,419	\$ 78,853
Intergovernmental revenue	2,000,412	1,156,247	(844,165)	1,497,365
Other revenues	-	23,393	23,393	23,922
Total revenues	<u>2,050,412</u>	<u>1,328,059</u>	<u>(722,353)</u>	<u>1,600,140</u>
Expenditures:				
Community development	1,757,036	1,317,141	439,895	1,600,140
Capital outlay	11,000	10,918	82	-
Total expenditures	<u>1,768,036</u>	<u>1,328,059</u>	<u>439,977</u>	<u>1,600,140</u>
Excess of revenues over (under) expenditures	<u>\$ 282,376</u>	-	<u>\$ (282,376)</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**  
**HOME FUND**  
**For the Fiscal Year Ended June 30, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>		Variance Favorable (Unfavorable)	<u>2001</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Investment revenue	\$ 5,000	\$ 36,033	\$ 31,033	\$ 6,308
Intergovernmental revenue	<u>2,080,612</u>	<u>1,344,759</u>	<u>(735,853)</u>	<u>58,571</u>
Total revenues	<u>2,085,612</u>	<u>1,380,792</u>	<u>(704,820)</u>	<u>64,879</u>
Expenditures:				
Community development	134,785	105,373	29,412	129,917
Capital outlay	<u>1,639,416</u>	<u>1,337,268</u>	<u>302,148</u>	<u>-</u>
Total expenditures	<u>1,774,201</u>	<u>1,442,641</u>	<u>331,560</u>	<u>129,917</u>
Excess of revenues over (under) expenditures	<u>\$ 311,411</u>	(61,849)	<u>\$ (373,260)</u>	(65,038)
Fund balance - July 1		<u>61,849</u>		<u>126,887</u>
Fund balance - June 30		<u>\$ -</u>		<u>\$ 61,849</u>

**CITY OF BELLFLOWER**  
**DEBT SERVICE FUNDS EXPLANATORY COMMENTS**  
**June 30, 2002**

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, 2002

with Comparative Totals for June 30, 2001

	Public Facilities Corporation Debt Service Fund	Redevelopment Agency Debt Service Fund	Totals	
			2002	2001
<b><u>ASSETS</u></b>				
Cash and investments	\$ -	\$ -	\$ -	\$ 667,516
Cash and investments with fiscal agents	37	215,080	215,117	563,438
Accounts receivable - net	-	44,622	44,622	-
Interest receivable	-	665	665	11,301
	-	665	665	11,301
Total assets	\$ 37	\$ 260,367	\$ 260,404	\$ 1,242,255
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ -	\$ 4,626	\$ 4,626	\$ 221,527
Due to other funds	-	40,661	40,661	13,746
Fund Balances:				
Reserves:				
Debt service	37	215,080	215,117	1,006,982
Total liabilities and fund balances	\$ 37	\$ 260,367	\$ 260,404	\$ 1,242,255

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

**For the Fiscal Year Ended June 30, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	Public Facilities Corporation Debt Service Fund	Redevelopment Agency Debt Service Fund	<u>Totals</u>	
			<u>2002</u>	<u>2001</u>
Revenues:				
Taxes	\$ -	\$ 711,624	\$ 711,624	\$ 500,767
Investment revenue	5,830	22,952	28,782	89,316
Total revenues	<u>5,830</u>	<u>734,576</u>	<u>740,406</u>	<u>590,083</u>
Expenditures:				
Debt service	508,685	215,245	723,930	724,267
Total expenditures	<u>508,685</u>	<u>215,245</u>	<u>723,930</u>	<u>724,267</u>
Excess of revenues over (under) expenditures	<u>(502,855)</u>	<u>519,331</u>	<u>16,476</u>	<u>(134,184)</u>
Other Financing Sources (Uses):				
Operating transfers in	507,996	42,613	550,609	546,423
Operating transfers out	(344,113)	(1,014,837)	(1,358,950)	(310,300)
Total other financing sources (uses)	<u>163,883</u>	<u>(972,224)</u>	<u>(808,341)</u>	<u>236,123</u>
Excess of revenues and other sources over (under) expenditures and other uses	(338,972)	(452,893)	(791,865)	101,939
Fund balances - July 1	<u>339,009</u>	<u>667,973</u>	<u>1,006,982</u>	<u>905,043</u>
Fund balances - June 30	<u>\$ 37</u>	<u>\$ 215,080</u>	<u>\$ 215,117</u>	<u>\$ 1,006,982</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues:				
Investment revenue	\$ -	\$ 5,830	\$ 5,830	\$ 19,470
Total revenues	-	5,830	5,830	19,470
Expenditures:				
Debt service	509,685	508,685	1,000	507,235
Total expenditures	509,685	508,685	1,000	507,235
Excess of revenues over (under) expenditures	(509,685)	(502,855)	6,830	(487,765)
Other Financing Sources (Uses):				
Operating transfers in	509,685	507,996	(1,689)	505,805
Operating transfers out	(348,000)	(344,113)	3,887	(11,742)
Total other financing sources (uses)	161,685	163,883	2,198	494,063
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (348,000)</u>	(338,972)	<u>\$ 9,028</u>	6,298
Fund balance - July 1		<u>339,009</u>		<u>332,711</u>
Fund balance - June 30		<u>\$ 37</u>		<u>\$ 339,009</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, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Taxes	\$ 573,200	\$ 711,624	\$ 138,424	\$ 500,767
Investment revenue	9,500	22,952	13,452	69,846
Total revenues	<u>582,700</u>	<u>734,576</u>	<u>151,876</u>	<u>570,613</u>
Expenditures:				
Debt Service	<u>216,178</u>	<u>215,245</u>	<u>933</u>	<u>217,032</u>
Total expenditures	<u>216,178</u>	<u>215,245</u>	<u>933</u>	<u>217,032</u>
Excess of revenues over (under) expenditures	<u>366,522</u>	<u>519,331</u>	<u>152,809</u>	<u>353,581</u>
Other Financing Sources (Uses):				
Operating transfers in	43,236	42,613	(623)	40,618
Operating transfers out	<u>(409,758)</u>	<u>(1,014,837)</u>	<u>(605,079)</u>	<u>(298,558)</u>
Total other financing sources (uses)	<u>(366,522)</u>	<u>(972,224)</u>	<u>(605,702)</u>	<u>(257,940)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>(452,893)</u>	<u>\$ (452,893)</u>	<u>95,641</u>
Fund balance - July 1		<u>667,973</u>		<u>572,332</u>
Fund balance - June 30		<u>\$ 215,080</u>		<u>\$ 667,973</u>

**CITY OF BELLFLOWER**  
**INTERNAL SERVICE FUND EXPLANATORY COMMENTS**  
**June 30, 2002**

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, 2002**  
**with Comparative Totals for June 30, 2001**

	Equipment Replacement Fund	Totals	
		2002	2001
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 1,017,452	\$ 1,017,452	\$ 624,068
Interest receivable	6,809	6,809	7,742
Total current assets	1,024,261	1,024,261	631,810
Fixed assets:			
Furniture and fixtures	84,886	84,886	71,497
Equipment	1,700,561	1,700,561	1,484,533
	1,785,447	1,785,447	1,556,030
Accumulated depreciation	(1,179,404)	(1,179,404)	(948,799)
Fixed assets (net of accumulated depreciation)	606,043	606,043	607,231
Total assets	\$ 1,630,304	\$ 1,630,304	\$ 1,239,041
 <b><u>LIABILITIES AND EQUITY</u></b>			
Current liabilities:			
Accounts payable	\$ 12,697	\$ 12,697	\$ 26,252
Total current liabilities	12,697	12,697	26,252
Equity:			
Contributed capital:			
General Fund	512,309	512,309	512,309
Retained earnings:			
Unreserved	1,105,298	1,105,298	700,480
Total equity	1,617,607	1,617,607	1,212,789
Total liabilities and equity	\$ 1,630,304	\$ 1,630,304	\$ 1,239,041

**CITY OF BELLFLOWER**  
**INTERNAL SERVICE FUND**  
**STATEMENT OF REVENUES,**  
**EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**For the Fiscal Year Ended June 30, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	Equipment Replacement Fund	Totals	
		2002	2001
Revenues:			
Department charges	\$ 648,549	\$ 648,549	\$ 452,383
Total operating revenues	<u>648,549</u>	<u>648,549</u>	<u>452,383</u>
Expenses:			
Administration	36,408	36,408	-
Depreciation	<u>244,366</u>	<u>244,366</u>	<u>246,113</u>
Total operating expenses	<u>280,774</u>	<u>280,774</u>	<u>246,113</u>
Operating income	<u>367,775</u>	<u>367,775</u>	<u>206,270</u>
Non-Operating Revenues and Expenses:			
Investment earnings	36,165	36,165	43,749
Gain (loss) on sale of fixed assets	<u>878</u>	<u>878</u>	<u>(26,610)</u>
Total non-operating revenues and expenses	<u>37,043</u>	<u>37,043</u>	<u>17,139</u>
Net income	404,818	404,818	223,409
Retained earnings - July 1	<u>700,480</u>	<u>700,480</u>	<u>477,071</u>
Retained earnings - June 30	<u>\$ 1,105,298</u>	<u>\$ 1,105,298</u>	<u>\$ 700,480</u>

**CITY OF BELLFLOWER**  
**INTERNAL SERVICE FUND**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2002**  
**with Comparative Totals for the Fiscal Year Ended June 30, 2001**

	Equipment Replacement Fund	Totals	
		2002	2001
Cash Flows from Operating Activities:			
Operating income	\$ 367,775	\$ 367,775	\$ 206,270
Adjustments to reconcile operating income to net cash provided (used):			
Depreciation	244,366	244,366	246,113
Increase (decrease) in accounts payable	<u>(13,555)</u>	<u>(13,555)</u>	<u>(20,399)</u>
Net cash provided by operating activities	<u>598,586</u>	<u>598,586</u>	<u>431,984</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisitions of fixed assets	(243,230)	(243,230)	(315,925)
Proceeds from sale of fixed assets	<u>930</u>	<u>930</u>	<u>2,952</u>
Net cash used by capital and related financing activities	<u>(242,300)</u>	<u>(242,300)</u>	<u>(312,973)</u>
Cash Flows from Investing Activities:			
Investment earnings	<u>37,098</u>	<u>37,098</u>	<u>41,421</u>
Net cash provided by investing activities	<u>37,098</u>	<u>37,098</u>	<u>41,421</u>
Net increase in cash and cash equivalents	393,384	393,384	160,432
Cash and cash equivalents at beginning of year	<u>624,068</u>	<u>624,068</u>	<u>463,636</u>
Cash and cash equivalents at end of year	<u>\$ 1,017,452</u>	<u>\$ 1,017,452</u>	<u>\$ 624,068</u>

**CITY OF BELLFLOWER**  
**AGENCY FUND EXPLANATORY COMMENTS**  
**June 30, 2002**

Agency funds are generally 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.

**CITY OF BELLFLOWER**  
**AGENCY FUND**  
**BALANCE SHEET**  
**June 30, 2002**  
**with Comparative Totals for June 30, 2001**

	Agency Fund	Totals	
		2002	2001
<b><u>ASSETS</u></b>			
Cash and investments	\$ 329,115	\$ 329,115	\$ 248,758
 <b><u>LIABILITIES</u></b>			
Deposits payable	\$ 329,115	\$ 329,115	\$ 248,758

**CITY OF BELLFLOWER**  
**AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**For the Fiscal Year ended June 30, 2002**

	<u>Balance</u> <u>July 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30</u>
<b><u>Agency Fund</u></b>				
Assets:				
Cash and investments	<u>\$ 248,758</u>	<u>\$ 122,072</u>	<u>\$ 41,715</u>	<u>\$ 329,115</u>
Liabilities:				
Deposits payable	<u>\$ 248,758</u>	<u>\$ 122,072</u>	<u>\$ 41,715</u>	<u>\$ 329,115</u>

**CITY OF BELLFLOWER**  
**ACCOUNT GROUPS EXPLANATORY COMMENTS**  
**June 30, 2002**

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, 2002**  
**with Comparative Totals for June 30, 2001**

	2002	2001
<b>General Fixed Assets:</b>		
Land	\$ 8,712,745	\$ 8,514,443
Buildings and improvements	11,805,635	11,105,419
Machinery and equipment	3,162,317	2,849,975
Water rights	94,010	94,010
	\$ 23,774,707	\$ 22,563,847
 <b>Investment in General Fixed Assets:</b>		
General Fund	\$ 19,459,902	\$ 19,298,024
Special Capital Projects Fund	880,171	538,630
Local Law Enforcement Block Grant	73,064	73,064
CA-COPS Grant Fund	77,206	77,206
Transportation Fund	202,298	210,233
Proposition C Fund	273,971	141,626
AQMD Fund	646,658	555,037
CDBG Fund	620,744	615,362
Redevelopment Agency Fund	489,393	3,590
Redevelopment Agency Housing Set-Aside Fund	1,051,300	1,051,075
	\$ 23,774,707	\$ 22,563,847

**CITY OF BELLFLOWER**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**June 30, 2002**  
**with Comparative Totals for June 30, 2001**

	Land	Buildings and Improvements	Machinery and Equipment	Water Rights	Totals	
					2002	2001
General government	\$ 7,497,695	\$ 3,998,580	\$ 959,826	\$ 94,010	\$ 12,550,111	\$ 11,426,943
Public safety	-	-	415,845	-	415,845	397,488
Public works	-	413,480	1,067,721	-	1,481,201	1,418,732
Parks and recreation	163,750	7,393,575	622,390	-	8,179,715	8,180,663
Community development	1,051,300	-	96,535	-	1,147,835	1,140,021
 Total general fixed assets	 \$ 8,712,745	 \$ 11,805,635	 \$ 3,162,317	 \$ 94,010	 \$ 23,774,707	 \$ 22,563,847

**CITY OF BELLFLOWER**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Balance at July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30</u>
General government	\$ 11,426,943	\$ 1,138,473	\$ 15,305	\$ 12,550,111
Public safety	397,488	27,213	8,856	415,845
Public works	1,418,732	145,863	83,394	1,481,201
Parks and recreation	8,180,663	14,790	15,738	8,179,715
Community development	<u>1,140,021</u>	<u>7,814</u>	<u>-</u>	<u>1,147,835</u>
Total general fixed assets	<u>\$ 22,563,847</u>	<u>\$ 1,334,153</u>	<u>\$ 123,293</u>	<u>\$ 23,774,707</u>

**CITY OF BELLFLOWER**  
**SCHEDULE OF GENERAL LONG-TERM DEBT**  
**June 30, 2002**  
**with Comparative Totals for June 30, 2001**

	City of Bellflower	Bellflower Public Facilities Corporation	Bellflower Redevelopment Agency	Totals	
				2002	2001
<b>Amount Available and to be Provided for Payment of General Long-Term Debt</b>					
Amount available in debt service funds	\$ -	\$ 37	\$ 215,080	\$ 215,117	\$ 1,006,982
Amount to be provided	<u>700,127</u>	<u>5,639,963</u>	<u>1,809,920</u>	<u>8,150,010</u>	<u>7,514,833</u>
Total amount available and to be provided for payment of general long-term debt	<u>\$ 700,127</u>	<u>\$ 5,640,000</u>	<u>\$ 2,025,000</u>	<u>\$ 8,365,127</u>	<u>\$ 8,521,815</u>
General long-term debt (includes current portion of debt)					
Compensated absences	\$ 700,127	\$ -	\$ -	\$ 700,127	\$ 596,815
Certificates of participation	-	5,640,000	-	5,640,000	5,880,000
Tax allocation bonds	-	-	<u>2,025,000</u>	<u>2,025,000</u>	<u>2,045,000</u>
Total general long-term debt payable	<u>\$ 700,127</u>	<u>\$ 5,640,000</u>	<u>\$ 2,025,000</u>	<u>\$ 8,365,127</u>	<u>\$ 8,521,815</u>



**STATISTICAL SECTION  
(UNAUDITED)**

# CITY OF BELLFLOWER

## GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION Last Ten Fiscal Years

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Fiscal Year	General Government	Public Safety	Public Works (1)	Parks & Recreation	Community Development	Capital Outlay	Debt Service	Total
2001-02	\$ 2,735,896	\$ 7,991,080	\$ 5,199,187	\$ 2,270,664	\$ 4,203,269	\$ 5,587,972	\$ 723,930	\$ 28,711,998
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

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

(1) Includes pass-through water operations sold in May 2001.

SOURCE: City Finance Department

# CITY OF BELLFLOWER

## GENERAL GOVERNMENTAL REVENUES BY SOURCE Last Ten Fiscal Years

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Fiscal Year	Taxes	Licenses and permits	Fines and penalties	Investment revenue	Inter-governmental revenue	Charges for current services	Other	Total
2001-02	\$ 13,108,206	\$ 640,057	\$ 816,619	\$ 975,559	\$11,379,955	\$ 500,371	\$ 501,834	\$ 27,922,601
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

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
2001-02	\$ 5,523,843	\$ 2,818,491	\$ 2,452,283	\$ 1,241,640	\$ 505,666	\$ 438,995	\$ 127,288	\$ 13,108,206
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

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

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Fiscal Year	Lighting District No. 70	Vehicle Parking District No. 1	Total
2001-02	\$ 2,160	\$ 8,501	\$ 10,661
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

- 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 cease the lighting assessment by providing all related energy and maintenance costs out of the General Fund beginning with the fiscal year 1997-98. The amounts shown above for 1997-98 and subsequent fiscal years are delinquent taxes and related penalties and interest for 1996-97 and prior fiscal years.
  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

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Fiscal Year	Land	Improvements	Personal Property	Gross Value	Exemptions	Net Taxable Value	Percent Change	Assessed to Property Value
2001-02	\$1,131,802,098	\$1,423,226,763	\$77,724,389	2,632,753,250	\$141,341,517	\$2,491,411,733	5.66%	100%
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%

SOURCE: Los Angeles County Auditor-Controller

# CITY OF BELLFLOWER

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

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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)
2001-02	\$ 0.001128	\$ 0.001073	\$ 0.007700	\$ 0.024963	\$ 0.032329	\$ 0.055645	1.000000	\$ 1.122838
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

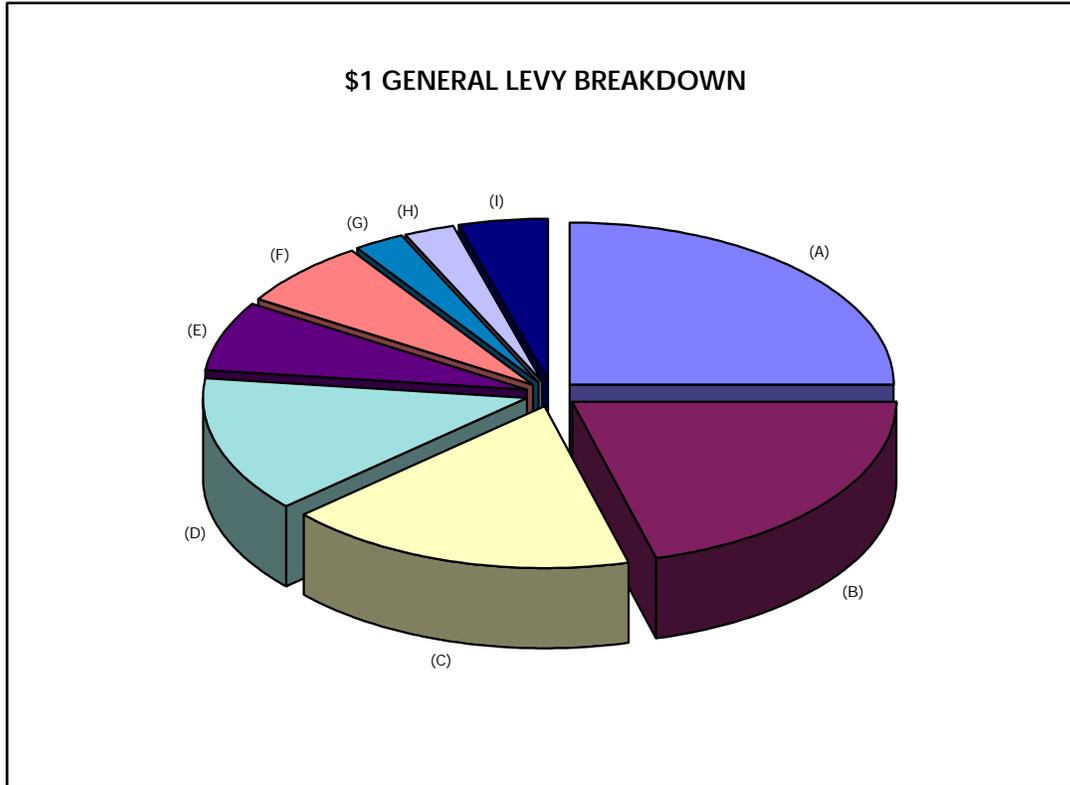
NOTE: (1) The breakdown of \$1 base levy per \$100 of assessed valuation is shown on the following page.

(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, 2002



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
<b>City of Bellflower Tax District 1</b>	<b>(F)</b>		<b>0.0670</b>	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 2001-02 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
2001-02	\$ 1,427,697	\$ 1,391,526	97.5%	\$ 550,369	\$ 540,985	98.3%
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%	-	-	-

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
2001-02	75,057	\$ 2,491,411,733	\$ -	\$ -	\$ -	0.0%	\$ -
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%	-

### COMPUTATION OF LEGAL DEBT MARGIN:

Assessed Valuation	<u>\$ 2,491,411,733</u>
Legal Debt Limit - 3.75% of Assessed Valuation	\$ 93,427,940
Amount of Debt Applicable to Debt Limit	-
LEGAL DEBT MARGIN	<u>\$ 93,427,940</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, 2002

	<u>Percent Applicable</u>	<u>Debt at June 30, 2002</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Los Angeles County	0.428%	\$ 156,241
Los Angeles County Flood Control District	0.454%	77,067
Metropolitan Water District	0.225%	1,131,919
Downey Unified School District	3.914%	1,021,368
Paramount Unified School District	10.610%	3,648,776
Los Angeles County Regional Park and Open Space Assessment District	0.428%	1,764,623
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$ 7,799,994</u>
 <u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>		
Los Angeles County General Fund Obligations	0.428%	\$ 7,126,196
Los Angeles County Pension Obligations	0.428%	7,498,506
Los Angeles County Superintendent of Schools Certificates of Participation	0.428%	127,419
Los Angeles County Flood Control District Certificates of Participation	0.454%	717,933
Los Angeles County Sanitation District No.2 Authority	10.241%	3,699,581
Los Angeles County Sanitation District No.3 Authority	0.250%	67,797
Los Angeles County Sanitation District No.18 Authority	0.006%	1,140
Cerritos Community College District Certificates of Participation	12.326%	327,255
Compton Community College District Certificates of Participation	2.813%	123,350
Paramount Unified School District Certificates of Participation	10.610%	3,311,912
City of Bellflower Certificates of Participation	100.000%	5,640,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		\$ 28,641,089
Less: Los Angeles County Certificates of Participation (100% self-supporting from leasehold revenues on properties in Marina Del Rey)		410,901
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>\$ 28,230,188</u>
GROSS COMBINED TOTAL DEBT		\$ 36,441,083 (1)
NET COMBINED TOTAL DEBT		<u>\$ 36,030,182</u>

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

Ratios to 2001-02 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 0.31%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$5,640,000) 0.24%  
Gross Combined Total Debt 1.53%  
Net Combined Total Debt 1.51%

2001-02 Assessed Valuation	\$ 2,491,411,733
Redevelopment Incremental Valuation	111,836,690
Adjusted Assessed Valuation	<u>\$ 2,379,575,043</u>

STATE SCHOOL BUILDING AID REPAYABLE AS OF JUNE 30, 2002: \$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

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<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>
2001-02	\$ -	\$ -	\$ -	\$ 28,711,998	0.0%
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%

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

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<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>
2001-02	315	986	1,301	\$ 62,151	\$ - (A)
2000-01	201	920	1,121	34,179	424,850
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

NOTE: (A) Fiscal year 2001-02 data for bank deposits will not be available until December 31, 2002.

SOURCES: (1) City Community Development Department  
 (2) FDIC website at <http://www3.fdic.gov/sod> 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, 2002

\*\* Listed Alphabetically

	Owner (Number of Parcels)	Assessed Value	Estimated Total Tax	Average Tax Ratio
1	Advanced Group 98 71	\$ 14,004,231	\$ 9,314	0.067%
2	Ahern Rentals Inc.	3,200,037	18,416	0.575%
3	Bellflower Shopping Center LLC	5,250,000	18,272	0.348%
4	Belmont Place Bellflower Associates	8,768,100	30,339	0.346%
5	Bruce H. & Mia M. Kang	2,755,161	9,529	0.346%
6	Dan Top U S A Inc.	3,277,942	10,110	0.308%
7	Haagen GDH Partnership	12,486,353	43,187	0.346%
8	HPW Properties Inc.	3,977,335	13,722	0.345%
9	Hufcor Airwall Inc.	2,563,517	9,625	0.375%
10	Kaiser Foundation Hospitals	103,073,539	8,484	0.008%
11	Kenneth & Judith Cleveland Trust	6,882,025	13,504	0.196%
12	Kmart Corporation	14,575,953	9,694	0.067%
13	KUVE Limited	2,819,964	9,700	0.344%
14	Lloyds Bank California	2,325,510	8,043	0.346%
15	Lorrin S. Wong Company Trust, Et. Al.	6,880,161	17,179	0.250%
16	Mediaone of LA Inc.	31,196,786	132,205	0.424%
17	Micha Mottale	2,452,382	8,482	0.346%
18	Pep Boys Many Moe And Jack	2,412,059	8,322	0.345%
19	Ronald D. Slate Trust	3,441,770	11,875	0.345%
20	Shadrall Associates	3,439,708	11,897	0.346%
21	Stephen & Mary Sandberg Trust	3,281,962	11,351	0.346%
22	Tommy H. Chow Company Trust	2,481,565	8,562	0.345%
23	Universal Care Inc.	2,314,005	9,076	0.392%
24	William J. Wade Trust	6,549,227	22,596	0.345%
25	WRI Golden State LLC	6,569,995	22,724	0.346%

SOURCE: HdL Coren & Cone (based on Los Angeles County Assessor 2001-02 Combined Tax Rolls)

# CITY OF BELLFLOWER

## TOP 25 SALES TAX PRODUCERS Fiscal Year Ended June 30, 2002

\*\* Listed Alphabetically

	Name of Business	Type of Business
1	Ahern Rentals	Repair Shops
2	Banc of America Auto Finance	Auto Lease
3	Circle K	Grocery Stores Beer/Wine
4	Delphin Computer Supply	Office Supplies/Furniture
5	Dennys	Restaurants Liquor
6	Don A Vee Jeep Suzuki	New Motor Vehicle Dealers
7	Emilios Beverage Warehouse	Package Liquor Stores
8	Empresa Motors	Used Automotive Dealers
9	Ford Credit Titling Trust	Auto Lease
10	Ford West	New Motor Vehicle Dealers
11	G & M Oil	Service Stations
12	George Chevrolet	New Motor Vehicle Dealers
13	K Mart	Discount Department Stores
14	Kaiser Foundation Hospitals	Health Services
15	McDonalds	Fast Food
16	Mikes Am Pm Mini Market	Service Stations
17	Nabhan I Simaan	Service Stations
18	Norms Restaurants	Fast Food
19	Pep Boys	Automotive Supply Stores
20	Ralphs	Grocery Stores Liquor
21	Rapid Gas	Service Stations
22	Rons Mini Mart & Gas	Service Stations
23	Staples	Office Supplies/Furniture
24	Stater Bros	Grocery Stores Liquor
25	TCI Materials Management	Electrical Equipment

Percent of total sales tax paid by  
the top 25 producers: 60%

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, 2002

Carrier	Type of Insurance	Policy Number	Effective Date	Liability Limits	Annual Premium
California Joint Powers Insurance Authority (CJPIA)	Comprehensive General and Automobile Liability	-	7/01/01-6/30/02	Per Claim: \$ 50,000,000 Annual: \$ 50,000,000 Deductible: \$ 20,000	\$ 353,241
CJPIA	Workers' Compensation	-	7/01/01-6/30/02	Per Claim: \$ 5,000,000 Annual: \$ 5,000,000 Deductible: \$ 50,000	\$ 150,874
CJPIA	All Risk Property	-	2002	Insured Value: \$ 19,337,701 Deductible: \$ 5,000	\$ 6,101
CJPIA	Boiler & Machinery	-	2002	Insured Value: \$ 15,206,695 Deductible: \$ 5,000	\$ 1,821
CJPIA	Earthquake and Flood	-	2002	Per Claim: \$ 14,493,784 Aggregate: \$ 14,493,784 Earthquake Deductible: 5% (\$100,000 minimum) Flood Deductible: \$ 25,000	\$ 75,015
CJPIA	Environmental Liability	-	7/01/01-6/30/02	Aggregate: \$ 10,000,000 Deductible: \$ 50,000	\$ 7,113
National Notary Association	Notary Errors and Omissions				
	City Clerk	21289324N01	12/11/01-12/11/02	Maximum: \$ 100,000	\$ 156
	Deputy City Clerk	21279872N01	10/16/01-10/16/02	Maximum: \$ 100,000	\$ 156
Driver Alliant Insurance Service	General Liability for Special Events	CCL0040170	7/01/01-6/30/02	Coverage Limit: \$ 1,000,000 Per Claim: \$ 1,000,000 Aggregate: \$ 1,000,000	\$ 7,890
Robert F. Driver Company Inc. (Hartford Insurance Co.) (National Union Fire Insurance Co.)	Commercial Crime	72BPEBQ8642 2143148	04/01/02-04/01/03	Maximum: \$ 1,000,000 Deductible: \$ 2,500	\$ 1,554
Williams Insurance Brokers (Massachusetts Plate Glass)	Plate Glass	04-22897	9/12/01-9/12/02	Per Claim: Unspecified Aggregate: Unspecified Deductible: \$ 840	\$ 840

SOURCE: City Finance Department

# CITY OF BELLFLOWER

## DEMOGRAPHIC STATISTICS AND OTHER MISCELLANEOUS STATISTICAL DATA Fiscal Year Ended June 30, 2002

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
2002 State Estimate	75,057	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	77 full-time 165 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	2002 (State Estimate)	23,473
* Services provided by the Los Angeles County		2000 (U.S. Census)	23,367
		1984	23,250
		1960	15,035



**SUPPLEMENTAL INFORMATION SECTION  
(SINGLE AUDIT)**

# MOSS, LEVY & HARTZHEIM

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MEMBER:

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

OFFICES:

BEVERLY HILLS, CALIFORNIA  
SANTA MARIA, CALIFORNIA  
SACRAMENTO, CALIFORNIA  
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**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, 2002, and have issued our report thereon dated September 13, 2002. 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, 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 13, 2002

# 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 of its major federal programs for the fiscal year ended June 30, 2002. 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 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, 2002. 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, 2002, and have issued our report thereon dated September 13, 2002. 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, 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 13, 2002

**CITY OF BELLFLOWER**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Fiscal Year Ended June 30, 2002**

Federal Grantor/Pass-Through Grantor and Program Title	Federal CFDA Number	Agency or Pass-Through Program Number	Federal Expenditures
<b>Department of Transportation:</b>			
Federal-Aid Project No. 07-5348	20.205	STPLH-5348 (003)	\$ 618
Federal-Aid Project No. 07-5348	20.205	STPLH-5348 (004)	1,594
Federal-Aid Project No. 07-5348	20.205	STPLH-5348 (008)	54,410
Traffic Safety Enhancement Project	20.600	PT0103	33,089
Total Department of Transportation			<u>89,711</u>
<b>Department of Housing and Urban Development:</b>			
Community Development Block Grant	14.218	B 00 MC 060512	920,197
Community Development Block Grant	14.218	B 01 MC 060512	236,050
HOME	14.239	B 97 MC 060547	147,726
HOME	14.239	B 98 MC 060547	326,971
HOME	14.239	B 99 MC 060547	343,704
HOME	14.239	B 00 MC 060547	455,000
HOME	14.239	B 01 MC 060547	71,358
Total Department of Housing and Urban Development			<u>2,501,006</u>
<b>Department of Justice:</b>			
Local Law Enforcement Block Grant	16.710	00 LBVX 1364	196,124
Juvenile Accountability Incentive	16.523	IP 00016219	21,788
Strategies in Community Prosecution	16.609	Los Angeles County District Attorney	14,154
Total Department of Justice			<u>232,066</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 2,822,783</u></u>

See notes to the schedule of expenditures of federal awards

**CITY OF BELLFLOWER**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Fiscal Year Ended June 30, 2002**

**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 a major program is:

HOME Program	CFDA No. 14.239
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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, 2002**

**NONE**