City of Bellflower, California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2009

CITY OF BELLFLOWER
CALIFORNIA

www.bellflower.org

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2009

PREPARED BY
FINANCE DEPARTMENT

Tae G. Rhee – Director of Finance/City Treasurer
Marie Kwan-Rakthet – Assistant Director of Finance
Hazel Vitancol – Finance Analyst

CITY OF BELLFLOWER

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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CITY OF BELLFLOWER

Families. Businesses. Futures.

"GROWING TOGETHER"

January 4, 2010

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, 2009, 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).

This report conforms to the latest financial reporting model developed by the Governmental Accounting Standards Board (GASB Statement 34). In addition to the fund-by-fund financial information, government-wide financial statements are also presented. The government-wide financial statements include a Statement of Net Assets that provides the total net equity of the City including infrastructure and the Statement of Activities that shows the cost of providing government services. These statements have been prepared using the accrual basis of accounting versus the modified accrual method used in the fund financial statements. A reconciliation report is provided as a key to understanding the changes between the two reporting methods. In addition, this latest reporting model includes an emphasis on the City's major funds as shown in the Governmental Fund Statements. These statements, combined with other information, are further analyzed in a narrative section called Management's Discussion and Analysis (MD&A). The MD&A provides financial highlights and interprets the financial reports by analyzing trends and explaining changes, fluctuations and variances in the financial data. Furthermore, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City.

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 of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

THE CITY AND ITS SERVICES

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

Bellflower is located in Los Angeles County, 18 miles southeast of the City of Los Angeles, 100 miles north of San Diego, and 450 miles south of San Francisco. The City is 6.1 square miles in size and currently houses approximately 77,200 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 mottos, "The Friendly City" and "Growing Together." The City Council and staff listen and respond to residents and businesses, making their input an integral part of the City's approach to public service. Through this process, the Council and staff have effectively carried out the City mission, "To protect and enrich the quality of life to make Bellflower an excellent place to live, work and play."

Bellflower has a diverse business environment including many fine restaurants, 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. Fire, library, sanitation, and health services are provided by the County and County assessment districts.

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 and Jane 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

This report includes all funds of the City of Bellflower, Bellflower Redevelopment Agency, Bellflower Public Facilities Corporation, and Bellflower Financing Authority. The financial operations of the City, Redevelopment Agency, Public Facilities Corporation, and Financing Authority are closely related. The City Council has continuing responsibility over the City, Redevelopment Agency, and Financing Authority as the City Council also serves as the Board of Directors of the Redevelopment Agency and Financing Authority. The Redevelopment Agency was created under the provisions of the Redevelopment Law (California Health and Safety Code) to help eliminate blight and to provide an improved physical, social, and economic environment in the project area. The Financing Authority was organized primarily for the purpose of providing financing of public capital improvements. Five separate, independent members serve as the Board of Directors of the 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 and to make certain park improvements.

The Bellflower City Council provides vision and direction to lead the City on a path of long term growth and community development. The following are descriptions of the City's departments, major accomplishments and future initiatives.

SUMMARY OF ACCOMPLISHMENTS

Administration

Under the direction and control of the City Council, the City Manager serves as the administrative head of the City government, responsible for implementing Council policies and enforcing the provisions of the Municipal Code. The City Manager exercises control over all departments and divisions of the City's government, makes personnel decisions, coordinates and directs City activities, prepares reports and recommendations to the City Council, and represents the City as its community and intergovernmental liaison. The City Manager also provides oversight of general administration, human resources, risk management, and public affairs. The City Manager's principal assistants include the Assistant City Manager, Human Resources and Risk Manager and Public Affairs Manager.

Intergovernmental Relations

- Supported City Council Members serving on various boards and commissions, including: the Orangeline Development Authority (Council Member Larsen, Board Chair), Gateway Citites Council of Governments (Mayor Pro Tem Dunton, Board Member), and the California Contract Cities Association (Mayor Smith, Director-at-Large, and Council Member Bomgaars, Executive Board Member).

- The Bellflower Redevelopment Agency concluded a settlement agreement with Bellflower Unified School District resulting in the Agency's establishment of a $4 million "BUSD Trust Fund" for capital projects at BUSD schools within the City.

- Renegotiated five year law enforcement services agreement with the Los Angeles County Sheriff's Department.

- Worked with a coalition of cities supporting reasonable storm water quality regulations.

Legislative Affairs

- Continued our efforts to build and maintain relationships with State Senator Alan Lowenthal and Assembly Member Hector De La Torre.

- Worked with both elected officials in developing community parks on State and utility owned properties.

- Worked closely with Congresswoman Lucille Roybal-Allard, to secure $5.7 million in federal funding for local water system and transportation projects, and for development and construction of a fire museum.

Utility Users' Tax

- Created an information campaign to inform potential voters of March 2009 ballot measure to update the City's 1997 Utility Users Tax. The measure was passed by the voters with 81.8% approval.

Surveys

- Continued to survey satisfaction of customers requesting various City services.

City Ethics and Internal Controls

- Revised staff policies on Use of Vehicles, Official Travel, Use of Sick Leave, Vacation and Other Paid Leaves, Administrative Penalties and Citations, On-call Public Works Supervisor, Time Card Policy, and Contacts with Elected and Appointed Officials.

- Conducted biannual ethics training for elected and appointed officials and senior management staff.

Human Resources and Risk Management

- Conducted employee programs such as flu shots, hearing tests, Bilingual testing, TB testing, customer service training and lunch time seminars of a variety of topics.

- Implemented the CalPERS Two Additional Years of Service Credit early retirement program that resulted in four retirements.

- Processed three new full time and two new part time employees.

- Processed 45 part time layoffs.

- Negotiated a one year agreement with our employee labor union.

Public Affairs

- During the past year, and not including stories related to the so-called "Octomom," the City generated more than 560 online and newspaper "print" stories, and 82 network and cable television news stories. This number represents a 30% increase over the previous year.

- The City's website continued to be an informative and global way of communicating important up-to-the-minute City information to residents, visitors and local businesses. It is updated daily, making the information posted as current as possible. Informative "vidcasts" on the home page now highlight various events and City programs created to enhance community awareness of those programs.

  The Public Affairs division this year created additional ways to promote City events and news free of charge by starting our own Twitter and Face Book sites as well as videos on You Tube. So far, the response has been very positive from the community on our social networking sites.

- Provided proactive assistance to all City departments and local media in promoting City events and programs, and responding to media inquiries related to breaking news events.

- *The Bellflower Citizen* newsletter continued to be an effective way to communicate City news and information to Bellflower residents and businesses. Due to budget cuts, the Citizen was cut back to four issues a year and produced quarterly with 27,000 pieces printed and distributed to

every household in Bellflower. The Citizen is downloaded online each quarter on the City's website to inform a larger audience around the globe of Bellflower news.

- The annual State of the City luncheon took place in February 2009. Children from Valley Christian Elementary School in Bellflower and their teacher were honored for their participation in a NASA school program. Joining Bellflower, were students from New York. Both schools were able to talk live to each other as well as an astronaut aboard the International Space Station. It was NASA's first ever coast-to-coast downlink. The event was shown live on the NASA television channel around the world. It was a very exciting event that put Bellflower on the international media map.

- Also in February, the City celebrated its 15th annual BRAVO Awards. This popular event is funded through sponsorships from area businesses and individuals. The BRAVO Awards represents one of the City's most prestigious honors which recognizes outstanding heroic contributions by local citizens as well as public safety, fire, medical and security personnel. Actor and writer Henry Winkler delivered the Keynote Address to a full audience and even participated in giving the awards to the winners. This event received much media attention and a great response by all who attended.

- The Outgoing Mayor Ceremony highlighted the month of April. This was a special event as the City celebrated Randy Bomgaars being the City's first five-time Mayor. A special video, program and book were prepared for his celebration.

Municipal Water System

- Continued our aggressive public outreach program using the Municipal Water System page on the City's website (www.bellflower.org/water) to promote water conservation, provide information about the Statewide drought, and provide general information about water rates and rules, assistance programs, water quality, and other information.

- In July 2008, completed the sale of $8.23 million in Certificates of Participation, the proceeds of which have been used to reimburse the City's general fund for the acquisition cost of the water system, and for capital projects.

- Completed closure of 8 inoperative water wells acquired from Peerless Water Company in 2007 that were found abandoned or permanently inactive, but not properly decommissioned in accordance with County and State regulations. By properly closing the wells we eliminated a potential source of water contamination, potential liability due to accident or injury, and made the properties available for sale or "quit-claim" to the underlying property owners. Completed in November 2008.

- Completed emergent repairs to Well No. 8, including replacement of its expansion tank and water pump. In September 2008, the expansion tank at Well No. 8 failed which resulted in the well being taken off-line until the tank could be replaced. Replacement of the tank was completed in February 2009. In March 2009, we discovered that Well 8 was contaminated by lubricating oil leaking from the well pump's seals, and that the pump was beyond repair. The pump was replaced with the pump recently purchased for Well 17 and the well returned to service in June 2009.

- Began planning for the phased reconstruction of the water system, including replacement of water mains, hydrants, meters and service connections.

- Initiated plans for construction of a 2,800 foot pipeline interconnecting customers in System 9 (the area bounded by Foster Road, Regentview Avenue, Greenhurst Street, and the San Gabriel River) to Bellflower-Somerset Mutual Water Company's 12-inch distribution line at McNab and Mapledale. The $331,000 project, which is being built using federal grant funds and proceeds from the 2008 Certificates of Participation, will allow the MWS to purchase water at a substantial savings. The project is due to be completed by November 1, 2009.

- Initiated plans for construction of a High Capacity Well to serve the needs of our MWS customers as well as the community at-large. A typical high capacity well operating at 50% capacity should be able to pump 2,500 acre feet/year or 300% percent of the MWS' annual demand. The new well would enable the MWS to pump its own water rights, which are sufficient to meet the needs of its customers. The resulting savings, along with potential revenue from the lease of surplus pumping rights, will provide local matching funds to be used with future federal grants to pay for capital improvements, reimburse the City's general fund for monies previously advanced to the MWS without interest, and provide some buffer against future significant rate increases. The estimated cost of the High Capacity Well is $2.32 million.

  In March 2009, the City received the EPA's approval of a Categorical Exclusion for the High Capacity Well. We expect to begin drilling operations in February 2010, and have the well in service by July 2011.

- Began plans to replace the water system that serves up to 74 MWS customers in the low- and moderate-income census tract (Tract # 5543) which includes those portions of Oak and Belmont Streets between Pimenta and Hayter Avenues, as well as sections on Pimenta Avenue and Mayne Street. The project includes replacement of main lines, service laterals, hydrants and service connections, and the relocation and as needed replacement of water meters. Using $319,000 in federal American Recovery and Reinvestment Act funds, the project is expected to begin in January 2010 and be completed by March 2010. By use of federal funds that do not require matching local funds, the project will be accomplished at no direct cost to the MWS customers. By replacing the above described portions of the water system infrastructure we will reduce operation, maintenance and repair costs.

- Continued our ongoing program to replace service connections. These replacements have resulted in significantly increased water pressure to the effected customers and some reported improvements to discoloration, odor, taste, or dissolved oxygen problems.

- Continued our ongoing program to replace water meters. The meters being replaced are old and unreliable and many are located in customers' back yards. The new meters can be read at a distance and without any need to enter the customer's property, thus reducing the time required to read the meters from 80 hours a month to about 24 hours.

Community Development

The Community Development Department is responsible for promoting and contributing toward the environmental quality of life for the community. The Department seeks to protect and enrich the quality of life in the community through the care and maintenance of the City's infrastructure and physical assets. 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

- Issued approximately 2,669 business licenses from July 1, 2008 through June 30, 2009 (Note: Does not include business licenses issued pursuant to the Multi-Family Business License Enforcement Program. That figure is provided in the "Code Enforcement" section).

- Processed approximately 21,796 parking citations and conducted approximately 325 administrative hearings.

- Staff Development and Training. Continued to offer monthly staff training sessions on relevant topics ranging from public counters issues, field issues, regional regulatory issues, Energov software training, and similar issues. Also, when available, took advantage of Webinar-based training opportunities.

Planning Division

- Current Planning – formal meetings. 20 Planning Commission meetings (including 1 joint Planning Commission/City Council meeting), 10 TownCenter Design Review Committee (TCDRC) meetings, 21 Development Review Board (DRB) meetings, 1 Artesia Boulevard Development Review Committee and 3 Bellflower Village Overlay (Walnut Live/Work) Development Review Committee meetings.

- Current Planning – development review. 48 projects have been reviewed and processed at the DRB; the Planning Commission considered 11 Conditional Use Permits, 1 Variance, 0 Tentative Tract Map, 0 Parcel Maps, 0 Zone Changes, 12 Director Determinations, 3 Determination of Similarities, 1 Time Extension, 4 appeals, 2 Sign Permits, 3 Non-conforming Allowances, 40 Temporary Use Permits and 8 Film Permits.

- Advanced Planning. Processed 2 Zone Ordinance Text Amendment (ZOTA) "bundles" to continue the modernization of the Bellflower Zoning Code and make it more "user-friendly", 3 single-issue Zone Ordinance Text Amendment (ZOTA), 0 General Plan Amendments and 10 Planning Commission Study Sessions.

- Notable development projects. A number of projects that involved multiple disciplines were accomplished over the 2008 – 2009 Fiscal Year. These are as follows:

    - Vascular Mapping Project. Construction commenced in May 2009 on an approximate 14,000 square foot, 2-story medical office building located at 16506 Lakewood Blvd.

    - Approval of a new 7-11 store on the corner of Rosecrans and Bellflower Blvd.

- Continued to implement the public art program and approved public art as part of a private development of the Live/Work project at 9815 Walnut Street.

Building and Safety Division

- Issued approximately 2,127 building permits.

- Conducted approximately 4,817 field inspections.

- Performed approximately 146 major plan checks.

- Document conversion. Implemented and completed the electronic conversion of approximately 1,248 building permit packets and 63 sets of construction blue prints into Laserfische. Maintaining the electronic conversion of newly issued building permits on an ongoing basis.

Code Enforcement Division

- Code Enforcement caseload. Opened approximately 1,705 code enforcement cases from July 1, 2008 through June 30, 2009. Closed approximately 1,511 code enforcement cases from July 1, 2008 through June 30, 2009.

- Business Licenses. Continued with the Multi-family Residential Business License Enforcement program. For the 2008-2009 Fiscal Year, 265 Business Licenses were issued as a result of this program.

Housing and Grants Division

- Affordable Housing Programs. Processed 3 First-time Homebuyers loans, 16 mobile home grants "Fix-it" grants, and 2 Single Family "Fix-it" grants.

- Started to work with the two (2) Community Housing Development Organizations (CHDO) on housing development projects.

- Provided staff support to the Eucalyptus Avenue neighborhood improvement effort.

- Monitored the construction of the 6-unit "Live/Work" project at 9815 Walnut Street; which is funded with HOME funds.

- Prepared, submitted, received and awaiting notification of Federal grant money for the ARRA Stimulus grants. Awaiting notification by the State when we are able to utilize the grant funds from the Rivers and Mountains Conservancy for the Palm Street Park project. Prepared and submitted grant applications to the MTA, Cal Trans and the Federal government.

Redevelopment Agency:

- Downtown Revitalization:

  TownCenter Gateway Plaza. Completed the TownCenter Gateway Plaza project and started leasing out kiosks.

  Fire Museum and Event Center. Continued to work with the County of Los Angeles Fire Museum Association (CLAFMA) on creating a sustainable and viable project plan that will lead to the development of a Fire Museum and Event Center in downtown Bellflower. Applied for and received Federal grant funding to assist with the project.

  Southeast Corner of Oak Street and Bellflower Boulevard. Entered into an Exclusive Negotiating Agreement with a developer to redevelop the southeast corner of Bellflower Boulevard and Oak Street.

  North Downtown Mixed Use District. Continued to prepare a specific plan or overlay zone for the portion of Bellflower Boulevard and Alondra Boulevard, north of the downtown district in order to create a viable mixed use/transit oriented development district to compliment and expand the downtown district.

  Downtown Transportation Plan. Prepared a Transit Center Feasibility Plan to support the submittal of a grant application for a new transit center adjacent to downtown Bellflower.

- Artesia Boulevard Corridor:

  Approved the West Artesia Boulevard Commercial Highway Specific Plan for the northwest corner of Artesia Boulevard and Lakewood Boulevard.

  Prepared and adopted a Design for Development for the properties at the intersection of Bellflower Boulevard and Artesia Boulevard.

- Eucalyptus Avenue Multi-Family Improvement District:

  Continued to work with the property owners on the portion of Eucalyptus Avenue between Flora Vista Street and Alondra Boulevard to establish a Property Owner's Association and a Multi-Family Improvement District.

- West Branch Greenway Project:

  The Greenway project consists of the construction of 2.5 miles of bike and pedestrian paths, including security lighting, landscaping, intersection signalization, and crosswalks. The bike path will be part of the Los Angeles Regional Bikeway network connecting to the San Gabriel River Bikeway Path. Construction completed at the end of November 2009.

- Bellflower Village:

  The City revised the design of the Bellflower Village Project of the Downtown Revitalization Vision Strategy, to include new project components. The Bellflower Village will help revitalize the downtown area on Bellflower Boulevard between Maple Street and Arkansas Street. This

project will create new public parking areas, courtyards, alley improvements, and will include a residential component.

- Walnut Street Mixed Use Project:

  The City had acquired the Bellflower Hotel located on Walnut St. The RDA subsequently entered into a DDA with a developer and transferred the site in October 2008 to serve as the site for the Walnut Live/Work Project. The construction to create a three-story town home style live-work workforce rental housing units has been completed in December 2009. The first floor of the housing unit will be work/commercial space, the second and third floors will be living space.

- Café Camellia Project:

  The project would redevelop the northeast corner of Bellflower Boulevard and Walnut Street to expand the existing Café Camellia restaurant and add new retail and office space, new pedestrian plaza and walkways and other amenities. The project is currently in the preliminary design phase. Ongoing negotiations with Café Camellia and the property owner regarding the lease structure continue.

- Walnut Street and Public Parking and Other Improvements Within Bellflower Village Area:

  The project would construct decorative street improvements in the portion of Walnut Street extending from the Bellflower Boulevard intersection, approximately 300 – 400 feet to the east. Street improvements would include landscaped "bulb-outs", decorative paving and sidewalk enhancements. Also, a new public parking lot is to be constructed on property between 9820 and 9832 Walnut Street.

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 policing programs include the City's contracts for law enforcement support services, including Sheriff's, patrol helicopter, animal control, district attorney, probation, Section 8 Inspections, crossing guard and special legal services. In addition, the department manages a team of Community Services Officers, the City's Neighborhood Watch Program, parking enforcement, crossing guard, emergency management and the Bellflower Sheriff's Substation. (Note: The data listed below compares calendar year 2008 against the 2007 calendar year statistics).

Crime Reduction

- Reduced the Part 1 crime rate by 10.6%, exceeding the original goal of a 3% reduction. The actual Part 1 crime rate for the 2008 calendar year was 351.19.

- Reduced the grand theft auto total for the 2008 calendar year by 7.4%, which exceeds the original goal of a 3% reduction. The actual number of GTAs for the calendar year was 665.

- Reduced the robbery total for the 2008 calendar year by 5.4%, which exceeds the original goal of a 3% reduction. The actual number of robberies for the calendar year was 228.

Traffic Enforcement

- The traffic enforcement index for the fiscal year averaged 28.4, exceeding the State of California established goal of 20.0 by 42%.

- Continued to enforce the laws related to DUI. The actual number of DUI arrests made during the fiscal year was 74. This represents one more than an average of the last nine years.

Probation Management

- Public Safety continued to maintain contact with at least 75% of the registered probationers in the City during the course of a year. Contacts may include residential searches, field contacts, and arrests. This is an ongoing service that is being completed within acceptable levels.

Community Outreach

- Public Safety also continued to increase the department's functional and informational link to the Bellflower community by maintaining a very interactive and dynamic departmental Website, disseminating information to the City's 90 Neighborhood Watch block captains, and scheduling relevant community meetings as necessary.

Customer Service

- In more than 90% of the mail in and telephonic survey results of crime victims, Bellflower's deputies and civilian community service officers achieved overall scores of "good" or "excellent." This score exceeds the longstanding departmental goal of 80%.

Traffic Safety

- In calendar year 2008, Bellflower experienced a slight decrease in total collisions and a 9.0% decrease in injury collisions from the previous year. The City's traffic enforcement index remained at a robut 28.4. Aggressive enforcement, combined with educational programs and traffic engineering modifications, are among the contributing factors of this success. Additionally, a civilian traffic collision investigator continued to take non-serious collision reports in lieu of a much more expensive deputy.

Emergency Management

- The City's emergency management activities covered a wide range of issues and situations. Planning efforts continue to address such emergencies as terrorist attacks, earthquakes, power outages, and flooding.

  Staff participated in periodic tabletop disaster drills, monthly County-wise Emergency Management Information System (EMIS) exercises and monthly Area E Disaster Board meetings. Staff worked with local residents and businesses to increase their readiness for all types of emergencies. These efforts include personal and home preparedness presentations given to Neighborhood Watch and other community groups, and publication and distribution of information via newletters, flyers and mailings.

Public Works

The Public Works Department is responsible for general management, operation and care of the infrastructure found in the City's right-of-way including streets, alleys, parking lots, bridges, curbs, gutters, sidewalks, traffic signals, traffic signage, street striping, legend painting, curb painting, sanitary sewer system, storm drain system, reclaimed and potable water systems for irrigation, street lights, street sweeping, graffiti removal, landscapes and tree trimming, right-of-way permits and inspections; general management, operation and care of its facilities and properties including electrical, carpentry, plumbing, air conditioning & heating systems, painting, janitorial, phone system; the purchase, maintenance and repair of the City's fleet of rolling stock; and, the update of the 15-year capital improvement program and the implementation of its specific capital projects.

- Completed Phase I of a sewer condition assessment, involving videoing and evaluating approximately one-third of the City's sanitary sewer system. Budgeted for recommended repairs.

- Continued construction of the bicycle and pedestrian trails on the West Branch Greenway project.

- Completed construction of bike path connector through Caruthers Park and sidewalk improvements on Flora Vista.

- Removed all asbestos from gymnasium ceiling and walls at Simms Park.

- Completed inspection services for Town Center Gateway Plaza improvements.

- Provided inspection services for new illuminated "Parking" sign on Bellflower Blvd.

- Traffic Signals: Substantially completed design for signal upgrades at Clark and Artesia, Bellflower and Rosecrans, and Bellflower and Alondra. Met with community members and Public Safety commission regarding Clark and Flower intersection improvements.

- 9.5 miles of local streets slurry sealed on seven year schedule.

- Installed additional ADA parking at City Hall meeting all current standards.

- Completed plans for Riverview Park, obtained Southern California Edison approval of plans and negotiated long term property lease.

- Continued work on plans for Palm Linear Park, Walnut Street Improvements and Artesia Boulevard improvements.

- Completed grant applications for federal economic stimulus funds for transportation, water and energy projects.

- Coordinated emergency sewer repair in Ramona Street by Sanitation Districts.

- Completed street tree inventory of 9,440 trees and 3,720 planting spaces.

- Maintained essential services during winter 2008-09 furlough.

- Maintained City compliance with current Storm Water Discharge Permit and incurred no penalties or violations.

- Responded to and terminated 18 illicit discharges to the storm sewer system.

- Maintained City compliance with State waste management and diversion requirements and incurred no penalties.

- Approved 18 waste management plans and reviewed 9 completed projects for compliance with the Construction and Demolition Ordinance.

- Continued to implement weekly street sweeping.

- Implemented new refuse routes to improve daily completion times and improve coordination with street sweeping.

- Conducted Earth Day celebration and compost give-away.

- Continued to provide support to each of the City's major community events.

- Continued to complete all plan checks of subdivision maps within the plan check timeline standards set by the council.

- Continued to complete 100% of received requests for service (11,609 requests for service, 227 right of way permits, two tract maps, four lot line adjustments, and 48 development review board plan reviews).

- 3,423 trees trimmed on triennual schedule.

- Planted new trees in all vacant tree wells.

- Maintained 50 acres of park landscaping and 115,200 square feet of building facilities.

- Repainted all red curb and street bars and markings on annual schedule.

- Inspected all sidewalks and made needed repairs.

- Cleaned all storm grates and catch basins prior to first rain and maintained throughout rainy season.

- Provided field response to 76 after hours emergency call outs.

- Updated Bellflower Municipal Code sections dealing with sewer maintenance authority.

- Coordinated with Verizon on installation of fiber optic cable within reach of all Verizon customers in Bellflower. Work continues in progress.

- Completed preparation of a Sanitary Sewer Management Plan as required by the California Water Resources Board. Plan adopted by City Council.

- Fully implemented "Energov" new automated permit software.

- Implemented policy invoicing property owners for abandoned items not removed from the parkway fronting their property after 24-hour notice.

Parks and Recreation

The Bellflower 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, community beautification programs, volunteer services and other parks and recreation services.

- Continued partnership with public and private agencies for recreation opportunities.

- Implemented and/or assisted with high profile community special events including Easter Egg Hunt activities, Bellflower Boulevard Car Show, Christmas tree lighting ceremony, BRAVO, Prayer Breakfast and many other community activities.

- Coordinated the holiday street decoration placement program.

- Partnered with local service clubs and churches for the expansion of the Holiday Food Basket program.

- Completed seven (7) Bellflower Looking Better beautification projects throughout the City.

- Supervised and coordinated 22,500 hours of volunteer service through the Bellflower Volunteer Center.

- Designed and distributed 25,000 recreation activity brochures to households three times a year.

- Continued development and maintenance of Bellflower Parks and Recreation web pages.

- Redirected department funding and resources during harsh economic crisis to ensure the availability of recreation services to the citizens of Bellflower.

- Partnered with local service class, churches and BUSD for 1st annual school supplies/backpacks drive.

- Expanded Farmer's Market to include food vendor area.

- Serviced and assisted approximately 1.2 million people through Parks and Recreation programs, special events and park facility use.

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 Bellflower Financing Authority; 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.

- Coordinated the scheduling of regularly scheduled agenda items, prepared the agenda, proofed Staff Reports, and compiled and delivered the Agenda Packets for the City Council, Redevelopment Agency, Bellflower Public Facilities Corporation, and Bellflower Financing Authority Meetings

- Posted the agenda in compliance with State law and linked the support documents on the City's website for the City Council, Redevelopment Agency, Bellflower Public Facilities Corporation, and Bellflower Financing Authority Meetings

- Composed the minutes for City Council, Redevelopment Agency, Bellflower Public Facilities Corporation, and Bellflower Financing Authority Meetings

- Processed resolutions, ordinances, agreements, recorded documents, etc., for the City Council, Redevelopment Agency, Bellflower Public Facilities Corporation, and Bellflower Financing Authority

- Satisfied Public Records Act requests within prescribed deadlines

- Processed Campaign Statements and Statement of Economic Interests filings pursuant to the Political Reform Act and updated the Conflict of Interest Codes, when necessary, for the City, Redevelopment Agency, and Bellflower Public Facilities Corporation

- Maintained the City's logs/indexes: resolutions, ordinances, agreements, recorded documents, and the master and individual Political Reform Act filings

- Updated the service history of the City's Commissions, Committees, and City Council, as well as the Mayors' appointments for City Council representation on various organizations

- Updated the Bellflower Municipal Code

- Provided notary services as required

- Provided support services to the City Council and all City departments

Records Management

- Processed and shipped over 200 boxes to off-site storage (Iron Mountain Connect)

- Processed/Created over 500 file folder labels for various City departments (RecFind)

- Scanned and processed City Council, Redevelopment Agency, Bellflower Public Facilities Corporation, and Bellflower Financing Authority's minutes, agendas, agenda packets, resolutions, ordinances, agreements, and recorded documents (Laserfiche; electronically indexed)

- Scanned the Planning Commission, Development Review Board, Parks and Recreation Commission, Public Safety Commission, and Public Safety Review Committee minutes and agendas (Laserfiche; electronically indexed)

- Monitored insurance compliance on new and renewed agreements and franchises, tracked the expiration of agreements and franchises, and ensured the timely renewal of agreements and franchises (FastTrack).

- Completed the back-file conversion of the City Council Agenda Packets for 1992 to electronic format (Laserfiche)

Election

- Conducted Precinct Officers' Training Classes and Central Counting Place Training

- Complied with the Voting Rights Act and improved upon the City's Voting Rights Act/Voter Outreach Program by:

    - Conducting Voting Rights Act - Language Assistance Advisory Group Meetings

    - Providing trilingual (English, Spanish, and Tagalog) Sample Ballot and Voter's Information Pamphlets and official ballots

    - Creating trilingual "Vote" posters and posting them throughout the community, e.g., Brakensiek Library, Chamber of Commerce, Substation, Bellflower Unified School District Office and Adult Education Center, local high schools, City parks, and local businesses frequented by minority community members

    - Posting trilingual voting and election-related information on the City's website, including a precinct/polling place location map and photographs to provide visual recognition of the actual facilities utilized for the City's nine polling places

    - Recording an English, Spanish, and Tagalog message on the City's recorded information hotline (920-INFO) regarding voting and election-related information

    - Distributing packets of election-related information in English, Spanish, and Tagalog to Thompson Park, Simms Park, Caruthers Park, Bellflower Chamber of Commerce, Bellflower Sheriff's Substation, and the Brakensiek Library for public dissemination, which included Voter Registration Forms, Sample Ballot & Voter Information Pamphlets, "Help Share Our Future" pamphlets, Directions to the Polls, Precinct Map, and a set of Frequently Asked Questions on the topics: Election Information; Vote by Mail Voting; Voting Information; and Voter Registration

- Recruiting bilingual poll workers for each of the City's nine polling places and providing translation assistance for limited English-speaking voters via telephone prior to and on election day, particularly during the poll workers' lunch/dinner breaks and for languages other than Spanish and Tagalog

- Providing a City-issued cellular telephone at each poll to facilitate translations between the City's poll workers and its limited English-speaking voters on election day

- Conducted all aspects associated with a stand-alone election for the City's March 3, 2009, General Municipal Election (two seats and one measure) and completed the canvass

- Coordinated the March 2009 Oath of Office Ceremony and Outgoing Mayor's Ceremony

Finance

The Finance department is responsible for managing and coordinating the financial functions of the City, Redevelopment Agency, Public Facilities Corporation, and Financing Authority. 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 list maintenance, revenue monitoring, and other functions.

- 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, 2008. The City has received the award for the past 15 consecutive years.

- Prepared the Biennial Operating Budget for timely adoption by the Council and citizen participation.

- Due to the substantial decline in revenues, provided analyses on various cuts to community events, programs, services, and capital projects. The Council promptly took action to make budget cuts of approximately $4 million including layoffs, freezing vacant positions, a 10% furlough, and early retirement incentives.

- Maintained accurate financial records for successful completion of financial and special compliance audits including the City, Redevelopment Agency, Public Facilities Corporations, Financing Authority, Proposition A, Proposition C, Transportation Development Act (TDA) Article 3, and Federal grants.

- In July 2008, issued $8.23 million in certificates of participation in connection with the water system acquisition and related improvements.

- Continued to file special reports timely as required by various agencies of the Federal, State, and County governments.

- Continued to make technological updates including the replacement of computers, network hardware and software.

Major Initiatives For The Future

Administration

- Continue efforts to maintain essential services while reducing the City's operating budget.
- Develop a community program based on the successful "Bellflower Against Gangs" (BAG) format to reach out to the community on issues related to the economy, development, redevelopment, property maintenance, long range planning, and the future of the City.
- Negotiate a new 1-year labor agreement with the City's employee associations.
- Successfully implement the PERS Two Additional Years of Service Credit program for eligible employees.
- Update all full time employee files with the recommended PERS beneficiary form.
- Continue to promote and market positive Bellflower stories to all print and electronic media.
- Update and remodel video production room within budget limitations using PEG dollars.
- Add new vidcasts to the City's website to better inform citizens and visitors of upcoming programs and events.
- Create ongoing upgrades to the City's website as budget allows.
- Increase promotional community video programming to be shown on Time Warner Cable television.
- Produce high-quality special events to highlight community citizens and programs.
- Support City staff and City Council Members with solid and positive public affairs programs
- Continue training for Public Affairs staff in crisis public relations situations.

Community Development

Administration

- Business Licenses and Parking Citations. Continue to process requests for business licenses in a timely and efficient manner, includes the evaluation of the proposed business activity per the Bellflower Zoning Code. Fold in the ongoing Multi-family Residential Business License program without disrupting the day-to-day operation of the business license desk. Continue to process parking citations and requests for Administrative Hearings in an efficient and courteous manner.
- Staff Development and Training. Continue to seek for innovative and cost-effective methods to provide training and staff development to the Community Development Department in relevant topics.

Planning Division

- Current Planning. Continue to process current development applications (CUP's, Tentative Tract Maps, etc.) in a professional, efficient and timely manner; while ensuring that the goals and objectives of the City Council are implemented on a project-by-project basis (quality architecture and development).

- Advanced Planning. Initiate long range planning studies in the area of contemporary land use/urban design techniques with the goal of potentially applying these land use techniques to the City of Bellflower where appropriate. Continue to perform updates and amendments to the Bellflower Zoning Code in the ZOTA "bundle" concept, to modernize and eliminate obsolete components of the Zoning Code.

- Approve a new Housing Element pursuant to the provisions of the State of California.

- Public Arts. Enter into an agreement for a commission with an artist for a public art piece.

Building and Safety Division:

- Building Permits, Plan Check and Public Counter. Continue to provide efficient, effective and courteous service to customers seeking to obtain building permits. Provide information, education and references regarding questions to building, construction and code compliance to Bellflower citizens in a polite, patient and thorough manner.

- Field Inspections. Continue to perform field inspections in an efficient, timely and professional manner. Provide field inspection support to the Housing & Grants Division in the administration of the "Fix-it" grant program and similar programs.

Code Enforcement Division:

- Continue to respond to code enforcement complaints by the citizens of Bellflower.

- Continue to conduct code enforcement investigations in an objective, efficient, impartial and thorough manner.

- Continue to bring into compliance long-neglected properties in Bellflower, especially highly visible commercial properties.

- Continue to implement the Multi-Family Residential Business License program.

Housing and Grants Division:

- Administer the City's CDBG, HOME, CHDO and similar programs in an efficient and professional manner, including meeting current HUD standards in all aspects of the implementation of the various HUD funded programs.

- Continue to seek opportunities to apply for development grants that would benefit the citizens of Bellflower and enable new financial resources to be utilized for economic development.

- Continue to provide courteous and professional services to the citizens of Bellflower with available HUD programs.

Public Safety

Crime Suspension

- Maintain the current number of Residential Burglaries at the 2008 total of 253.
- Reduce the number of vehicle burglaries by 10% from the 2008 level of 491.
- Maintain the current number of robberies at the 2008 total of 228.
- Increase graffiti vandalism arrests by 25% from the 2008 total of 12.
- Maintain the overall Part 1 crime rate at the 2008 rate of 351.
- Continue to conduct relevant enforcement operations, including: gang sweeps, narcotics surveillances, bait car, prostitution stings, robbery suppression, etc. in order to reduce criminal activity.

Traffic Enforcement

- Maintain a traffic enforcement index of 25.0 or more.
- Maintain at least the current number of DUI arrests at the 2008 total of 74.

Probation Population Management

- Make contact with at least 75% of the total probationers and 100% of the registered sex offender probationers in the city during the course of a year. Contacts may include residential searches, field contacts and arrests.

Community Outreach

- Continue to find ways of connecting the City's Community Policing Program with interested residents. Some methods include: Neighborhood Watch participation, "Gifts for Guns" program, informational presentations to community groups, maintaining an informative and interactive departmental Website, National Night Out participation, being responsive to neighborhood complaints (e.g. traffic, crime) and following up on delivery of service.

Customer Service

- Maintain at least an 85% deputy/CSO rating of "good" or "excellent" on both the mail-in and telephonic surveys of crime victims.
- Maintain emergency response times of less than or equal to 3.0 minutes.
- Maintain priority response times of less than or equal to 8.0 minutes.

- Maintain routine response times of less than or equal to 30.0 minutes.

Departmental Funding

- Maintain core public safety services during a very difficult financial economy, while continually seeking new and creative funding sources to supplement existing funding.

Public Works

Administration

- Continue to operate the Department within available resources and applicable policies, laws and regulations

- Plan for incorporation of MTA Right of Way, Palm Park and Riverview Park into the Department's workload, effectively doubling the grounds maintenance responsibility

- Continue to maintain compliance with the current, and the next, Stormwater Discharge permit

- Continue to maintain compliance with State waste management and diversion requirements

- Continue to complete all plan checks of subdivision maps with the plan check timeline standards set by the Council

- Continue to pursue potential funding options to add resources for public works improvements

- Continue to maintain compliance with requirements of all existing grant funding

- Continue to demonstrate progress on the City's ADA transition plan
- Continue to complete all plan checks of subdivision maps with the plan check timeline standards set by the Council

- Establish comprehensive framework for addressing sewer rehabilitation, repair, replacement and capacity needs

- Update Pavement Management System

- Update Circulation Element of Bellflower General Plan

- Prepare sitting plan and site master plan for City Maintenance Yard

Operations

- Continue to respond to 100% of service requests

- Continue to maintain 50 acres of existing park landscaping and 138,000 square feet of building facilities

- Incorporate up to 50 acres of new facilities into maintenance operations

- Continue to provide support to each of the City's major community events
- Continue to maintain 101.9 miles of streets and alleys
- Continue to plant trees in any and all empty tree wells
- Continue to clean all City owned storm drain grates and catch basins annually before and throughout the rainy season
- Trim street trees on a 3-year cycle
- Continue to inspect and repair all sidewalks annually
- Continue to repaint red curb and street bars and markings annually

Capital Projects

- Maintain the City's 7-year slurry cycle
- Place asphalt overlay as prescribed by the City's Pavement Management Program as funding permits
- Complete repairs as determined by the Sewer condition assessment
- Complete construction of bike and pedestrian trails
- Complete construction of Riverview Park if funding becomes available
- Complete construction of Palm Park if funding becomes available
- Complete construction of all currently funded traffic signal projects
- Complete resurfacing of Foster Road
- Complete construction of currently funded new sidewalks
- Complete construction of currently funded park improvements
- Complete construction of currently funded median improvements
- Complete construction of currently funded bus shelter improvements
- Complete construction of bike and pedestrian trail landscaping if funding becomes available
- Prepare new 10-year Capital Improvement Plan for consideration by City Council

Parks and Recreation

- Continue partnership with public and private agencies for recreation opportunities.
- Continue partnerships with public and private agencies for the expansion and continuation of the holiday food basket program.
- Implement and/or assist with community special events including Mayor's Community Prayer Breakfast, Christmas Tree Lighting Ceremony, Children's Holiday Party, BRAVO, State of the City Luncheon, Outgoing Mayor Ceremony, Elections, & Oath of Office Ceremony.
- Continue to provide and implement cost effective programs and activities.
- Continue to provide Bellflower Looking Better beautification projects throughout the year.
- Continue to provide Town Center Plaza daily musical entertainment.
- Continue to design and distribute recreation activities brochure to households three times a year.
- Continue to foster human development by providing programs and activities for our special needs population.
- Evaluate recreational opportunities to insure that facilities/programs are current, innovative, inclusive, and inviting.
- Evaluate customer satisfaction of contract classes through citizen surveys.
- Proactively address future trends of the community so as to meet the needs of a rapidly changing society.
- Promote health and wellness through daily programming at parks and playground sites.
- Increase cultural unity by communicating with participants in our recreation programs and assessing their needs.

City Clerk

- Coordinate the scheduling of regularly scheduled agenda items, prepare the agenda, proof Staff Reports, and compile and deliver the Agenda Packets for the City Council, Redevelopment Agency, Bellflower Public Facilities Corporation, and Bellflower Financing Authority Meetings
- Post the agenda in compliance with State law and link the support documents on the City's website for the City Council, Redevelopment Agency, Bellflower Public Facilities Corporation, and Bellflower Financing Authority Meetings
- Compose the minutes for City Council, Redevelopment Agency, Bellflower Public Facilities Corporation, and Bellflower Financing Authority Meetings

- Process resolutions, ordinances, agreements, recorded documents, etc., for the City Council, Redevelopment Agency, Bellflower Public Facilities Corporation, and Bellflower Financing Authority

- Satisfy Public Records Act requests within prescribed deadlines

- Process Campaign Statements and Statement of Economic Interests filings pursuant to the Political Reform Act and update the Conflict of Interest Codes, when necessary, for the City, Redevelopment Agency, and Bellflower Public Facilities Corporation

- Maintain the City's logs/indexes: resolutions, ordinances, agreements, recorded documents, and the master and individual Political Reform Act filings

- Update the service history of the City's Commissions, Committees, and City Council, as well as the Mayors' appointments for City Council representation on various organizations

- Update the Bellflower Municipal Code

- Provide notary services as required

- Provide support services to the City Council and all City departments

Records Management

- Prepare departmental records for off-site storage (Iron Mountain Connect)

- Process/create file folder labels for various City departments (RecFind)

- Scan and process City Council, Redevelopment Agency, Bellflower Public Facilities Corporation, and Bellflower Financing Authority's minutes, agendas, agenda packets, resolutions, ordinances, agreements, and recorded documents (Laserfiche; electronically index)

- Scan the Planning Commission, Development Review Board, Parks and Recreation Commission, Public Safety Commission, and Public Safety Review Committee minutes and agendas (Laserfiche; electronically index)

- Monitor insurance compliance on new and renewed agreements and franchises, track the expiration of agreements and franchises, and timely renew agreements and franchises (FastTrack).

- Continue the back-file conversion of the City Council Agenda Packets from 1980 through and including 1991 to electronic format (Laserfiche)

Finance

- Continue preparing and updating the Biennial Operating Budget timely for the Council consideration and citizen participation.

- Due to the continuing decline in revenues, continue monitoring financial activities closely to maintain the fiscal stability of the City.

- Continue publishing outstanding Comprehensive Annual Financial Report to receive the financial reporting excellence award from the Government Finance Officers Association (GFOA).

- Continue maintaining accurate financial records for successful completion of financial and special compliance audits including the City, Redevelopment Agency, Public Facilities Corporations, Financing Authority, Proposition A, Proposition C, Transportation Development Act (TDA) Article 3, Measure R, and Federal grants.

- Continue filing special reports timely as required by various agencies of the Federal, State, and County governments.

- Continue updating and replacing computers, network servers, and software, as needed.

OTHER INFORMATION

Internal Control. 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.

Budgeting Controls. The City maintains budgetary controls 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. 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.

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.

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.

Independent Audit State statutes require an annual audit of the City's financial records by independent certified public accountants. As a result, the independent accounting firm of Moss, Levy & Hartzheim was selected to perform the audit for the fiscal year ended June 30, 2009. The auditors' unqualified (clean) opinion on the basic financial statements and accompanying footnotes is included in the Financial Section of this report.

In addition, the City issues audit reports for the following entities and funds: Redevelopment Agency, Public Facilities Corporation, Financing Authority, Federal funds (Single Audit Report), Proposition A, Proposition C, and Transportation Development Act Article 3.

Award 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, 2008. 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. The 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 fifteen (15) consecutive years. I believe that our current CAFR continues to conform to the Certificate of Achievement Program's requirements and I am submitting it to GFOA to determine its eligibility for a Certificate of Achievement for the fiscal year ended June 30, 2009.

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, the City's 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 Manager for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner, for the best interest of the citizens of the City of Bellflower.

Respectfully submitted,

Tae G. Rhee
Finance Director/
City Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bellflower California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2008

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.

President

Executive Director

MISSION STATEMENT

The Mission of the City of Bellflower is:

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

DIRECTORY OF CITY OFFICIALS

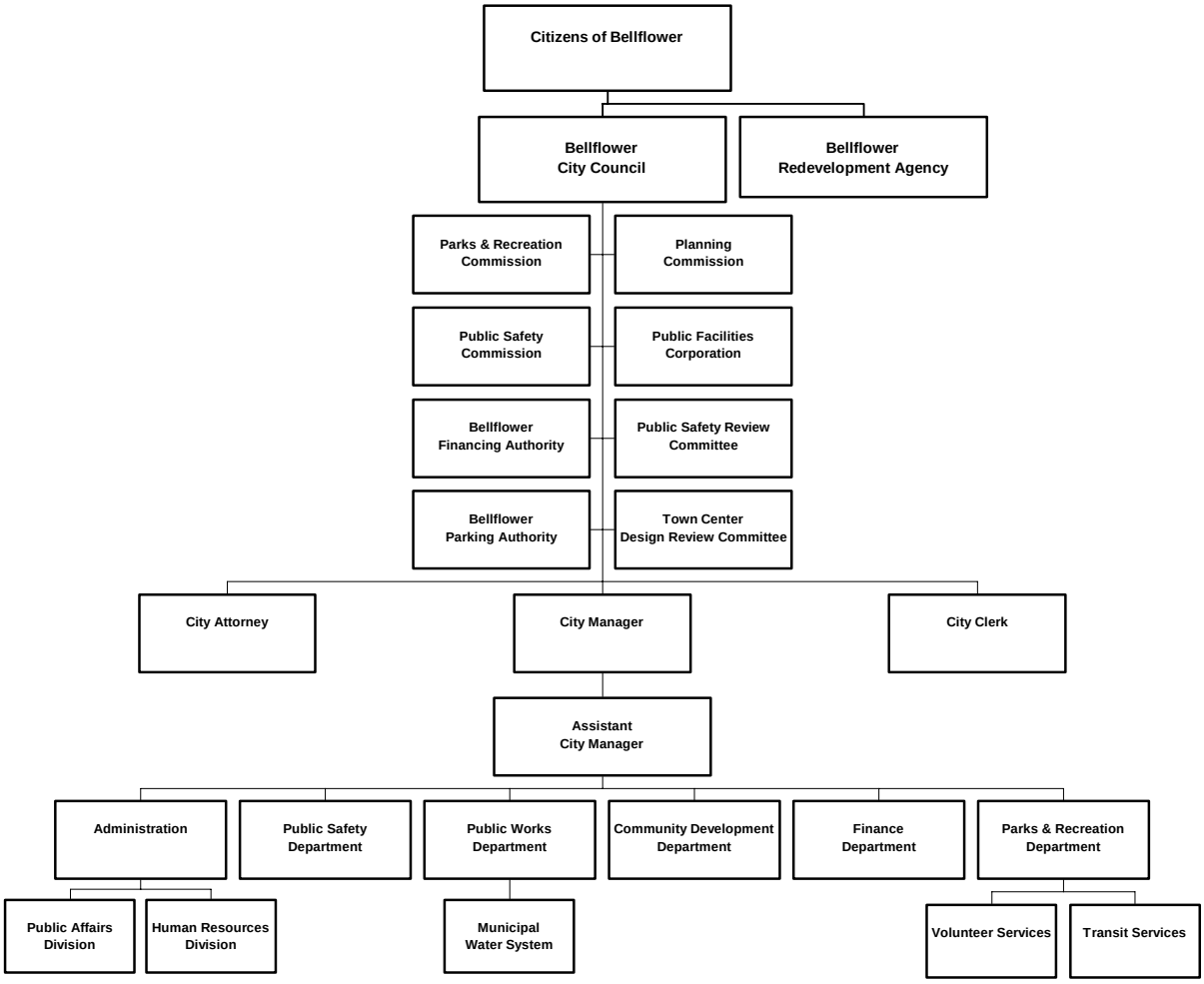
CITY COUNCIL

Ray T. Smith, Mayor
Raymond Dunton, Mayor Pro Tem
Randy J. Bomgaars, Council Member
Dan Koops, Council Member
Scott A. Larsen, Council Member

PRINCIPAL ADMINISTRATIVE OFFICERS

Michael J. Egan, City Manager
Debra D. Bauchop, City Clerk
Leo L. Mingle, Assistant City Manager
Richard A. Pierce, Director of Parks and Recreation
Brian K. Lee, Director of Community Development
Joel D. Hockman, Director of Public Safety
Deborah R. Chankin, Director of Public Works
Tae G. Rhee, Director of Finance/City Treasurer

City of Bellflower Organization Chart



BELLFLOWER
CALIFORNIA

MOSS, LEVY & HARTZHEIM LLP
CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS
RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA

9107 WILSHIRE BLVD., SUITE 400
BEVERLY HILLS, CA 90210
TEL: 310.273.2745
FAX: 310.273.1689
www.mlhcpas.com

Independent Auditor's Report

Honorable City Council
Of the City of Bellflower
Bellflower, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bellflower, California (City) as of and for the fiscal year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bellflower, California, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1 of the notes to basic financial statements effective July 1, 2008, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* GASB Statement No. 52 *Land and Other Real Estate Held as Investments by Endowments,* GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* And GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards.*

OFFICES: BEVERLY HILLS · SANTA MARIA

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 20 and the Postemployment Retiree Benefits Funding Progress on page 72 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The major fund schedules, combining and individual nonmajor fund financial statements and schedules, introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The major fund budgetary schedules and the combining and individual nonmajor fund financial statements and schedules, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim LLP
Beverly Hills, California
December 4, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

This is management's discussion and analysis of the financial performance of the City of Bellflower for the fiscal year ended June 30, 2009. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal and financial statements.

In general, the term "City," "Citywide" or "Government-wide" refers to the consolidated financial entity, which includes the City of Bellflower, the Bellflower Redevelopment Agency, the Bellflower Public Facilities Corporation, and the Bellflower Financing Authority. The City has a business-type activity which is water distribution.

Note: Throughout this MD&A, dollar amounts may be expressed in multiples of one thousand or one million dollars using standard rounding conventions. In addition, percentages may be rounded to the nearest tenth or the whole number, creating differences between the details and total.

Financial Highlights

During the fiscal year ended June 30, 2009, the City continued to maintain its stable financial position despite significant revenue decreases caused by the recession. The Council promptly took action during the fiscal year to make approximately $4 million in broad budget cuts which included various community events, programs, services and capital projects including part-time layoffs, a 10% furlough, freezing vacant positions, and early retirement incentives. The cuts, however, allowed for the continued provision of essential services to the community.

Government-wide:

- At June 30, 2009, the City's total assets were $94.0 million and total liabilities were $32.9 million, resulting in net assets of $61.1 million. Of this amount, $15.0 million in unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.

- For the fiscal year ended June 30, 2009, net assets decreased $1.1 million, resulting from an unfavorable variance of revenues over expenses. Total revenues from programs and general revenues were $35.4 million and total expenses for all functions and programs were $36.5 million.

- Of total revenues of $35.4 million, program revenues were $11.8 million and general revenues were $23.6 million. Program revenues are divided into three categories: Charges for services, $4.8 million; Operating contributions and grants, $5.1 million; and Capital contributions and grants, $1.9 million.

Fund Based:

- At June 30, 2009, the General Fund balance was $25.7 million, a decrease of $486 thousand from the prior year fund balance of $26.2 million. The unreserved fund balance

(net of cash advances to the Redevelopment Agency and Water Fund and prepaid expenditures) was $15.2 million.

- The actual General Fund revenues and transfers in of $25.5 million represented a decrease of $652 thousand from the prior year actual of $26.2 million and a decrease of $2.0 million from the final budget of $27.5 million.

- The actual General Fund expenditures and transfers out of $26.0 million represented a decrease of $279 thousand from the prior year actual of $26.3 million and a decrease of $3.2 million from the final budget of $29.2 million.

Overview of the Financial Statements

This discussion and analysis is intended as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The Government-wide Financial Statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements include all assets of the City as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to inter-fund activity, payables, and receivables.

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads.

Governmental activities report most of the City's basic service activities that include General Government (City Council, City Administration, City Clerk, Finance, Human Resources, Risk Management, etc.), Public Safety, Public Works, Parks and Recreation, and Community Development. Sales tax, property tax, vehicle license fees, franchise fees, business licenses, fines, user fees, state and federal grants, and interest income finance these activities.

Fund Financial Statements

The Fund Financial Statements include statements for three categories of activities – governmental, proprietary and fiduciary. The governmental activities are prepared using the current financial

resources measurement focus and the modified accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus.

Reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach.

The fund financial statements provide detailed information about the major funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental Funds consist of most of the City's basic services, which focuses on how money flows into and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental fund financial statements to those in the Government-wide financial statements are explained in a reconciliation schedule following each Governmental fund financial statement.

Proprietary funds are primarily used to account for City charges for the services it provides, whether to outside customers or to other units of the City. These funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statements of Activities, using an accrual basis of accounting. The City's enterprise fund (a component of proprietary funds) is a business-type activity we report in the government-wide financial statements with greater detail and additional information, such as the statement of cash flows. The City uses an internal service fund (the other component of proprietary funds) to report the activity that provides equipment for the City's programs and activities. Since this activity predominantly benefits governmental, rather than business-type, functions, it is included within the governmental activities in the government-wide financial statements.

Fiduciary Funds involve the City's role as a trustee or fiduciary for certain funds held on behalf of other organizations or districts. These funds are used to account for assets held by the City and are purely custodial in nature, where assets equal liabilities. Therefore, related results of operations are not measured or reported. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations. In addition, the City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Notes to the Basic Financial Statements

Notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes can be found immediately following the fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain combining statements in connection with non-major governmental funds. These combining and individual fund statements and schedules can be found immediately following the Notes to the Basic Financial Statements.

Government-wide Financial Analysis

The government-wide statements report information about the City as a whole. The statement of net assets includes all of the City's assets and liabilities. All current year revenues and expenses are reported in the statement of activities regardless of when cash is received or paid.

Condensed Statement of Net Assets

	(in millions)					
	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2009	2008	2009	2008	2009	2008
Current and other assets	$ 43.2	$ 34.7	$ (6.8)	$ (6.4)	$ 36.5	$ 28.3
Capital assets	51.2	51.4	6.3	6.1	57.5	57.5
Total assets	94.4	86.1	(0.5)	(0.3)	94.0	85.8
Current and other liabilities	6.5	5.5	0.3	0.2	6.8	5.7
Long-term debt	26.1	17.9	-	-	26.1	17.9
Total liabilities	32.6	23.4	0.3	0.2	32.9	23.6
Net Assets:						
Invested in capital assets, net of related debt	24.6	34.5	6.3	6.1	30.9	40.6
Restricted	13.7	5.1	-	-	13.7	5.1
Unrestricted	23.5	23.2	(7.0)	(6.7)	16.5	16.5
Total net assets	$ 61.8	$ 62.8	$ (0.7)	$ (0.6)	$ 61.1	$ 62.2

Note: Due to rounding, the dollar details may not add up to corresponding totals.

The City's Government-wide total net assets were $61.8 million, with assets of $94.4 million and liabilities of $32.9 million. The net investment in capital assets of $30.9 million represents 51% of the City's total net assets. Investment in capital assets (e.g., infrastructure, land, buildings, machinery and equipment) for this financial reporting purpose is reduced by any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Furthermore, because the capital assets themselves cannot be used to liquidate any related debt, it should be noted that the resources needed to repay the debt must be provided from other available resources, primarily the unrestricted net assets.

Another portion of the City's net assets, $13.7 million, or 22%, represents resources that are subject to external restrictions in how they may be used. The remaining balance of $15.0 million, or 25%,

in unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net assets.

Condensed Statement of Changes in Activities

Changes in Net Assets
(in millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	FY 2008-09	FY 2007-08	FY 2008-09	FY 2007-08	FY 2008-09	FY 2007-08
Revenues						
Program revenues:						
Charges for services	$ 3.3	$ 3.6	$ 1.5	$ 1.5	$ 4.8	$ 5.1
Operating contributions and grants	5.1	7.8	-	-	5.1	7.8
Capital contributions and grants	1.9	2.0	-	-	1.9	2.0
Subtotal Program Revenues	10.3	13.4	1.5	1.5	11.8	14.9
General Revenues:						
Sales taxes	4.1	4.9	-	-	4.1	4.9
Property taxes	4.3	4.6	-	-	4.3	4.6
Property taxes in lieu of VLF	6.4	6.1	-	-	6.4	6.1
Franchise taxes	1.5	1.5	-	-	1.5	1.5
Utility users taxes	4.1	4.1	-	-	4.1	4.1
Transient occupancy taxes	0.5	0.6	-	-	0.5	0.6
Business license taxes	0.6	0.5	-	-	0.6	0.5
Property transfer taxes	0.1	0.1	-	-	0.1	0.1
Motor vehicle in lieu	0.3	0.3	-	-	0.3	0.3
Earnings on investments	1.2	1.0	0.1	0.1	1.3	1.1
Miscellaneous	0.5	0.5	-	-	0.5	0.5
Subtotal General Revenues	23.5	24.2	0.1	0.1	23.6	24.3
Total Revenues	33.8	37.6	1.6	1.6	35.4	39.2
Expenses:						
Governmental activities:						
General government	4.0	4.7	-	-	4.0	4.7
Public safety	10.5	9.8	-	-	10.5	9.8
Public works	8.5	8.6	-	-	8.5	8.6
Community development	5.6	4.7	-	-	5.6	4.7
Parks and recreation	2.9	3.4	-	-	2.9	3.4
Interest on long-term debt	1.4	1.1	-	-	1.4	1.1
Loss on sale of property	2.2	-	-	-	2.2	-
Business-type activities:						
Water	-	-	1.4	1.9	1.4	1.9
Total Expenses	35.1	32.3	1.4	1.9	36.5	34.2
Excess (deficiency) before transfers	$ (1.3)	$ 5.3	$ 0.2	$ (0.3)	$ (1.1)	$ 5.0
Transfers:	0.3	-	(0.3)	-	-	-
Change in Net Assets	$ (1.0)	$ 5.3	$ (0.1)	$ (0.3)	$ (1.1)	$ 5.0
Net Assets - Beginning of Fiscal Year	62.8	57.5	(0.6)	(0.3)	62.2	57.2
Net Assets - End of Fiscal Year	$ 61.8	$ 62.8	$ (0.7)	$ (0.6)	$ 61.1	$ 62.2

Note: Due to rounding, the dollar and percentage details may not add up to corresponding totals.

Revenues for the City's governmental and business-type activities decreased 10%, from $39.2 million last fiscal year to $35.4 million in this fiscal year. Key elements of significant changes for governmental activities were as follows (business-type activities discussed later):

- The largest revenue source was property taxes, general revenue, at $10.7 million, which decreased $52 thousand, or 0.5%, from the preceding fiscal year. For the purpose of this analysis, property taxes include property taxes in lieu of VLF of $6.4 million and are reduced by the total amount paid to the school and community college districts as pass-through payments.

  The property taxes, excluding property taxes in lieu of VLF, decreased $371 thousand, or 8%, compared to the preceding fiscal year due to the Redevelopment Agency's setting aside $400,000 to the Bellflower Unified School District (BUSD) Trust Fund in accordance with the Amended Memorandum of Understanding and Settlement Agreement and Mutual Release, dated November 24, 2008, between the Agency and Bellflower Unified School District.

  Due to the recession, declining real estate values and related unemployment, mortgage defaults and foreclosures, the property taxes are expected to decrease as much as 10% over the next few years.

  Property tax in lieu of VLF is a revenue source that the City has been receiving since fiscal year 2004-05. Beginning in 1998, the State took action to incrementally reduce the vehicle license fee (VLF) from 2% to 0.65%, potentially causing severe financial losses to many California cities and counties. To make affected cities and counties financially whole, the State took action to restore the lost VLF revenues with its property taxes. The City's property tax in lieu of VLF for this fiscal year totaled $6.4 million. Although the local governments are made whole, this arrangement has caused cash flow issues, as VLF payments are made on a monthly basis but the property tax payments are generally made during the second half of the fiscal year.

- The second largest revenue source was operating contributions and grants, a program revenue, at $5.1 million, which decreased $2.7 million, or 35%, from the preceding fiscal year. A significant portion of this decrease was from the HOME entitlement grant fund with a decrease of $1.2 million. Community Development Block Grant fund (CDBG) also had a decrease of $388 thousand. Public Works operating contributions and grants had a decrease of $367 thousand primarily due to the following: Proposition C funds by $138 thousand, Proposition A funds by $132 thousand, and State Gas Tax funds by $124 thousand. In addition, operating contributions and grants for General Government decreased $165 thousand and Public Safety decreased $151 thousand.

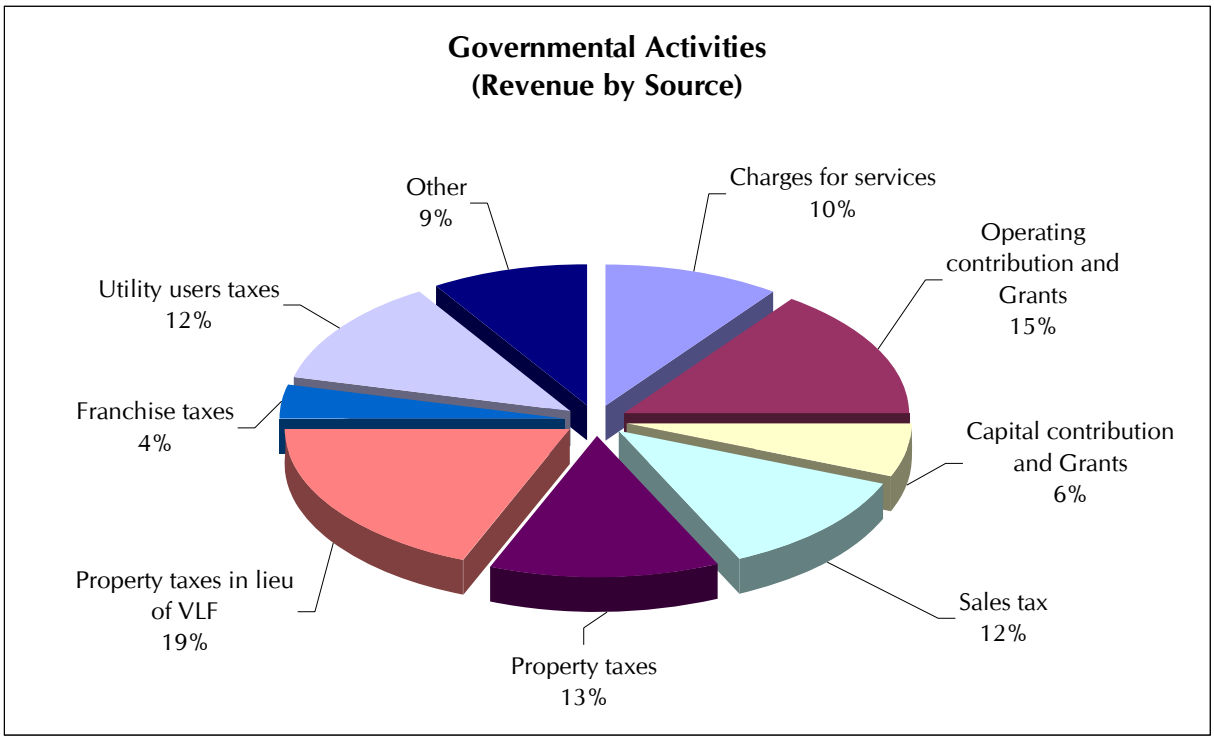
  HOME and CDBG are expenditure-driven Federal grants in which revenues are recognized only when qualified expenditures are made. While the accounting rules for these grants require the reporting of increases in revenues to correspond with the increases in expenditures, the annual Federal funding of these two grants have, in fact, been declining over time for the past several years, especially for CDBG.

- The third largest revenue source was utility users taxes (UUT), a general revenue, at $4.1 million, which increased $61 thousand, or 1.5%, from the preceding fiscal year. On March 3, 2009, the local voters approved amendments to the City's UUT ordinance to protect this significant and vital revenue source by removing the reference to the federal excise tax to eliminate any and all related litigation risks and to modernize the telecom provisions to specifically include, among other things, VoIP, IP-TV, text messaging, paging and private communication services.

- The fourth largest revenue source was sales taxes, a general revenue, at $4.1 million, which decreased $791 thousand, 16% from the preceding fiscal year. Due to the recession, there has been a significant decline in consumer spending. In addition, the City lost one of its highest sales tax producing new automobile dealerships. As the recession continues, sales taxes are expected to decline even further.

- The fifth largest revenue source was charges for services, a program revenue, at $3.3 million, which decreased $322 thousand, or 9%, from the preceding fiscal year. Public Works charges for services decreased $257 thousand from the preceding fiscal year. In addition, Parks and recreation charges for services decreased $133 thousand.

- Transfers in of $285 thousand (not included in the chart below) was related to the debt service payments on the 2008 Certificates of Participation issued in connection with the acquisition and related improvements of the water system.



The cost of providing all governmental activities this year was $35.1 million before applying program revenues of $10.3 million. The remaining "public benefit" portion of governmental activities was paid with general revenues. Public Safety, the largest expense category, represented $10.5 million, or 30% of Governmental Activities, of which approximately $2.0 million was funded with program revenues. The remaining balance of $8.5 million was funded with general revenues. Public Works, the second largest expense category, represented $8.5 million, or 24%, with program revenues of $5.1 million. Community Development, the third largest expense category, represented $5.6 million, or 16%, funded by program revenues of $2.2 million. General Government had expenses of $4.0 million, or 11%, paid entirely with general revenues. Parks and Recreation had expenses of $2.9 million, or 8%, with program revenues of $1.0 million. Interest on long-term debt was $1.4 million, or 4%, paid entirely with general revenues. In addition, there was a loss on the sale of property of $2.2 million, or 6%, with no related program revenues.

Significant changes in the Governmental Activities expense categories when compared to the prior fiscal year are summarized as follows:

- General Government expenses decreased by $669 thousand. Due to the recession, City's revenues have declined substantially. As a result, the Council took action promptly during the fiscal year to make approximately $4 million in broad budget cuts which included various community events, programs, services and capital projects including part-time layoffs, a 10% furlough, freezing vacant positions, and early retirement incentives.

- Public Safety expenses increased $635 thousand compared to the preceding fiscal year. The increase was largely due to the higher contract law enforcement costs with the Los Angeles County Sheriff's Department.

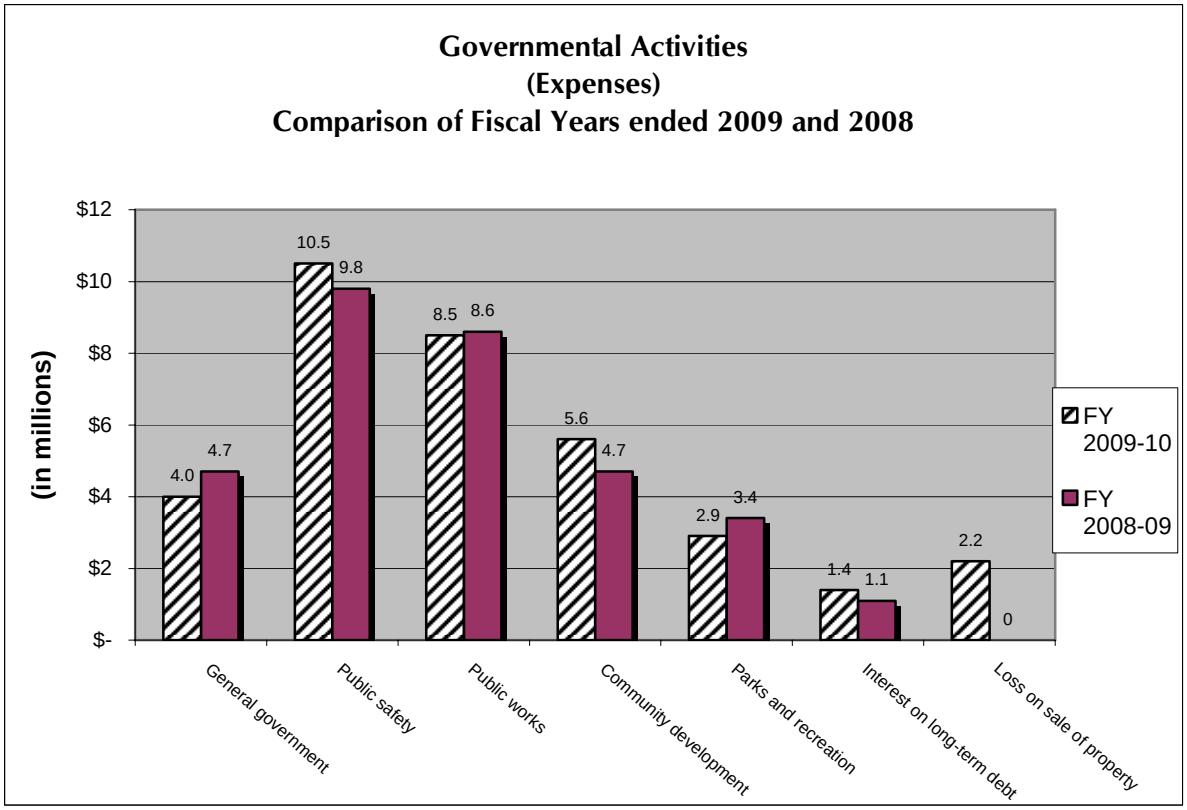
- Community Development expenses increased $873 thousand compared to the preceding fiscal year. The increase included changes in the following major categories: Redevelopment Agency capital and administrative expenses ($685 thousand increase), and Federal HOME grant expenses ($400 thousand increase).

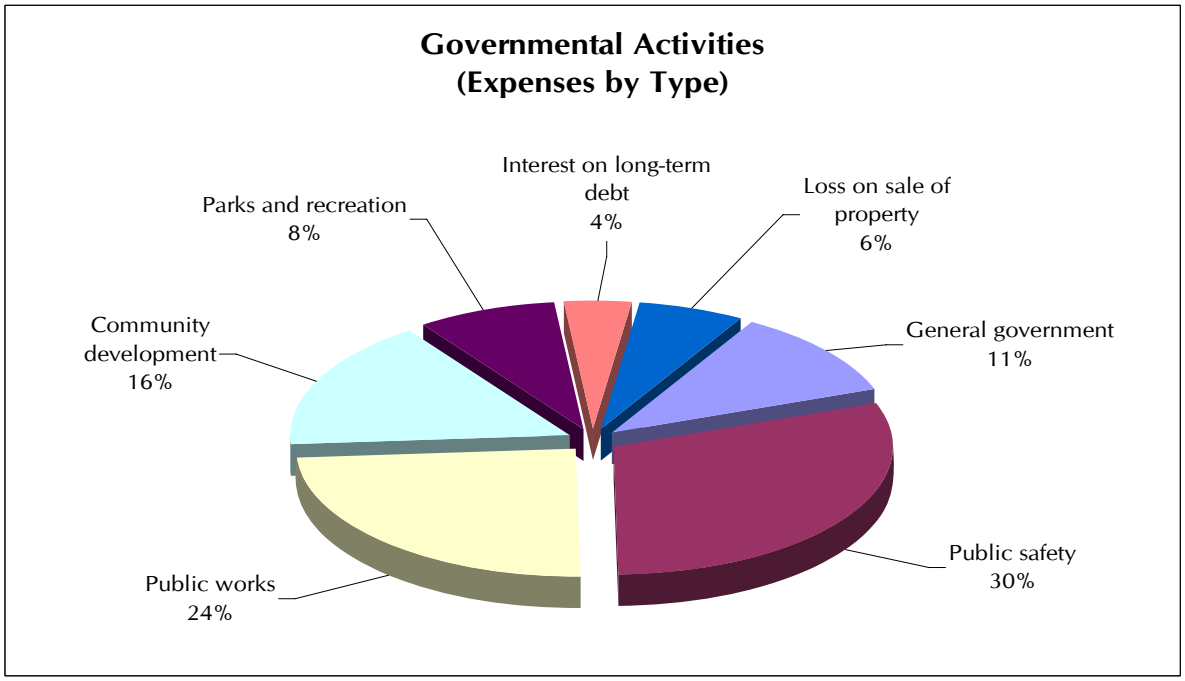
- Parks and Recreation expenses decreased $542 thousand compared to the preceding fiscal year. The decrease was largely due to staffing reductions at various parks and related cuts in recreation activities and programs. Parks and Recreation suffered the greatest staffing losses by the recession-driven budget cuts.

- Public Works expenses decreased nominally by $27 thousand compared to the preceding fiscal year.

- Interest on Long-Term Debt increased by $288 thousand. The increase was primarily due to the $8.23 million in certificates of participation issued in July 2008 in connection with the water system acquisition and related improvements.

- During the fiscal year, the City and Redevelopment Agency realized a combined loss of $2.2 million in connection with the contribution of real property for the Walnut Street Mixed Use Project.





Note: The above chart may not total 100% due to rounding.

Business-Type Activities.

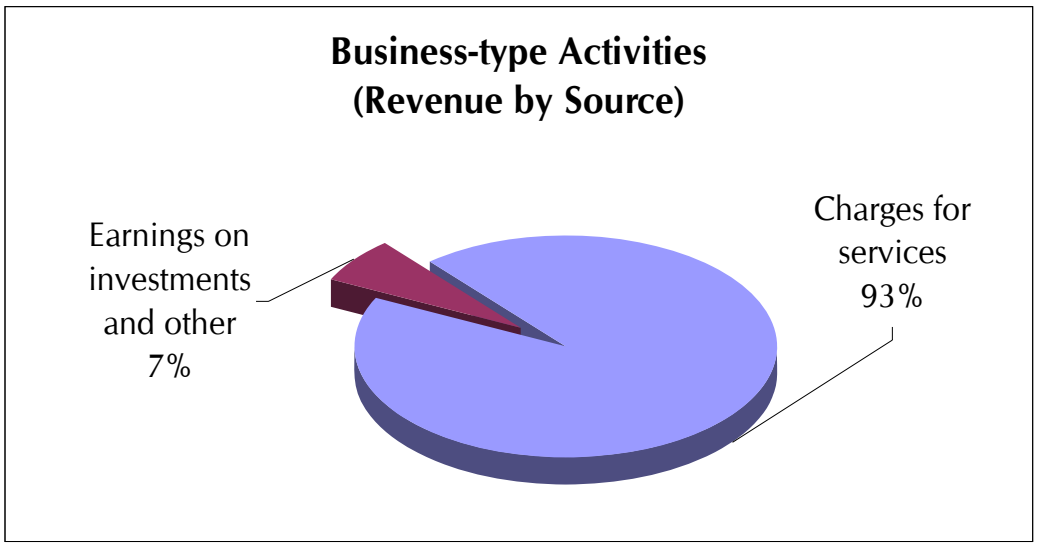
The Municipal Water System (MWS) is the City's sole business-type activity.

- The total MWS revenue was $1.6 million, a decrease of $3 thousand, or 0.2%, compared to the preceding fiscal year. The program revenue was $1.5 million.

- The total operating expenses and transfers out were $1.7 million, a decrease of $176 thousand, or 9%, compared to the preceding fiscal year. The operating expenses decreased $137 thousand and interest expenses not related to the 2008 Certificates of Participation decreased $344 thousand. The transfers out, increases in expenses, of $285 thousand were related to the debt service payments on the Certificates of Participation issued in July 2008 in connection with the acquisition and improvements of the water system.

- At June 30, 2009, the deficit in net assets increased $131 thousand, to $715 thousand. The entire deficit is expected to be recovered with future water revenues and cost savings.

- During the fiscal year, MWS incurred costs totaling $355 thousand towards well destruction, demolition and rehabilitation. In addition, cost saving projects such as the Mapledale-Van Ruiten water system interconnection project (estimated completion of fiscal year 2009-10) and a high capacity well construction project (estimated completion of 2011) had commenced.



Financial Analysis of the Government's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on current year revenues, expenditures, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the fiscal year ended June 30, 2009, the City's governmental funds reported combined ending fund balances of $23.0 million, an increase of $4.4 million, or 24%, in comparison with the prior year's total of $18.6 million. Approximately 16%, or $3.7 million, constituted unreserved fund balances which were available for spending at the City's discretion. The remainder of fund balance of $19.3 million, or 84%, was reserved to indicate that it was not available for new spending because it had already been committed 1) as loans to the Redevelopment Agency and Water Fund ($10.5 million), 2) for debt service ($8.9 million) and 3) as prepaid expenditures ($9 thousand).

Note: The information contained in the above paragraph, which is based on the combined balance sheet of the governmental funds, does not accurately reflect the true fiscal condition of the City due to the current financial reporting standards. The loans from the General Fund to the Redevelopment Agency have the ultimate effect of artificially lowering the unreserved fund balance at the consolidated level. At June 30, 2009, the City's reported total unreserved fund balance (available for spending at the City's discretion) of $3.7 million was, in reality, higher by $14.7 million.

Revenues of governmental funds for the fiscal year ended June 30, 2009 were $34.2 million, a decrease of $3.2 million, or 9%, from the prior year total of $37.4 million. Expenditures of governmental funds were $39.3 million, a decrease of $675 thousand, or 2%, from the prior fiscal year total of $40.0 million. Excluding other financing sources and uses, expenditures of governmental funds exceeded revenues by $5.1 million.

The City has three major governmental funds: General Fund, HOME Capital Projects Fund, and the Redevelopment Agency Capital Projects Fund. An analysis of significant balances and transactions of the individual major funds has been provided below. With respect to the nonmajor funds, there were no significant balances and transactions that are reportable.

General Fund is the chief operating fund of the City, which is used to account for all discretionary revenues and expenditures necessary to carryout basic government functions that are not accounted for through other special revenue and grant funds.

At the end of the current fiscal year, the unreserved fund balance of the General Fund was $15.2 million, while the total fund balance was $25.7 million. As a measure of General Fund's liquidity, it may be useful to compare both the unreserved fund balance and the total fund balance to the total fund expenditures. The unreserved fund balance represented 62% of the total fund expenditures of $24.5 million, while the total fund balance represented 105% of the expenditure

total. The fund balance of the City's General Fund decreased $486 thousand, or 2%, during the fiscal year ended June 30, 2009.

General Fund revenues and transfers in were $25.1 million, a decrease of $1.1 million, or 4%, from the prior year total of $26.2 million. Key elements of the changes are summarized as follows:

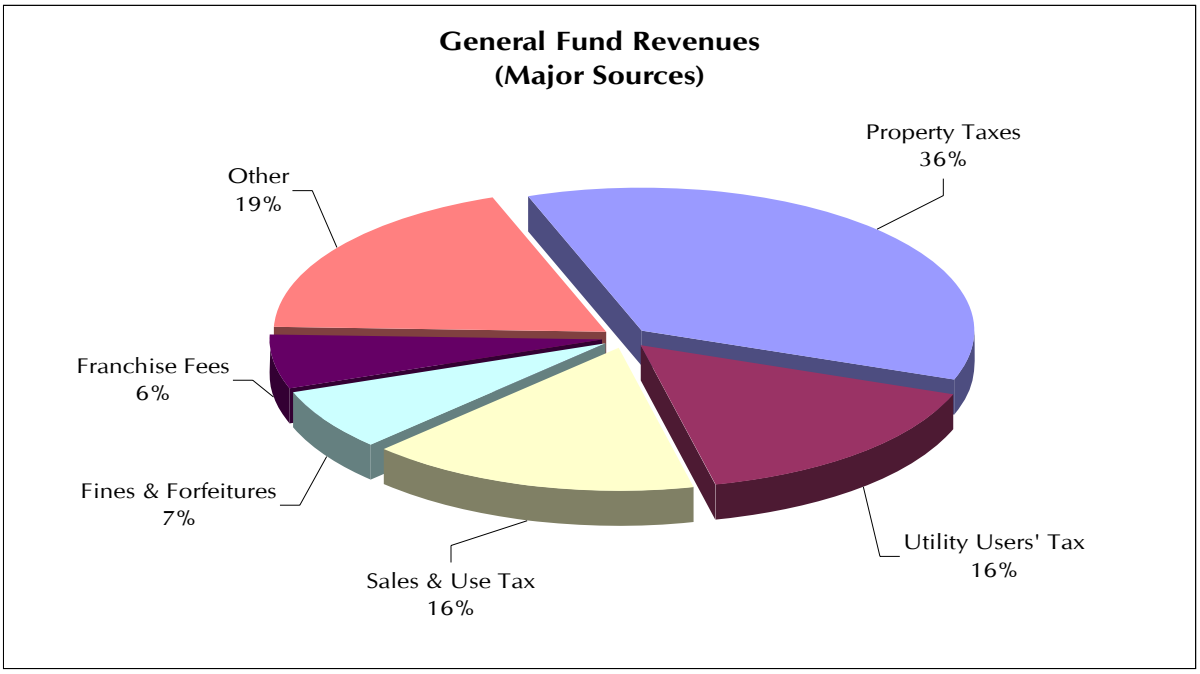
- The largest revenue source was property taxes, including property taxes in lieu of VLF, at $9.1 million, or 36% of General Fund revenues and transfers in, an increase of $341 thousand, or 4%, when compared to the preceding fiscal year's amount of $8.8 million. However, due to the declining real estate values and rising mortgage defaults foreclosures, the property taxes are expected to decrease as much as 10% over time.

- The second largest revenue source was sales taxes at $4.1 million, or 16% of General Fund revenues and transfers in, a decrease of $816 thousand, or 17%, compared to the preceding fiscal year's amount of $4.9 million. Due to the recession, there has been a significant decline in consumer spending. In addition, the City lost one of its highest sales tax producing new automobile dealerships. As the recession continues, sales taxes are expected to decline even further.

- The third largest revenue source was utility users' taxes at $4.1 million, or 16% of General Fund revenues and transfers in, an increase of $61 thousand, or 2%, compared to the preceding fiscal year's amount. On March 3, 2009, the local voters approved amendments to the City's UUT ordinance to protect this significant and vital revenue source by removing the reference to the federal excise tax to eliminate any and all related litigation risks and to modernize the telecom provisions to specifically include, among other things, VoIP, IP-TV, text messaging, paging and private communication services.

- The fourth largest revenue source was fines and forfeitures at $1.7 million, or 7% of General Fund revenues and transfers in, an increase of $64 thousand, or 4%, compared to the preceding fiscal year's amount.

- The fifth largest revenue source was franchise fees at $1.5 million, or 6% of General Fund revenues and transfers in, a decrease of $19 thousand, or 1% compared to the preceding fiscal year's amount.



General Fund expenditures and transfers out were $25.6 million, a decrease of $727 thousand, or 3%, from the prior year total of $26.3 million. Key elements of the changes are summarized as follows:

As discussed previously, due to the substantial decrease in revenues primarily caused by the recession, broad budget cuts were made during the fiscal year which included various community events, programs, services and capital projects including part-time layoffs, a 10% furlough, freezing vacant positions, and early retirement incentives.

- Public safety was the largest General Fund function at $10.3 million, or 40% of General Fund expenditures and transfers out, an increase of $858 thousand, or 9%, from the preceding fiscal year's total of $9.5 million. The increase was largely due to the higher contract law enforcement costs with the Los Angeles County Sheriff's Department.

- Public works was the second largest General Fund function at $5.6 million, or 22% of General Fund expenditures and transfers out, a decrease of $219 thousand, or 4%, from the preceding fiscal year's total of $5.8 million. The decrease was largely due to budget cuts in staffing and operating costs associated with facilities, street, and open space maintenance.

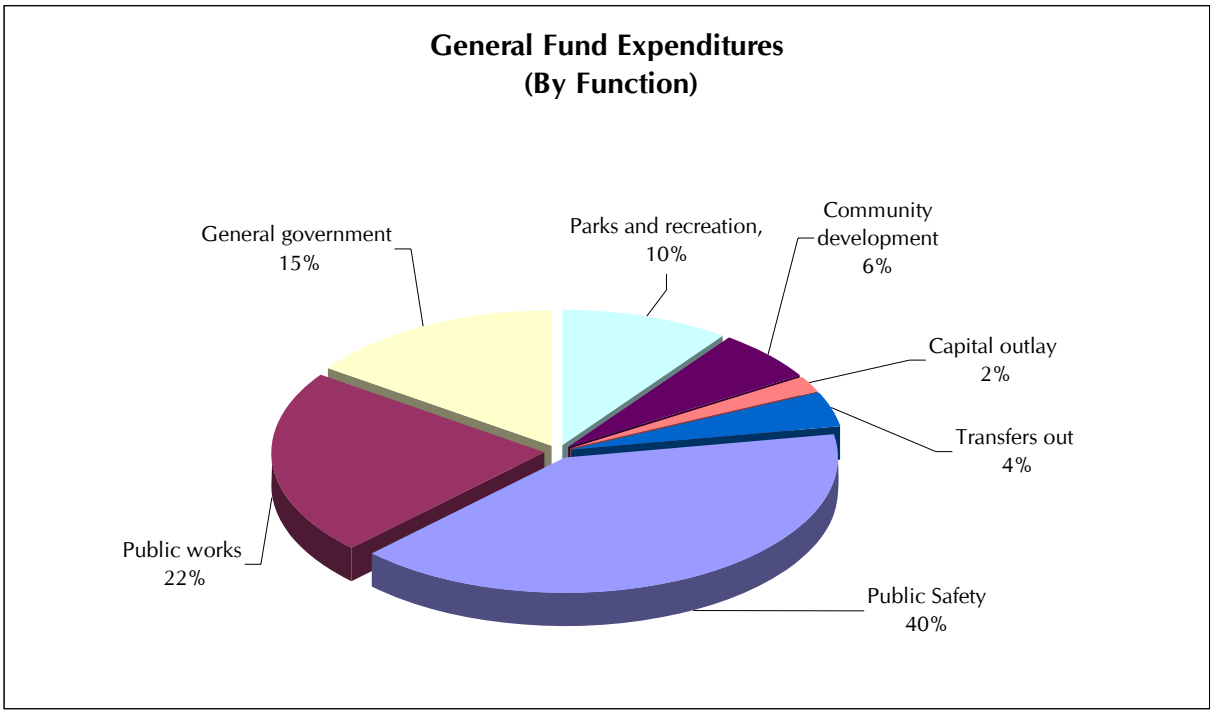
- General government (City Council, City Commissions, City Administration, City Clerk's Office, City Attorney, Finance, Personnel, Public Affairs, Risk Management, and Non-departmental) was the third largest General Fund function at $3.8 million, or 15% of General Fund expenditures and transfers out, a decrease of $465 thousand, or 11%, from the preceding fiscal year's total of $4.3 million. The decrease was largely due to budget cuts in staffing, operating costs, and special community events.

- Parks and recreation was the fourth largest General Fund function at $2.6 million, or 10% of General Fund expenditures and transfers out, a decrease of $337 thousand, or 12%, from the preceding fiscal year's total of $2.9 million. The decrease was largely due to budget cuts in staffing, operating costs, and parks and recreation activities. Parks and Recreation suffered the greatest staffing losses by the recession-driven budget cuts.

- Community development was the fifth largest General Fund function at $1.6 million, or 6% of General Fund expenditures and transfers out, a decrease of $180 thousand, or 10%, from the preceding fiscal year's total of $1.7 million. The decrease was largely due to budget cuts in staffing and operating costs.

- Transfers out totaled $1.1 million, or 4% of General Fund expenditures and transfers out, an increase of $58 thousand, or 6%, from the preceding fiscal year's total of $1.0 million. Of the total transfers out, $465 thousand was for the payment of interest, principal, and trustee's administrative fees on the City's 1999 Refunding Certificates of Participation, $385 thousand was used to eliminate the deficit in the Building and Safety Fund, and $214 thousand was related to offset the code enforcement costs charged to the Community Development Block Grant (CDBG) Fund.

- Capital outlay totaled $567 thousand, or 2% of General Fund expenditures and transfers out, a decrease of $443 thousand, or 44%, from the preceding fiscal year's total of $1.0 million. Capital outlay, by nature, can fluctuate greatly from year to year.



Note: The above chart may not total 100% due to rounding.

HOME Capital Projects Fund accounts for the City's entitlements of the Federal HOME Investment Partnerships Program (HOME) funds and related expenditures. The HUD provides annual allocations of HOME funds that can be used for a wide range of activities (often in partnership with Community Housing Development Organizations – CHDO) that build, buy, and rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income residents.

HOME program costs are generally drawn down from the HUD-approved line of credit on a reimbursement basis only (as expenditures are made). As a result, the fund balance of the HOME Capital Projects Fund is generally $0 or a nominal amount even though there may be funds available in the line of credit. At the end of the current fiscal year, the City's HOME Capital Projects Fund fund balance was $0, while the line of credit had an available balance of $876 thousand. The annual HOME entitlement for the fiscal year was $569 thousand, a decrease of $17 thousand, or 3%, when compared to the preceding fiscal year's entitlement of $586 thousand.

HOME is a reimbursement grant (an expenditure-driven grant). HOME expenditures were $511 thousand, a decrease of $1.2 million, from the preceding fiscal year's total of $1.7 million. This decrease was due to a one-time acquisition of real property related to the development of a mixed-use project in fiscal year 2007-08.

Redevelopment Agency Capital Projects Fund, under California Redevelopment Law, finances activities that help remove blight, including but not limited to physical deterioration, lack of economic vitality, increase of negative social trends such as crime, aging infrastructure, and high business vacancies. The primary financing sources of the Redevelopment Agency are the property tax increment generated from the project area, tax allocation bonds, and cash advances and loans from the City. This Fund does not include low and moderate income housing activities that are separately accounted for in the Redevelopment Agency Housing Set Aside Fund, a capital projects fund.

In general, property tax increment revenue, net of annual debt service payments and 20% set-aside for low and moderate income housing, is transferred from the Redevelopment Agency Debt Service Fund to the Redevelopment Agency Capital Projects Fund to finance authorized projects. As with prior years, Redevelopment projects continue to be largely supported with loans and cash advances from the City's General Fund.

Redevelopment project expenditures were $2.8 million, an increase of $393 thousand, or 17%, from the preceding fiscal year's total of $2.4 million.

General Fund Budgetary Highlights

In any fiscal year, the City Council and the City Manager (with limited authority) may revise the budget from time to time to accommodate certain changes to the community's needs and requirements for programs and activities and to take necessary measures to address significant changes to the fiscal condition of the City resulting from emergencies and other unforeseen events.

Revenues and Transfers In – The original and final budgeted revenues, proceed on sale of property and transfers in were $26.6 million.

Appropriations and Transfers Out – The final appropriations and transfers were $28.3 million, an increase of $574 thousand from the original allocations of $27.8 million as follows: $269 thousand in general government, $83 thousand in community development, $177 thousand in capital outlay, and $45 thousand in transfers out.

Budget to Actual Variance

The actual total revenues of $23.9 million were lower than the final budgeted revenues of $25.2 million, a decrease of $1.3 million. A major portion of the decrease was attributable to the sales and use taxes.

The actual total expenditures of $24.5 million were lower than the final appropriations of $27.7 million by approximately $3.2 million as follows: $1.0 million in general government, $533 thousand in community development, $514 thousand in parks and recreation, $442 thousand in capital outlay, $405 thousand in public works, and $246 thousand in public safety.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for governmental and business-type activities as of June 30, 2009, was $57.5 million (net of accumulated depreciation). Infrastructure assets have been reported retroactive to July 1, 1980, in compliance with GASB Statement No. 34. Any infrastructure assets acquired or significantly improved prior to July 1, 1980 are not included. For additional information on capital assets, please refer to Note 9 to the basic financial statements.

Capital Assets
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	FY 2008-09	FY 2007-08	FY 2008-09	FY 2007-08	FY 2008-09	FY 2007-08
Land	$ 17,336	$ 18,859	$ 827	$ 490	$ 18,163	$ 19,349
Buildings and improvements	19,631	19,084	83	88	19,714	19,172
Equipment and furniture and fixtures	1,444	1,845	14	15	1,458	1,860
Infrastructure	10,239	9,558	1,061	1,175	11,300	10,733
Construction in progress	2,436	2,026	9	3	2,445	2,029
Water rights	94	94	4,000	4,000	4,094	4,094
Acquisition costs	-	-	311	345	311	345
Total Capital Assets	$ 51,180	$ 51,466	$ 6,306	$ 6,115	$ 57,485	$ 57,582

Note: Due to rounding, the dollar details may not add up to corresponding totals.

During this fiscal year, the City added $3.7 million in capital assets excluding equipment and furniture and fixtures. The following were major activities for the fiscal year:

- Property acquisitions (Redevelopment Agency) $1.8 million
- West Branch Greenway Project $1.2 million
- Sewer Reconstruction Project $181 thousand
- Palm Street Park Project $84 thousand
- Well destruction, demolition and rehabilitation $355 thousand

The City and Redevelopment Agency contributed land with a carrying value of $2.2 million to the developer of the Walnut Street Mixed Use Project.

Long-Term Debt At June 30, 2009, the City had $27.9 million in outstanding long-term debt for Governmental Activities, an increase of $8.6 million, or 45%, from the preceding fiscal year. The increase was largely due to the Certificates of Participation (COPS) issued in July 2008 by the Bellflower Financing Authority in connection with the acquisition and improvements of a water system. At the end of the fiscal year, the outstanding 2008 COPS balance was $8,230,000. In addition, the Redevelopment Agency purchased two real properties under installment payment arrangements. The two notes carried a combined balance of $993 thousand. Compensated absences (i.e., accrued vacation, sick leave, and compensatory time off) increased $60 thousand.

For additional information on long-term debt, please refer to Note 10 to the notes to the basic financial statements.

Long-Term Debt
(in thousands)

	2009	2008	Variance Increase/ (Decrease)	% Change
1999 Refunding Certificates of Participation	$ 3,935	$ 4,200	$ (265)	-6%
2004 Refunding Tax Allocation Bonds	7,135	7,255	(120)	-2%
2008 Certificates of Participation (Water System)	8,230	-	8,230	N/A
HUD Section 108 Loan	6,088	6,336	(248)	-4%
Notes Payable	1,173	189	984	521%
Compensated Absences	1,386	1,326	60	5%
Total Long-Term Debt	$ 27,948	$ 19,306	$ 8,641	45%

Note: Due to rounding, the dollar details may not add up to corresponding totals.

Under the California Government Code Section 43605, the City's legal bonded debt limit for this fiscal year was $143 million based on the assessed value of all real and personal property of the City. The City had no bonded indebtedness during the fiscal year.

Economic Outlook- Fiscal Year 2009-2010

The City's finances and the ability to pay for essential services are heavily dependent on local economy and legislative actions of the Federal and State governments, as a substantial portion of the City's revenues are intergovernmental grants and pass-through revenues. In the event of fiscal distress or for other political reasons, both the Federal and State governments can cut funding for the local governments. In addition, the State has set a track record of unilaterally taking and shifting local governments' revenues to balance its budget or meet other financial obligations.

Through its adoption of fiscal year 2008-09 budget, the State has yet again taken irresponsible action to solve its budget crisis by raiding revenues from local governments. The State's budget included $984 thousand in permanent revenue shifts from the Bellflower Redevelopment Agency ($816 thousand in fiscal year 2009-10 and $168 thousand in fiscal year 2010-11) into the Supplemental Educational Revenue Augmentation Fund with severe penalties for noncompliance.

In addition, the State's deferral of transportation funds will cause approximately $1 million in cash flow issues for the City of Bellflower during the fiscal year 2009-10.

Economic Report

According to the UCLA Anderson Forecast report of December 2009, its economists predict that the national economy is on a "modest growth path that will be accompanied by extraordinarily high rates of unemployment." The outlook for the rest of 2009 is little or no growth for the State of California, followed by "slight" growth in 2010. The state's unemployment rate continues to increase and local government employment continues to decline. The economy continues to experience difficulties rooted in the problematic real estate and financial sectors, as well as the troublesome rate of consumer debt. The recent recession established postwar records for declines in stock prices, home prices and employment. Over the last decade, the unemployment rate has more than doubled, and real wages rose by a very modest rate of 6.5%. US exports are the potential driver of a successful economic recovery.

The City does not expect to immediately participate in a recovery should there be one in the near future.

Adopted Budget

In consideration of substantial and continuing decreases in revenues coupled with the general increase in the cost of goods and services, the City Council adopted a balanced biennial 2009-11 Operating Budget in June 2009 with continued, significant cuts to services, programs, capital projects and staffing including part-time layoffs (84 total), frozen full-time positions (10 total), and a 10% furlough.

Prior to making this difficult decision, in response to unanticipated, significant revenue decreases caused by the recession, the Council promptly took action during the fiscal year 2008-09 to make approximately $4 million in broad budget cuts which included various community events, programs, services and capital projects including part-time layoffs, a 10% furlough, freezing vacant positions, and early retirement incentives.

The City's revenues continue to decline more than anticipated at budget adoption. However, based on the prior actions of the Council, it is clearly evident that the Council's intent and will is to act quickly and responsibly to ensure the financial stability and solvency of the City.

Request for Information

This financial report is designed to provide a general overview of the City's finances for our citizens, taxpayers, investors, creditors, and other interested parties and to demonstrate the City's accountability for the public funds it receives and manages. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Bellflower, 16600 Civic Center Drive, Bellflower, CA 90706, or by phone at (562) 804-1424. Additional financial information is also available at the City's official website at www.bellflower.org.

CITY OF BELLFLOWER

Families. Businesses. Futures.

"GROWING TOGETHER"

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF BELLFLOWER
STATEMENT OF NET ASSETS
June 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 22,012,695	$ 318,360	$ 22,331,055
Cash and investments with fiscal agents	1,162,459	982,623	2,145,082
Receivables:			
Accounts receivable - net	3,596,380	278,092	3,874,472
Notes receivable	6,489,326		6,489,326
Interest receivable	86,542	3,676	90,218
Inventory		8,167	8,167
Prepaid expenses	8,621	1,000	9,621
Net OPEB asset	59,241		59,241
Internal balances	8,894,457	(8,894,457)	
Deferred charges - net of accumulated amortization	531,131	496,614	1,027,745
Deferred loss on refunding - net of accumulated amortization	391,294		391,294
Pre-acquisition costs, net of accumulated amortization		37,500	37,500
Capital assets not being depreciated	19,866,160	4,836,356	24,702,516
Capital assets - net of accumulated depreciation	31,313,565	1,469,336	32,782,901
Total assets	94,411,871	(462,733)	93,949,138
LIABILITIES			
Accounts payable	3,492,449	45,878	3,538,327
Interest payable	400,231	100,655	500,886
Accrued expenses	271,505	42,973	314,478
Pre-acquisition costs payable		25,000	25,000
Deferred revenue	340,325		340,325
Deposits payable	32,124	37,831	69,955
Retention payable	115,978		115,978
Noncurrent liabilities:			
Due within one year	1,854,251		1,854,251
Due in more than one year	26,093,448		26,093,448
Total liabilities	32,600,311	252,337	32,852,648
NET ASSETS			
Invested in capital assets, net of related debt	24,618,458	6,305,692	30,924,150
Restricted for:			
Construction of capital assets	173,762		173,762
Debt service	8,455,472		8,455,472
Streets, highways, bikeways, public transit, and other related purposes	2,831,520		2,831,520
Housing	2,087,800		2,087,800
Public safety	33,328		33,328
Public arts	145,725		145,725
Unrestricted	23,465,495	(7,020,762)	16,444,733
Total net assets	$ 61,811,560	$ (715,070)	$ 61,096,490

See Notes to the Basic Financial Statements

CITY OF BELLFLOWER
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contributions and Grants	Program Revenues: Capital Contributions and Grants
Governmental Activities:				
General government	$ 4,016,741	$ -	$ -	$ -
Public safety	10,465,437	1,792,240	155,583	
Public works	8,534,387	378,031	3,320,429	1,370,377
Community development	5,610,613	533,292	1,648,958	39,083
Parks and recreation	2,880,923	578,768		457,065
Interest on long-term debt	1,370,074			
Total Governmental Activities	32,878,175	3,282,331	5,124,970	1,866,525
Business-type Activities:				
Water	1,423,016	1,471,959		2,222
Total primary government	$ 34,301,191	$ 4,754,290	$ 5,124,970	$ 1,868,747

General Revenues:
- Taxes:
  - Sales taxes
  - Property taxes
  - Property tax in lieu of VLF
  - Franchise taxes
  - Utility users taxes
  - Transient occupancy taxes
  - Business license taxes
  - Property transfer taxes
- Intergovernmental - unrestricted:
  - Motor vehicle in lieu
- Earnings on investments
- Miscellaneous

Gain (loss) on sale of property
Transfers

Total general revenues and transfers

Change in net assets

Net assets - July 1, 2008

Net assets - June 30, 2009

See Notes to the Basic Financial Statements

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
$ (4,016,741)	$ -	$ (4,016,741)
(8,517,614)		(8,517,614)
(3,465,550)		(3,465,550)
(3,389,280)		(3,389,280)
(1,845,090)		(1,845,090)
(1,370,074)		(1,370,074)
(22,604,349)		(22,604,349)
	51,165	51,165
(22,604,349)	51,165	(22,553,184)
4,074,112		4,074,112
4,259,838		4,259,838
6,408,704		6,408,704
1,517,568		1,517,568
4,118,981		4,118,981
514,825		514,825
601,787		601,787
101,339		101,339
263,401		263,401
1,151,930	102,852	1,254,782
506,782		506,782
(2,185,142)		(2,185,142)
284,655	(284,655)	
21,618,780	(181,803)	21,436,977
(985,569)	(130,638)	(1,116,207)
62,797,129	(584,432)	62,212,697
$ 61,811,560	$ (715,070)	$ 61,096,490

CITY OF BELLFLOWER
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	General Fund	HOME Capital Projects Fund	Redevelopment Agency Capital Projects Fund
ASSETS			
Cash and investments	$ 15,684,610	$ -	$ -
Cash and investments with fiscal agents			
Accounts receivable - net	1,713,236	279,541	
Due from other funds	672,033		
Interest receivable	56,870		
Prepaid expenditures	8,621		
Notes receivable		3,461,436	91,705
Advances receivable	15,948,402		
Total assets	$ 34,083,772	$ 3,740,977	$ 91,705
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 2,067,652	$ 192,325	$ 33,996
Accrued expenditures	218,150	977	7,907
Due to other funds		85,767	47,256
Deposits payable	21,801		4,323
Retention payable	6,141	472	
Deferred revenue	6,068,717	3,461,436	91,705
Advances payable			14,744,126
Total liabilities	8,382,461	3,740,977	14,929,313
Fund balances:			
Reserved:			
Debt service			
Prepaid expenditures	8,621		
Advances	10,460,069		
Unreserved reported in:			
General fund	15,232,621		
Special revenue funds			
Capital projects funds			(14,837,608)
Total fund balances	25,701,311		(14,837,608)
Total liabilities and fund balances	$ 34,083,772	$ 3,740,977	$ 91,705

See Notes to the Basic Financial Statements

Other Governmental Funds	Total Governmental Funds
$ 3,555,258	$ 19,239,868
1,162,459	1,162,459
1,603,603	3,596,380
47,256	719,289
18,746	75,616
	8,621
2,936,185	6,489,326
7,690,181	23,638,583
$ 17,013,688	$ 54,930,142

$ 1,195,799	$ 3,489,772
44,270	271,304
586,266	719,289
6,000	32,124
109,365	115,978
2,936,185	12,558,043
	14,744,126
4,877,885	31,930,636
8,855,703	8,855,703
	8,621
	10,460,069
	15,232,621
3,327,694	3,327,694
(47,594)	(14,885,202)
12,135,803	22,999,506
$ 17,013,688	$ 54,930,142

CITY OF BELLFLOWER
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2009

Fund balances of governmental funds	$	22,999,506
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets net of accumulated depreciation have not been included as financial resources in governmental funds.		51,179,725
Certain taxes and fees will be collected after year end, but are not available soon enough to pay for current period's expenditures, and therefore are reported as deferred revenue in the governmental funds.		240,059
Net OPEB asset has not been included as financial resources in governmental funds.		59,241
Interest accrued on advances are not available to pay for current expenditures and, therefore are offset by deferred revenue in the governmental funds.		5,488,333
Certain notes receivable are not available to pay for current period expenditures and, therefore are offset by deferred revenue in the governmental funds. Also, accrued interest on notes receivable has not been reported in the governmental funds		6,489,326
Long-term debt and compensated absences have not been included in the governmental funds:		
Long-term debt		(26,561,267)
Compensated absences		(1,386,432)
Deferred charges, net of accumulated amortization for debt issuance costs and discounts on long-term debt have not been reported in the governmental funds.		531,131
Deferred losses on refunding, net of accumulated amortization for long-term debt issuance have not been reported in the governmental funds.		391,294
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.		(400,231)
The internal service fund is used by management to charge the costs of certain equipment replacement to individual funds. The assets and liabilities of the internal service fund must be added to the statement of net assets.		2,780,875
Net assets of governmental activities	$	61,811,560

See Notes to the Basic Financial Statements

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CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009

	General Fund	HOME Capital Projects Fund	Redevelopment Agency Capital Projects Fund
REVENUES			
Taxes	$ 20,126,285	$ -	$ -
Licenses and permits	54,345		
Fines, forfeitures, and penalties	1,666,020		
Investment earnings	627,728	12,023	43,477
Charges for current services	717,463		
Intergovernmental revenue	370,578	494,913	
Other revenues	314,851		215,833
Total revenues	23,877,270	506,936	259,310
EXPENDITURES			
Current:			
General government	3,833,578		
Public safety	10,327,502		
Public works	5,618,164		
Community development	1,570,382	511,488	1,541,176
Parks and recreation	2,576,285		
Capital outlay	567,195		1,214,854
Debt service:			
Principal retirement			
Interest and other charges			
Pass-through payments			
Total expenditures	24,493,106	511,488	2,756,030
Excess of revenues over (under) expenditures	(615,836)	(4,552)	(2,496,720)
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of long term debt			1,025,000
Proceeds on sale of property	1,407		
Transfers in	1,223,002		
Transfers out	(1,094,236)		(1,054,493)
Total other financing sources (uses)	130,173		(29,493)
Net change in fund balances	(485,663)	(4,552)	(2,526,213)
Fund balances - July 1, 2008	26,186,974	4,552	(12,311,395)
Fund balances - June 30, 2009	$ 25,701,311	$ -	$ (14,837,608)

See Notes to the Basic Financial Statements

Other Governmental Funds	Total Governmental Funds
$ 1,974,985	$ 22,101,270
410,036	464,381
	1,666,020
247,581	930,809
294,865	1,012,328
6,469,246	7,334,737
144,526	675,210
9,541,239	34,184,755
177,819	4,011,397
121,703	10,449,205
2,532,932	8,151,096
2,895,210	6,518,256
	2,576,285
1,731,550	3,513,599
673,361	673,361
2,944,340	2,944,340
450,973	450,973
11,527,888	39,288,512
(1,986,649)	(5,103,757)
8,230,000	9,255,000
377	1,784
2,550,891	3,773,893
(1,340,509)	(3,489,238)
9,440,759	9,541,439
7,454,110	4,437,682
4,681,693	18,561,824
$ 12,135,803	$ 22,999,506

See Notes to the Basic Financial Statements

CITY OF BELLFLOWER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

Net change in fund balances - total governmental funds	$	4,437,682
Amounts reported for governmental activities in the statement of activities differ because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.		1,899,334
Governmental funds report entire proceeds from disposal of capital assets as revenue. In the statement of activities, only resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:		(2,185,142)
Certain taxes and fees in the statement of activities that do not provide current financia resources are not reported as revenues in the governmental fund		(53,143)
Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. Likewise when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued.		1,307,706
Interest in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		1,649,380
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal and issuance cost of long-term debt consumes the current financial resources of the governmental funds. Issuance of bond principal is an other financing source and repayment of bond principal and issuance costs are expenditures in governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net assets. This is the net change in long-term debt.		(8,581,639)
Debt issuance costs and deferred loss on refunding are expenditures in the governmental funds, but these cost are capitalized and amortized on the statement of net assets. This is net change (amortization) in debt issuance costs and deferred loss on refunding in the current period.		(46,437)
Accrued interest is interest due on long-term debt payable. This is the net change in accrued interest for the current period.		(5,264)
Other post employment benefits (OPEB): In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, employer contributions exceeded the annual required contribution. This is net change in OPEB contributions in the current period.		25,903
In governmental funds, compensated absences expenditures are recognized when payments are made. In the statement of activities, compensated absneces are recognized on the accrual basis. The difference beteween compensated abseneces earned and paid in the current period is:		(60,037)
The internal service fund is used by management to charge the costs of equipment replacement to individual funds. The net revenues (expenses) of the intern service fund is reported with governmental activities (excluding net change of capital assets of $(241,711)).		626,088
Change in net assets of governmental activitie	$	(985,569)

See Notes to the Basic Financial Statements

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 21,116,000	$ 21,116,000	$ 20,126,285	$ (989,715)
Licenses and permits	28,300	28,300	54,345	26,045
Fines, forfeitures, and penalties	1,539,000	1,539,000	1,666,020	127,020
Investment earnings	620,200	620,200	627,728	7,528
Charges for current services	861,460	861,460	717,463	(143,997)
Intergovernmental revenue	662,500	662,500	370,578	(291,922)
Other revenues	366,800	366,800	314,851	(51,949)
Total revenues	25,194,260	25,194,260	23,877,270	(1,316,990)
EXPENDITURES				
Current:				
General government:				
City council	229,834	229,834	198,293	31,541
Public affairs	436,925	436,925	359,608	77,317
Special events	403,192	403,192	274,207	128,985
City manager	642,093	942,093	508,942	433,151
City clerk	448,199	448,199	411,994	36,205
Election	108,621	108,621	205,742	(97,121)
Parks and rec. commission	3,150	3,150	2,399	751
Planning commission	14,650	14,650	8,666	5,984
Finance	967,158	967,176	783,160	184,016
City attorney	120,000	120,000	123,857	(3,857)
Personnel/Risk management	430,989	440,953	314,137	126,816
Public safety commission	5,450	5,450	3,850	1,600
TC design revenue	3,100	3,100		3,100
Non-departmental	793,780	752,930	638,723	114,207
Total general government	4,607,141	4,876,273	3,833,578	1,042,695
Public safety:				
Administration	1,749,496	1,749,496	1,562,195	187,301
Crossing guard	167,650	167,650	176,764	(9,114)
Sheriff	7,749,758	7,749,758	7,789,863	(40,105)
Support services	901,821	901,821	795,568	106,253
Emergency management	4,700	4,700	3,112	1,588
Total public safety	10,573,425	10,573,425	10,327,502	245,923

Continued

See Notes to the Basic Financial Statements

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES - CONTINUED				
Public works:				
Administration	$ 643,017	$ 643,017	$ 629,042	$ 13,975
Street maintenance	2,914,346	2,914,346	2,628,011	286,335
Stormwater maintenance	467,401	467,401	390,562	76,839
Lighting and landscaping	514,685	514,685	576,388	(61,703)
Facility maintenance	1,483,518	1,483,518	1,394,161	89,357
Total public works	6,022,967	6,022,967	5,618,164	404,803
Community development:				
Administration	416,288	467,874	456,745	11,129
Planning	934,609	934,609	748,118	186,491
Building and safety-LA contract	20,000	20,000	42,080	(22,080)
Farmers' market	20,328	20,328	6,324	14,004
Code enforcement	629,665	660,865	317,115	343,750
Total community development	2,020,890	2,103,676	1,570,382	533,294
Parks and recreation:				
Administration	1,004,229	1,004,229	832,577	171,652
Simms park	491,155	491,155	412,211	78,944
Thompson park	352,784	352,784	320,187	32,597
Caruthers park	302,540	302,540	284,347	18,193
Aquatic center	404,498	404,498	352,316	52,182
Civic center	84,901	84,901	81,735	3,166
City-school recreation	226,158	226,158	177,429	48,729
Youth-teen program	109,497	109,497	44,291	65,206
Cultural arts	36,700	36,700	36,700	
Batting cages	9,305	9,305	8,647	658
Preschool program	38,943	38,943	152	38,791
Share/Special K	29,611	29,611	25,693	3,918
Total parks and recreation	3,090,321	3,090,321	2,576,285	514,036
Capital outlay	832,650	1,009,519	567,195	442,324
Total expenditures	27,147,394	27,676,181	24,493,106	3,183,075
Excess of revenues over (under) expenditures	(1,953,134)	(2,481,921)	(615,836)	1,866,085

Continued

See Notes to the Basic Financial Statements

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2009
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
OTHER FINANCING SOURCES (USES):				
Proceeds on sale of property	$ 500	$ 500	$ 1,407	$ 907
Transfers in	1,444,278	1,443,700	1,223,002	(220,698)
Transfers out	(616,705)	(661,691)	(1,094,236)	(432,545)
Total other financing sources (uses)	828,073	782,509	130,173	(652,336)
Net change in fund balance	(1,125,061)	(1,699,412)	(485,663)	1,213,749
Fund balance - July 1, 2008	26,186,974	26,186,974	26,186,974	
Fund balance - June 30, 2009	$ 25,061,913	$ 24,487,562	$ 25,701,311	$ 1,213,749

See Notes to the Basic Financial Statements

CITY OF BELLFLOWER
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Water Fund	Equipment Replacement Fund
ASSETS		
Current assets:		
Cash and investments	$ 318,360	$ 2,772,827
Cash and investments with fiscal agent	982,623	
Accounts receivable	278,092	
Interest receivable	3,676	10,926
Inventory	8,167	
Prepaid expenses	1,000	
Total current assets	1,591,918	2,783,753
Noncurrent assets:		
Deferred charges - net of accumulated amortization	496,614	
Pre-acquisition costs - net of accumulated amortization	37,500	
Capital assets not being depreciated	4,836,356	
Capital assets - net of accumulated depreciation	1,469,336	719,462
Total noncurrent assets	6,839,806	719,462
Total assets	8,431,724	3,503,215
LIABILITIES		
Current liabilities:		
Accounts payable	45,878	2,677
Accrued liabilities	42,973	201
Accrued interest payable	100,655	
Pre-acquisition costs payable	25,000	
Refundable deposits	37,831	
Total current liabilities	252,337	2,878
Noncurrent liabilities:		
Advances from other funds	8,894,457	
Total noncurrent liabilities	8,894,457	
Total liabilities	9,146,794	2,878
NET ASSETS		
Invested in capital assets	6,305,692	719,462
Unrestricted	(7,020,762)	2,780,875
Total net assets	$ (715,070)	$ 3,500,337

See Notes to the Basic Financial Statements

CITY OF BELLFLOWER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2009

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Water Fund	Equipment Replacement Fund
OPERATING REVENUES		
Charges for services (net of refunds)	$ 1,471,959	$ 630,138
Total operating revenues	1,471,959	630,138
OPERATING EXPENSES		
Salaries	198,743	18,333
Benefits	62,913	1,755
Administration	31,237	
Alarm	300	
Communications	4,479	
Energy	15,618	
Hydrants, meters, covers & services	4,477	
Insurance	15,209	
Licenses	29,331	
Maintenance	77,663	3,309
Office supplies and expenses	9,506	
Professional services	40,409	
Outside services	121,323	
Taxes	14,403	
Telephone	2,951	
Tools and equipment	344	
Treatment & test	16,162	
Utilities	2,370	
Auto	6,659	
Water purchases	435,035	
Water subsidy	7,504	
Other expenses	3,051	
Amortization	21,417	
Depreciation	177,844	291,944
Total operating expenses	1,298,948	315,341
Operating income	173,011	314,797
NON-OPERATING REVENUES (EXPENSES)		
Intergovernmental revenue	2,222	
Investment earnings	23,021	69,580
Water rights lease	79,831	
Interest expense	(124,068)	
Total non-operating revenues (expenses)	(18,994)	69,580
Income (loss) before transfers	154,017	384,377
Transfers in	7,504	
Transfers out	(292,159)	
Net transfers	(284,655)	
Changes in net assets	(130,638)	384,377
Total net assets, July 1, 2008	(584,432)	3,115,960
Total net assets, June 30, 2009	$ (715,070)	$ 3,500,337

See Notes to the Basic Financial Statements

CITY OF BELLFLOWER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2009

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Water Fund	Equipment Replacement Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and users	$ 1,478,309	$ -
Cash paid to employees	(261,656)	(20,088)
Cash paid to suppliers	(896,256)	(15,850)
Internal activity - receipts from other funds		630,138
Net cash provided (used) by operating activities	320,397	594,200
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Intergovernmental revenue	2,222	
Cash transfers to/from other fund	(561,250)	
Net cash provided (used) by non-capital financing activies	(559,028)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Internal activity - receipts from other funds	2,214,037	
Pre-acquisition cost payable	(10,000)	
Acquisition cost of capital assets	(6,725)	
Purchases of capital assets	(361,657)	(50,233)
Issuance cost of long-term debt	(513,031)	
Net cash provided (used) by capital and related financing activities	1,322,624	(50,233)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	19,345	76,555
Interest expenses	(23,413)	
Water rights lease	79,831	
Net cash provided (used) by investing activities	75,763	76,555
Net increase (decrease) in cash and cash equivalents	1,159,756	620,522
Cash and cash equivalents, July 1, 2008	141,227	2,152,305
Cash and cash equivalents, June 30, 2009	$ 1,300,983	$ 2,772,827
Reconciliation of cash and cash equivalents to Statement of Net Assets		
Cash and investments	$ 318,360	$ 2,772,827
Cash and investments with fiscal agent	982,623	
Total cash and investements	$ 1,300,983	$ 2,772,827
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income	$ 173,011	$ 314,797
Adjustments to reconcile operating income to net cash provided (used)		
Amortization	21,417	
Depreciation	177,844	291,944
Changes in assets and liabilities:		
Accounts receivable	(81)	
Inventory	(8,167)	
Prepaid expenses	31,077	
Accounts payable	(124,108)	(11,681)
Accrued liabilities	42,973	(860)
Refundable deposits	6,431	
Net cash provided (used) by operating activities	$ 320,397	$ 594,200

See Notes to the Basic Financial Statements

CITY OF BELLFLOWER
STATEMENT OF FIDUCIARY FUND NET ASSETS
AGENCY FUNDS
June 30, 2009

	Agancy Funds		
	Agency Fund	BUSD Trust Fund	Total
ASSETS			
Cash and investments	$ 762,996	$ 200,711	$ 963,707
LIABILITIES			
Deposits payable	$ 762,996	$ 200,711	$ 963,707

See Notes to the Basic Financial Statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Bellflower (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. 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 basic financial statements present the City of Bellflower (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

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.

The Bellflower Financing Authority (the "Authority") is formed by a joint powers of the City and the Agency. Although the Authority is a legal separate entity, the Authority 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* as amended by GASB Statement No. 39, criteria for discrete disclosure within these financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for sales tax revenue which is 90 days. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Certain taxes, interest, subventions, and grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Fund and the Internal Service Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund and Internal Service Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major governmental funds:

General Fund

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.

HOME Capital Projects Fund

The HOME Capital Projects Fund is used to account 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.

Redevelopment Agency Capital Projects Fund

The Redevelopment Agency Capital Projects Fund is used to account for the expenditures incurred by the Bellflower Redevelopment Agency on redevelopment projects.

The City reports the following major proprietary fund:

The Water Enterprise Fund

The Water Enterprise Fund is used to accounts for the operation and maintenance of the City's water distribution system.

Additionally, the City reports the following fund types:

Proprietary Fund

The Internal Service Fund (Equipment Replacement Fund) is used to account for the cost of providing vehicles and equipment to operating funds. Costs are recovered by user charges.

Fiduciary Funds

1) Agency Fund is used to account for assets held by the City for 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.

2) BUSD Trust Fund is established for the Bellflower Redevelopment Agency (Agency) to benefit the Bellflower United School District in accordance with the settlement agreement. The Agency is required to deposit into the BUSD Trust Fund twice a year within its budget. Deposits in the BUSD Trust Fund shall be disbursed only to or on behalf of the District and only for the projects listed on the agreement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). For proprietary fund type activities, the City has elected to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they contradict or conflict with GASB pronouncements.

D. Assets, Liabilities, Net Assets, or Equity

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.

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
- Negotiable Certificates of Deposit
- Medium-Term Notes
- Banker Acceptances
- Money Market Accounts
- Savings Accounts
- Commercial Paper
- Mutual Funds

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.

The City's investments are carried at fair value which equal cost. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of its portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. Changes in fair value are allocated to each participating fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Net Assets, or Equity (Continued)

Cash and Investments (Continued)

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

Receivables and Payables

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

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

All trade and tax receivables are shown net of an allowance for uncollectible accounts if applicable, and estimated refunds due.

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 XIIIA 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Net Assets, or Equity (Continued)

Receivables and Payables (Continued)

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

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

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

Prepaid Items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets which include land, buildings and improvements, furniture and fixtures, machinery and equipment, infrastructure (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, water system, and similar items), and water rights assets are reported in the applicable governmental activities and business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of one year. Infrastructure assets are capitalized if the original cost exceeds $20,000. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2009.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Net Assets, or Equity (Continued)

Capital Assets (Continued)

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-50
Infrastructure	40-65
Machinery and equipment	3-20
Furniture and fixtures	5-20

Periodic restoration and maintenance costs on particular items are charged to expense as incurred.

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.

Long-Term Obligations

In the government-wide financial statements, and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Initial-issue bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs and underwriters' discount are reported as deferred bond issuance costs. Amortization of bond premiums or discounts and issuance costs is included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Net Assets, or Equity (Continued)

Net Assets and Fund Equity

In the government-wide financial statements and proprietary fund financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets. Restricted net assets represent net assets restricted by enabling legislation (such as citizens, public interest groups, or the judiciary - can compel a government to honor) and include unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net assets are temporarily restricted (ultimately expendable assets). All other net assets are considered unrestricted.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Undesignated fund balance represents that portion of fund balance which is available for budgeting in future periods.

E. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

F. Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets:

The governmental funds balance sheet includes a reconciliation between fund balance – governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term debt and compensated absences is not due and payable within the current period and therefore is not reported in the funds". The detail of the $26,561,267 long-term debt difference is as follows:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Reconciliation of Government-wide and Fund Financial Statements (Continued)

Long-term debt	
Refunding certificates of participation payable	$ 3,935,000
Refunding taxable tax allocation bonds payable	7,135,000
Certificates of Participation payable	8,230,000
Section 108 loan payable	6,088,000
Notes payable	1,173,267
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	$ 26,561,267

Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – of total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $ 1,899,331 difference are as follows:

Capital outlay	
Capital outlay	$ 3,513,596
Depreciation	(1,614,265)
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	$ 1,899,331

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds". Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this $(8,581,639) difference are as follows:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Reconciliation of Government-wide and Fund Financial Statements (Continued)

Principal repayments:	
Refunding certificates of participation	$ 265,000
Taxable tax allocation bonds	120,000
Section 108 loan	248,000
Notes payable	40,361
Proceeds from notes	(1,025,000)
Proceeds from certificates of participation	(8,230,000)
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	$ (8,581,639)

G. New Accounting Pronouncements

The City has implemented the requirements of GASB Statement No. 49, GASB Statement No. 52, GASB Statement No. 55, and GASB Statement No. 56 during the fiscal year ended June 30, 2009.

GASB Statement No. 49

For the fiscal year ended June 30, 2009, the City implemented Governmental Accounting Board (GASB) Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations". The Statement is effective for periods beginning after December 15, 2007. The Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of the documents excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and postclosure care and nuclear power plant decommissioning.

GASB Statement No. 52

For the fiscal year ended June 30, 2009, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments". The Statement is effective for periods beginning after June 15, 2008. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. New Accounting Pronouncements (Continued)

GASB Statement No. 52 (Continued)

value, and other information that they currently present for other investments reported at fair value.

GASB Statement No. 55

For the fiscal year ended June 30, 2009, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 55, "the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". The Statement is effective as of April 2, 2009. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles.

GASB Statement No. 56

For the fiscal year ended June 30, 2009, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 56, "Codification of Accounting and Financing Reporting Guidance Contained in the AICPA Statement of Auditing Standards". The statement is effective as of April 16, 2009. The objective of this Statement is to incorporate into the Governmental Accounting Standards Board's (BASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles – related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than the auditing literature.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. General Budget Policies

The City Council adopts a biennial budget prior to the commencement of a new two-year budget cycle. Budgets are adopted for governmental funds. The City Council may amend the budget by motion at any time during the fiscal year. The City maintains budgetary controls that ensure compliance with the budget adopted by the City Council. In compliance with the budget amendment policies adopted by the City Council, under certain circumstances with fiscal thresholds, the city manager is authorized to increase appropriations and make interfund and inter-departmental budget transfers.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. General Budget Policies (Continued)

Except for capital projects, appropriations generally lapse at the end of the fiscal year to the extent that they have not been expended or otherwise encumbered by contract or law. Certain lease contracts entered into by the City are subject to annual review by the City Council. As a result, they are legally 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 with presentation of the final budget. For the General Fund, the originally-adopted budget is also presented. Both the original and final budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Supplementary budgetary appropriations were $22,528,136 for the fiscal year.

B. Excess Expenditures over Appropriations

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2009.

Fund/Function	Final Appropriation	Expenditures	Excess
Non-major Funds:			
Special revenue fund:			
Proposition 1B			
Public works	$ 170,000	$ 277,309	$107,309
Building and safety			
Capital outlay		5,085	5,085
Debt service fund:			
Redevelopment agency			
Community development	25,800	30,704	4,904
Principal retirement	127,960	160,361	32,401
Pass-through payments	450,300	450,973	673
Capital projects fund:			
CDBG			
Community development	637,360	871,933	234,573

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	$ 22,331,055
Cash and investments with fiscal agents	2,145,082
Fiduciary funds:	
Cash and investments	963,707
Total cash and investments	$ 25,439,844

Cash and investments as of June 30, 2009 consist of the following:

Petty cash	$ 3,417
Deposits with financial institutions	547,584
Investments	24,888,843
Total cash and investments	$ 25,439,844

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Bankers Acceptances	180 days	40%	30%
Certificates of Deposit	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Commercial Paper, Prime Quality	270 days	25%	None
State of California Local Agency Investment Fund (State Pool)	N/A	None	$40,000,000
Medium Term Notes, Prime Quality	5 years	30%	None
Money Market Funds, Prime Quality	N/A	20%	10%
Mutual Funds, Prime Quality	N/A	20%	10%
Passbook Savings and Money Market Accounts (Insured)	None	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	None	None

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Certificates of Deposit with Bank of Savings & Loans	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Municipal Obligations	None	None	None
Banker's Acceptances, Prime Quality	360 days	None	None
Commercial Paper, Prime Quality	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	None	None	None
Local Agency Investment Fund (State Pool)	None	None	None

Disclosures Relating to Interest Rate Risk

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

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

		Remaining Maturity (in Months)					
Investment Type	Totals	12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	More Than 60 Months
Certificates of Deposit	$ 32,134	$ 32,134	$ -	$ -	$ -	$ -	$ -
FFCB	1,000,625				1,000,625		
FHLMC	1,996,913				1,996,913		
State Investment Pool	19,708,118	19,708,118					
Money Market Funds	5,971	5,971					
Held by Bond Trustees:							
FHLMC	1,158,659				1,158,659		
LAIF	979,453	979,453					
Money Market Funds	6,970	6,970					
Totals	$ 24,888,843	$ 20,732,646	$ -	$ -	$ 4,156,197	$ -	$ -

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments (including investments held by bond trustees) include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above). The City does not hold any specific investments that need to be reported here.

Disclosures Relating to Credit Risk

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

				Rating as of Fiscal Year End			
Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	AAA	AA	A	Not Rated
Certificates of Deposit	$ 32,134	N/A	$ -	$ -	$ -	$ -	$ 32,134
FFCB	1,000,625	N/A		1,000,625			
FHLMC	1,996,913	N/A		1,996,913			
State Investment Pool	19,708,118	N/A					19,708,118
Money Market Funds	5,971	N/A					5,971
Held by Bond Trustees:							
FHLMC	1,158,659	N/A		1,158,659			
LAIF	979,453	N/A					979,453
Money Market Funds	6,970	N/A					6,970
Totals	$ 24,888,843		$ -	$ 4,156,197	$ -	$ -	$ 20,732,646

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
FHLMC	Federal Agency Securities	$ 3,155,572

Investments in any one issuer that represent 5% or more of total investments by reporting unit (governmental activities, business-type activities, major funds, nonmajor funds) are as follows:

$3,155,572 of the cash and investments (including amounts held by bond trustees) reported in the governmental activities are held in the form of securities issued by the Federal Home Loan Mortgage Corporation.

NOTE 3 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law(unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2009, $1,298,951 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts. As of June 30, 2009, the City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

Issuer	Investment Type	Reported Amount
FHLMC	Federal Agency Securities	$ 3,155,572
FFCB	Federal Agency Securities	1,000,625

Investment in State Investment Pool

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

NOTE 4 - ACCOUNTS RECEIVABLE

The following is a list of accounts receivable at June 30, 2009:

	Receivable	Allowance	Net
Governmental Activities –			
Accounts	$ 976,392	$ -	$ 976,392
Due from other governments	2,619,988		2,619,988
Total Governmental Activities	$ 3,596,380	$ -	$ 3,596,380
Business-type Activities –			
Accounts	$ 278,092	$ -	$ 278,092
Total Business-type Activities	$ 278,092	$ -	$ 278,092

NOTE 5 - NOTES RECEIVABLE

	Amount
Notes receivable from mortgage loans for housing and commercial property rehabilitation and construction:	
Major Funds	
HOME Fund	$ 3,461,436
Redevelopment Agency Capital Projects Fund	91,705
Nonmajor Funds	
Community Development Block Grant Fund	736,090
Redevelopment Agency Housing Set-Aside Fund	2,200,095
Total Notes Receivable	$ 6,489,326

NOTE 6 - DEFERRED CHARGES

Deferred charges consist of issuance costs and discounts for debt issues. The following is the list of deferred charges at June 30, 2009:

	Period In Months	Deferred Charges	Accumulated Amortization	Deferred Charges, net of Amoritization	Amortization for the Fiscal Year
Business-Type Activities					
2008 Certificate of Participation	375	$ 513,031	$ 16,417	$ 496,614	$ 16,417
Governmental Activities					
2004 Refunding Tax Allocation Bonds	358	579,637	100,383	479,254	19,429
Section 108 Loan	241	33,120	8,245	24,875	1,649
1999 Refunding Certificates of Participation	252	51,542	24,540	27,002	2,454
		1,177,330	149,585	531,131	39,949
Total		$ 1,690,361	$ 166,002	$ 1,027,745	$ 56,366

Note 7 – DEFERRED LOSS ON REFUNDING

The City recorded a deferred loss on the refunding of its 1996 tax allocation bonds in the amount of $509,637. The amortization period is 267 months which is the lesser of the remaining period of the old debt or the remaining period of the new debt. Accumulated amortization as of June 30, 2009 was $118,343 with amortization expense for the fiscal year of $22,905.

NOTE 8 - INTERFUND ACTIVITY

The following represents the interfund activity of the City for the fiscal year ended June 30, 2009.

A. Due To/From Other Funds

Current interfund balances arise in the normal course of business and to assist funds with negative cash balance at the fiscal year end. They are expected to be repaid shortly after the end of the fiscal year.

NOTE 8 - INTERFUND ACTIVITY (Continued)

A. Due To/From Other Funds (Continued)

Due to/Due from		Interfund Receivables	Interfund Payables
Major Governmental Funds			
To:	General Fund	$ 672,033	$ -
From:	HOME Capital Projects Fund		85,767
Nonmajor Governmental Funds			
Special Revenue Funds:			
From:	Gas Tax Fund		99,425
From:	COG Position Fund		51,638
From:	TDA Article 3		43,109
Capital Project Funds:			
From:	Community Development Block Grant Fund		136,860
From:	Capital Projects Fund		255,234
Major Government Fund			
To:	Redevelopment Capital Projects Fund		47,256
Nonmajor Governmental Fund			
Debt Service Fund:			
From:	Redevelopment Agency Fund	47,256	
		$ 719,289	$ 719,289

B. Advances Receivable/Payable

At June 30, 2009, the funds below have made/received advances that were not expected to be repaid within one year.

	Advances Receivable	Advances Payable
Major Funds:		
General Fund	$ 15,948,402	$ -
Redevelopment Agency Capital Projects Fund		14,744,126
Major Proprietary Fund:		
Water Fund		8,894,457
Nonmajor Governmental Fund		
Debt Service Fund:		
Bellflower Financing Authority	7,690,181	
	$ 23,638,583	$ 23,638,583

NOTE 8 - INTERFUND ACTIVITY (Continued)

B. Advances Receivable/Payable (Continued)

The advances from General Fund to Redevelopment Agency Capital Projects Fund bear interest at 12% per annum. There is no repayment schedule as repayment will be made when funds are available.

The advances from General Fund to Water Fund bear zero percent interest. There is no repayment schedule as repayment will be made when funds are available.

C. Transfers

With council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made an expenditure on behalf of another fund.

Funds	Transfer In	Transfer Out
Major Funds:		
General Fund	$ 1,670,995	$ 1,542,229
Capital Projects Funds:		
Redevelopment Agency Fund		1,054,493
Major Proprietary Fund:		
Water Fund	7,504	292,159
Non Major Funds:		
Special Revenue Funds:		
Gas Tax Fund		1,223,002
Parking District No. 1 Fund	23,398	
Building and Safety Fund	384,769	
Debt Service Funds:		
Public Facilities Corporation Fund	464,981	
Redevelopment Agency Fund	1,172,000	
Financing Authority Fund	292,159	
Capital Projects Fund:		
Community Development Block Grant Fund	213,584	
Redevelopment Agency Housing Fund		117,507
	$ 4,229,390	$ 4,229,390

NOTE 9 – CAPITAL ASSETS

Governmental Activities

Changes in capital assets for governmental activities for the fiscal year ended June 30, 2009 were as follows:

	Balance July 1, 2008	Additions	Deletion	Reclass	Balance June 30,2009
Capital Assets, not being depreciated					
Land	$ 18,858,767	$ 662,275	$ (2,185,142)	$ -	$ 17,335,900
Water rights	94,010				94,010
Construction in progress	2,025,631	1,512,251		(1,101,632)	2,436,250
Total	20,978,408	2,174,526	(2,185,142)		19,866,160
Capital Assets, being depreciated:					
Building and improvements	26,662,424	732,376		484,988	27,879,788
Equipment and furniture and fixtures	6,825,418	157,279	(49,853)	12,913	6,945,757
Infrastructure	14,666,170	449,418		603,731	15,719,319
Total	48,154,012	1,339,073	(49,853)	1,101,632	50,544,864
Less accumulated depreciation for:					
Buildings and improvements	(7,578,902)	(670,193)			(8,249,095)
Equipment and furniture and fixtures	(4,980,242)	(571,068)	49,853		(5,501,457)
Infrastructure	(5,107,743)	(373,004)			(5,480,747)
Total	(17,666,887)	(1,614,265)	49,853		(19,231,299)
Total, net of accumulated depreciation	30,487,125	(275,192)			31,313,565
Total Capital Assets, Net	$ 51,465,533	$ 1,899,334	$ (2,185,142)	$ -	$ 51,179,725

Depreciation expense was charged to functions/programs of the City's governmental activities as follows:

General government	$ 180,218
Public safety	115,779
Public works	588,324
Community development	387,918
Parks and recreation	342,026
Total	$ 1,614,265

Depreciation expense for governmental activities (governmental funds) is $1,322,321.

Depreciation expense for governmental activities (internal service fund) is $291,944.

NOTE 9 – CAPITAL ASSETS (Continued)

Business-type Activities

Changes in capital assets for business-type activities for the fiscal year ended June 30, 2009 were as follows:

	Balance July 1, 2008	Additions	Deletion	Balance June 30,2009
Capital Assets, not being depreciated				
Land	$ 489,893	$ 337,172	$ -	$ 827,065
Water rights	4,000,000			4,000,000
Construction in progress	3,067	6,224		9,291
Total	4,492,960	343,396		4,836,356
Capital Assets, being depreciated:				
Building and improvements	95,000			95,000
Machinery and Equipment	15,544			15,544
Acquisition costs	405,356	6,725		412,081
Infrastructure	1,369,983	18,261		1,388,244
Total	1,885,883	24,986		1,910,869
Less accumulated depreciation for:				
Buildings and improvements	(7,125)	(4,750)		(11,875)
Machinery and equipment	(432)	(1,036)		(1,468)
Acquisition costs	(60,804)	(40,536)		(101,340)
Infrastructure	(195,328)	(131,522)		(326,850)
Total	(263,689)	(177,844)		(441,533)
Total, net of accumulated depreciation	1,622,194	(152,858)		1,469,336
Total Capital Assets, Net	$ 6,115,154	$ 190,538	$ -	$ 6,305,692

Depreciation expense was charged to functions/programs of the City's business-type activities as follows:

Water	$ 177,844

NOTE 10 – LONG-TERM DEBT

A. The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2009:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due Within One Year
Governmental Activities:					
1999 Refunding Certificates of Participation	$ 4,200,000	$ -	$ (265,000)	$ 3,935,000	$ 280,000
2004 Refunding Tax Allocation Bonds	7,255,000		(120,000)	7,135,000	125,000
2008 Certificates of Participation		8,230,000		8,230,000	135,000
Section 108 Loan	6,336,000		(248,000)	6,088,000	260,000
Notes Payable	188,628	1,025,000	(40,361)	1,173,267	216,520
Compensated Absences	1,326,395	897,768	(837,731)	1,386,432	837,731
	$ 19,306,023	$ 10,152,768	$ (1,511,092)	$ 27,947,699	$ 1,854,251

B. Refunding Certificates of Participation

The 1999 Refunding Certificates of Participation (COPS) issued by the Bellflower Public Facilities Corporation and outstanding at June 30, 2009 bear interest at 3.60% to 5.00% 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. The COPS balance outstanding as of June 30, 2009 was $3,935,000.

C. Tax Allocation Bonds

2004 Refunding Tax Allocation Bonds

The 2004 Tax Allocation Bonds issued by the Bellflower Redevelopment Agency (Agency) and outstanding at June 30, 2009 bear interest at 1.55% to 6.60% a year and mature serially in increasing amounts on each February 1, through 2034. The principal amount less original issue discount and reserve funds from the 1996 issue were used to pay costs of issuance, fund redevelopment projects, fund a reserve account, and fund an escrow account for future debt service payment on the 1996 Tax Allocation Bonds.

The Agency refunding of the 1996 Tax Allocation Bonds resulted in an increase of its total debt service payments by $519,611 and an economic gain (difference between the present values of the old and new debt) of $109,705.

The outstanding balance as of June 30, 2009 was $7,135,000.

NOTE 10 – LONG-TERM DEBT (Continued)

D. Certificates of Participation

The 2008 Certificates of Participation (COPS) issued by the Bellflower Financing Authority and outstanding at June 30, 2009 bear interest at 4.50% to 5.00% a year and mature serially in increasing amounts on each October 1, through 2019. The Certificate represents undivided proportionate interests of the Owners in certain lease payments, to be made by the City of Bellflower (the City) to the Bellflower Financing Authority (the Authority). The City shall sublease from the Authority a leasehold interest in the Civic Center Property and Thompson Park. The COPS balance outstanding as of June 30, 2009 was $8,230,000.

E. Loan Payable

Section 108 Loan

On June 30, 2004, the City entered into a loan agreement with U.S. Department of Housing and Urban Development. The loan bears interest at 5.0% a year with annual principal payment due on each August. The loan balance outstanding as of June 30, 2009 was $6,088,000.

F. Notes Payable

a. Note Payable – Dietz

On December 2, 2004, the Bellflower Redevelopment Agency bought a property at 9831 Belmont Street in an amount of $280,956. The transaction was financed in cash and a note agreement in an amount of $210,717. The note bears interest at 4.0% a year with annual payment due on each December. The note balance outstanding as of June 30, 2009 was $180,668.

b. Note Payable – Goslins/Cleveland

On December 1, 2008, the Bellflower Redevelopment Agency bought a property at 16515 Bellflower Blvd. in an amount of $432,632. The transaction was financed in cash and a note agreement in an amount of $430,000. The note bears interest at 5.0% a year with annual payment due on each December. The note balance outstanding as of June 30, 2009 was $380,000.

c. Note Payable – Nathan/Slavens

On March 1, 2009, the Bellflower Redevelopment Agency bought a property at 16512-1618 Bellflower Blvd. in an amount of $1,328,229. The transaction was financed in cash and a note agreement in an amount of $1,320,000. The note bears interest at 7.0% a year with monthly payment due on the first day of each month. The note balance outstanding as of June 30, 2009 was $612,599.

NOTE 10 – LONG-TERM DEBT (Continued)

G. Compensated Absences

The City employees accumulate earned but unused vacation and sick pay benefits, which can be converted to cash at termination of employment. The City has estimated that $837,731 is the amount that might be liquidated with expendable, currently available, financial resources of the General Fund and this amount is classified in the accrued wages. The remaining amounts are reported as long-term debt on the Statement of Net Assets. No expenditure is reported for these amounts in the fund statements. In the statement of activities, the expenditure is allocated to each function based on usage. The non-current portion of these vested benefits, payable in accordance with various collective bargaining agreements, at June 30, 2009, total $548,701 for governmental activities.

H. Long-Term Debt Amortization

The annual requirements to amortize long-term debt outstanding at June 30, 2009 (other than compensated absences) are as follows:

	1999 Refunding Certificates of Participation		
Fiscal Year Ended June 30,	Principal Amount	Interest Amount	Total
2010	$ 280,000	$ 186,393	$ 466,393
2011	290,000	173,422	463,422
2012	305,000	159,509	464,509
2013	320,000	144,465	464,465
2014	335,000	128,457	463,457
2015-2019	1,955,000	366,375	2,321,375
2020	450,000	11,250	461,250
	$ 3,935,000	$ 1,169,871	$ 5,104,871

	2004 Refunding Tax Allocation Bonds		
Fiscal Year Ended June 30,	Principal Amount	Interest Amount	Total
2010	$ 125,000	$ 464,634	$ 589,634
2011	130,000	457,584	587,584
2012	140,000	450,252	590,252
2013	150,000	442,356	592,356
2014	155,000	433,896	588,896
2015-2019	935,000	2,009,589	2,944,589
2020-2024	1,285,000	1,657,074	2,942,074
2025-2029	1,770,000	1,172,160	2,942,160
2030-2034	2,445,000	504,900	2,949,900
	$ 7,135,000	$ 7,592,445	$14,727,445

NOTE 10 – LONG-TERM DEBT (Continued)

H. Long-Term Debt Amortization (Continued)

Fiscal Year Ended June 30,	2008 Certificates of Participation Principal Amount	Interest Amount	Total
2010	$ 135,000	$ 402,619	$ 537,619
2011	140,000	399,919	539,919
2012	145,000	394,419	539,419
2013	150,000	388,719	538,719
2014	160,000	382,819	542,819
2015-2019	890,000	1,815,106	2,705,106
2020-2024	1,100,000	1,608,284	2,708,284
2025-2029	5,510,000	2,706,506	8,216,506
	$ 8,230,000	$ 8,098,391	$16,328,391

Fiscal Year Ended June 30,	Section 108 Loan Principal Amount	Interest Amount	Total
2010	$ 260,000	$ 329,393	$ 589,393
2011	273,000	317,538	590,538
2012	286,000	304,451	590,451
2013	300,000	290,161	590,161
2014	314,000	274,745	588,745
2015-2019	1,818,000	1,098,942	2,916,942
2020-2024	2,331,000	513,382	2,844,382
2025	506,000	15,957	521,957
	$ 6,088,000	$ 3,144,569	$ 9,232,569

Fiscal Year Ended June 30,	Note Payable - Dietz Principal Amount	Interest Amount	Total
2010	$ 8,278	$ 7,227	$ 15,505
2011	8,609	6,896	15,505
2012	8,954	6,551	15,505
2013	9,312	6,193	15,505
2014	9,684	5,821	15,505
2015-2019	54,552	22,973	77,525
2020-2024	66,370	11,155	77,525
2025	14,909	596	15,505
	$ 180,668	$ 67,412	$ 248,080

NOTE 10 – LONG-TERM DEBT (Continued)

H. Long-Term Debt Amortization (Continued)

Fiscal Year Ended June 30,	Note Payable – Goslins/Cleveland Principal Amount	Interest Amount	Total
2010	$ 5,720	$ 19,000	$ 24,720
2011	6,005	18,714	24,719
2012	6,306	18,414	24,720
2013	6,621	18,099	24,720
2014	6,952	17,768	24,720
2015-2019	40,336	83,262	123,598
2020-2024	51,480	72,118	123,598
2025-2029	65,703	57,895	123,598
2030-2034	83,855	39,743	123,598
2035-2039	107,022	16,575	123,597
	$ 380,000	$ 361,588	$ 741,588

Fiscal Year Ended June 30,	Note Payable – Nathan/Slavens Principal Amount	Interest Amount	Total
2010	$ 202,522	$ 36,466	$ 238,988
2011	217,163	21,826	238,989
2012	192,914	6,244	199,158
	$ 612,599	$ 64,536	$ 677,135

Fiscal Year Ended June 30,	Total Governmental Activities Principal Amount	Interest Amount	Total
2010	$ 1,016,520	$ 1,445,732	$ 2,462,252
2011	1,064,778	1,395,899	2,460,677
2012	1,084,173	1,339,839	2,424,012
2013	935,933	1,289,992	2,225,925
2014	980,637	1,243,506	2,224,143
2015-2019	5,692,887	5,396,248	11,089,135
2020-2024	5,283,850	3,873,263	9,157,113
2025-2029	7,866,611	3,953,114	11,819,725
2030-2034	2,528,855	544,643	3,073,498
2035-2039	107,023	16,576	123,599
	$ 26,561,267	$ 20,498,812	$47,060,079

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

Plan Description

The City of Bellflower contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions as well as other requirements is 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 is required to contribute at an actuarially determined rate calculated as a percentage of covered payroll. The employer contribution rate for the fiscal year ended June 30, 2009 was 7.770% 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. The City's contribution to PERS for the fiscal year ending June 30, 2009, 2008, and 2007 were $539,353, $500,365, and $413,170, respectively, and equal 100% of the required contribution for each fiscal year.

NOTE 12 - DEFERRED COMPENSATION PLAN AND TRUST

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

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

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description. The City's retiree healthcare plan (Plan) is provided through California Employers' Retirement Benefit Trust (CERBT), an agent multiple-employer defined benefit healthcare program administered by CalPERS. The City maintains the same healthcare plans for its retirees as for its active employees. However, the City does not contribute towards the cost of dental and vision benefits for its retirees. CalPERS issues a publicly available entity-wide financial report that includes certain financial statements and required supplementary information pertaining to CERBT. This report may be obtained by writing to CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

Funding Policy. The contribution requirement of plan members and the City are established under a funding policy approved by the City Council, and may be amended by the City from time to time. The City's funding policy is to contribute an amount sufficient to pay the current year's retiree premium and plan expenses, with an additional amount to pre-fund benefits as determined by the

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

City's actuary on a biennial basis. For fiscal year 2008-09, the City contributed $636,079 to the plan, including $341,151 for current premium and plan expenses, and an additional $294,928 to prefund benefits.

Annual OPEB and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	$ 610,176
Annual OPEB cost (expense)	610,176
Contributions made	(636,079)
Increase in net OPEB obligation	(25,903)
Net OPEB obligation (assets) - beginning of fiscal year	(33,338)
Net OPEB obligation (assets) - end of fiscal year	$ (59,241)

The City 's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation (Asset)
6/30/2007	$ -	0%	$ -
6/30/2008	$ 611,037	105%	$ (33,338)
6/30/2009	$ 636,079	104%	$ (25,903)

Funded Status and Funding Progress. As of January 1, 2009, the most recent actuarial valuation date, the plan was funded for 8 percent. The actuarial accrued liability for benefits was $7,181,087 and the actuarial value of assets was $586,615, resulting in an unfunded actuarial accrued liability (UAAL) of $6,594,472. The covered payroll (annual payroll of active employees covered by the plan) was $5,510,000, and the ratio of the UAAL to the covered payroll was 120 percent.

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

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and includethe types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January, 2009, actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 7.75 percent investment rate of return, which is the expected long-term investment returns on plan assets and an annual healthcare cost trend rate of 4 percent. The actuarial value of assets is $586,615. The UAAL is being amortized as a flat percentage of covered payroll over thirty years. The remaining amortization period at January 1, 2009 was thirty years. The amortization period closed for initial UAAL and open for remaining UAAL for thirty years.

NOTE 14 - CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (CJPIA)

The City of Bellflower is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 114 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. Claims are pooled separately between police and non-police. Costs are allocated to members as follows: the first $30,000 of each occurrence is charged directly to the member's primary deposit; costs from $30,001 to $750,000 and the loss development reserves associated with losses up to $750,000 are pooled based on the member's share of losses under $30,000. Losses from $750,001 to $2,000,000 and the associated loss development reserves are pooled based on payroll. Costs of covered claims from $2,000,001 to $50,000,000 are paid under reinsurance and excess insurance policies subject to a $3,000,000 annual aggregate deductible and a quota-sharing agreement whereby the Authority is financially responsible for 40% of losses occurring within the $2,000,000 to $10,000,000 layer. The costs associated with the costs of covered claims from $2,000,001 to $50,000,000 are estimated using actuarial models and pre-funded as part of the primary and retrospective deposits. The overall policy limit for each member including all layers of coverage is $50,000,000 per occurrence. Costs of covered claims for subsidence losses are paid by excess insurance with the following sub-limits per member: $25,000,000 per occurrence with a $15,000,000 annual aggregate.

Workers' Compensation Coverage

The City of Bellflower also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). 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. Claims are pooled separately between public

NOTE 14 – CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (CJPIA) (Continued)

safety and non-public safety. Each member has a retention level of $50,000 for each loss and this is charged directly to the member's primary deposit. Loss from $50,001 to $100,000 and the loss development reserve associated with losses up to $100,000 are pooled base on the member's share of losses under $50,000. Losses from $100,001 to $2,000,000 and loss development reserves associated with those losses are pooled based on payroll. Losses from $2,000,001 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Worker's Compensation law. Employer's liability losses are pooled among members to $2,000,000 coverage from $2,000,000 to $4,000,000 is purchased as part of an excess insurance policy, and losses from $4,000,000 to $10,000,000 are pooled among members.

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 the 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, 2008 through July 1, 2011. Each member of the Authority has a $10,000,000 sub-limit during the 3-year term of the policy.

Property Insurance

The City of Bellflower participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of Bellflower 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 $26,380,864. There is a $5,000 deductible per occurrence except for non-emergency vehicle insurance which has $1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Earthquake and Flood Insurance

The City of Bellflower 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 of Bellflower's property currently has earthquake protection in the amount of $18,884,561. 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.

Crime Insurance

The City of Bellflower purchases crime insurance coverage in the amount of $1,000,000 with $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 of Bellflower further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Bellflower according to a schedule. The City of Bellflower then pays for the insurance. The insurance is arranged by the Authority.
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.

NOTE 15 - NET ASSETS – GOVERNMENTAL ACTIVITIES

The government-wide statement of net assets includes three equity categories entitled net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The invested in capital assets, net of related debt category presents the City's equity interest in capital assets less outstanding principal of related debt. The restricted net assets category is designed to reflect net assets that are subject to restrictions beyond the City's control (externally imposed or imposed by law). The unrestricted net assets category equals any remaining balance and can be subdivided into designated and undesignated portions. Designations reflect the City's self-imposed limitations on the use of otherwise available current financial resources.

Details of the three categories are as follows:

	Governmental Activities	Business-type Activities
Net Assets		
Invested in capital assets, net of related debt:		
Total capital assets, net depreciation	$ 51,179,725	$ 6,305,692
Less: total capital related debt	(26,561,267)	
Invested in capital assets, net of related debt	24,618,458	6,305,692
Restricted for:		
Construction of capital assets	173,762	
Debt service	8,455,472	
Street, highways, bikeways, public transit, and other purposes	2,831,520	
Housing	2,087,800	
Public safety	33,328	
Arts	145,725	
Total Restricted	13,727,607	
Unrestricted	23,465,495	(7,020,762)
Total net assets	$ 61,811,560	$ (715,070)

$314,702 out of the restricted net assets reports in the government-wide statement of net assets are restricted by enabling legislation.

NOTE 16 – DEFICIT FUND BALANCES, RETAINED EARNINGS, AND NET ASSETS

The Redevelopment Agency Capital Projects fund has a deficit fund balance of $14,837,608 at June 30, 2009. It is uncertain whether the tax increment revenue received over the life of the Agency will be adequate to eliminate the deficit. Any remaining deficit at the end of the Agency's life will be absorbed by the City's General Fund. The Redevelopment Agency Housing fund also has a deficit fund balance of $112,295 at June 30, 2009.

The water fund has a deficit net assets of $715,070 at June 30, 2009 which should be alleviated as future revenues are expected to increase.

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 along with the City's HOME fund agreed to certain financial commitments including the purchase of vacant land, a developer loan in the amount of $2,124,776 funded by City's HOME fund in the amount of $1,238,000 and by Redevelopment Agency in the amount of $886,779 payable in eight annual installment of $110,847, 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 April 2002, the City's HOME fund loaned $1,238,000 to the developer. In fiscal year 2003 and 2004, the Agency loaned $221,694 to the developer. During the fiscal year 2005, the agency had decided to payoff its loan commitment to prepay the remaining six installment payments in the amount of $540,631. 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 basic financial statements. As of June 30, 2009, the amounts of principal outstanding on the bonds were $8,120,000 for Series 2002A and $350,000 for Series 2002B, for a total of $8,470,000.

NOTE 18 - COMMITMENTS

Other Construction Commitments

The City has other construction contracts-in-progress as follows:

Vendor	Project	Project Authorization	Expended to June 30, 2009	Committed
Alliance Streetworks, Inc.	West Branch Greenway	$ 2,045,571	$ 984,282	$ 1,061,288
Precise Project Management	West Branch Greenway	130,585	63,734	66,851
William Pipeline Contractors, Inc	Mapedale/VanRuiten Water System Interconnection	288,804		288,804
Doug Martin Contracting Co.	Slurry Seal	183,020		183,020

NOTE 19 – CONTINGENT LIABILITY

The Bellflower Redevelopment Agency and the Bellflower Unified School District (District) entered into the Amended Memorandum of Understanding and Settlement Agreement and Mutual Release on November 24, 2008. In accordance with the agreement, the Agency established within its budget a BUSD Trust Fund for the benefit of the District. The Agency shall make 20 deposits of $200,000 each to the BUSD Trust Fund from funds available to the Agency. Deposits will be made on December 31 and June 30 of each year, with the first deposit to be made on December 31, 2008. The Agency will concurrently provide the District with written notice of such deposit. In addition, if the Agency and the City take actions pursuant to SB 211 (Chapter 741 of Stats. 2001) to implement amendments which extend financial limitations applicable to the Agency's Redevelopment Plan, then the Agency also agrees to deposit into the BUSD Trust Fund an amount equal to the amount the Agency would be required to pay to the District pursuant to SB 211 but for the MOU and the agreement. Money deposited into the BUSD Trust Fund shall bear interest at the rate at which the Agency actually earns interest on that money (either through a separate of pooled account(s)) and the interest on that money shall be credited to the BUSD Trust Fund. Interest shall begin to accrue on the day after the deposit of money into the BUSD Trust Fund and shall continue to accrue on that money only so long as it remains in the BUSD Trust Fund. Monies from the BUSD Trust Fund shall be disbursed only to or on behalf of the District and only for the projects listed on the agreement.

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.

Postemployment Benefit Plans Other Than Pensions

Trend Information

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR
RETIREE HEALTH PLAN

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
1/1/2007	$ 5,825,888	$ -	$ 5,825,888	0%	$ 6,420,000	91%
1/1/2009	$ 7,181,087	$ 586,615	$ 6,594,472	8%	$ 5,510,000	120%

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOME CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 5,000	$ 12,023	$ 7,023
Intergovernmental revenue	1,378,113	494,913	(883,200)
Total revenues	1,383,113	506,936	(876,177)
EXPENDITURES			
Current:			
Community development	1,383,113	511,488	871,625
Total expenditures	1,383,113	511,488	871,625
Net change in fund balance		(4,552)	(4,552)
Fund balance - July 1, 2008	4,552	4,552	
Fund balance - June 30, 2009	$ 4,552	$ -	$ (4,552)

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 89,000	$ 43,477	$ (45,523)
Other revenue	1,025,000	215,833	(809,167)
Total revenues	1,114,000	259,310	(854,690)
EXPENDITURES			
Current:			
Community development	1,668,116	1,541,176	126,940
Capital outlay	3,598,464	1,214,854	2,383,610
Total expenditures	5,266,580	2,756,030	2,510,550
Excess of revenues over (under) expenditures	(4,152,580)	(2,496,720)	1,655,860
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of notes	1,025,000	1,025,000	
Transfers in	1,020,000		(1,020,000)
Transfers out		(1,054,493)	(1,054,493)
Total other financing sources (uses)	2,045,000	(29,493)	(2,074,493)
Net change in fund balance	(2,107,580)	(2,526,213)	(418,633)
Fund balance - July 1, 2008	(12,311,395)	(12,311,395)	
Fund balance - June 30, 2009	$ (14,418,975)	$ (14,837,608)	$ (418,633)

CITY OF BELLFLOWER

Families. Businesses. Futures.

"GROWING TOGETHER"

COMBINING AND INDIVIDUAL NONMAJOR GOVERNMENTAL FUND STATEMENTS AND SCHEDULES

CITY OF BELLFLOWER
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

Special Revenue Funds:

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

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

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

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

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

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

TDA Article 3 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.

Proposition 1B Fund - This fund accounts for the receipt and use of Prop 1B bond funds allocated to the City for street and road improvements, congestion relief and traffic safety.

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.

Public Arts Fund - Accounts for the fees collected from certain capital improvement and development projects. The intent of the Public Arts Fund is to promote the visual arts in the City of Bellflower by creating a collection of permanent outdoor art work by recognized artists throughout the City, to be of public benefit, and to present the community with a variety of art work styles and themes, all of the highest possible quality.

Special Revenue Funds (Continued):

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.

COG Position Fund - City costs reimbursed by the Gateway Cities Council of Governments for the position of Special Assistant to the City Manager who provides special transportation related services.

Traffic Congestion Relief Fund - This fund accounts for projects funded with revenue received under AB 2928 beginning in fiscal year 2000-01. In part, the bill provides funding directly to cities for preservation, maintenance and rehabilitation of the local street and road system.

Public Facilities Fund - Accounts for the fees collected from certain capital improvement and development projects to pay for the cost of increased services and the facilities expansion needs arising from these projects.

Park Facilities Fund - Fees collected from certain capital improvement and development projects to pay for the cost of increased parkland needs from these projects.

PEG Fund - A 1% fee collected on cable TV and other video subscription services to fund the purchase and acquisition of capital equipment and facilities necessary to program and broadcast PEG (public, education and government) events on designated cable channels.

Debt Service Funds:

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.

Financing Authority Debt Service Fund - This fund is used to account for the proceeds of certificates of participation issued in connection with the acquisition of and improvements to a water system and the related payments of interest and principal. The Authority's annual debt service obligations are met with the funds received from the Municipal Water System.

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
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

Capital Projects Funds:

Community Development Block Grant Fund - This fund accounts for the City's entitlements of the Federal Community Development Block Grant (CDBG) funds and related expenditures.

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

CITY OF BELLFLOWER
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

	Special Revenue Funds			
	Drug Forfeiture Fund	Transportation Fund	Proposition C Fund	Gas Tax Fund
ASSETS				
Cash and investments	$ 23,062	$ 86,059	$ 912,686	$ -
Cash and investments with fiscal agents				
Accounts receivable - net	2,560	80,836	70,296	99,425
Due from other funds				
Interest receivable	91	588	4,200	
Notes receivable				
Advances receivable				
Total assets	$ 25,713	$ 167,483	$ 987,182	$ 99,425
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 171	$ 157,562	$ 58,152	$ -
Accrued expenditures		5,388	5,937	
Retention payble				
Deposit payable				
Due to other funds				99,425
Deferred revenue				
Total Liabilities	171	162,950	64,089	99,425
Fund Balances:				
Reserved:				
Debt service				
Low and moderate income housing				
Unreserved:				
Designated for subsequent year's expenditures	25,542	4,533	923,093	
Undesignated				
Total fund balances	25,542	4,533	923,093	
Total liabilities and fund balances	$ 25,713	$ 167,483	$ 987,182	$ 99,425

	Special Revenue Funds					
	AQMD Fund	Sewer Reconstruction Fund	TDA Article 3 Fund	Proposition 1B Fund	Parking District No. 1 Fund	Building and Safety Fund
	$ 295,839	$ 282,410	$ -	$ 998,936	$ 639	$ 35,820
	24,107		45,729		181	
	1,098	1,116		4,069		
	$ 321,044	$ 283,526	$ 45,729	$ 1,003,005	$ 820	$ 35,820
	$ 1,500	$ 174,465	$ 2,620	$ 3,350	$ 820	$ 21,748
				5,488		14,072
			43,109			
	1,500	174,465	45,729	8,838	820	35,820
	319,544	109,061		994,167		
	319,544	109,061		994,167		
	$ 321,044	$ 283,526	$ -	$ 1,003,005	$ 820	$ 35,820

Continued

CITY OF BELLFLOWER
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009
(Continued)

	Special Revenue Funds			
	Public Arts Fund	CA-COPS Grant Fund	COG Position Fund	Traffic Relief Fund
ASSETS				
Cash and investments	$ 145,172	$ -	$ -	$ 466,826
Cash and investments with fiscal agents				
Accounts receivable - net		7,786	55,553	155,561
Due from other funds				
Interest receivable	553			1,770
Notes receivable				
Advances receivable				
Total assets	$ 145,725	$ 7,786	$ 55,553	$ 624,157
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 33,974
Accrued expenditures			3,915	
Deposit payable				
Retention payble				
Due to other funds			51,638	
Deferred revenue				
Total Liabilities			55,553	33,974
Fund Balances:				
Reserved:				
Debt service				
Low and moderate income housing				
Unreserved:				
Designated for subsequent year's expenditures	145,725	7,786		590,183
Undesignated				
Total fund balances	145,725	7,786		590,183
Total liabilities and fund balances	$ 145,725	$ 7,786	$ 55,553	$ 624,157

Special Revenue Funds			Debt Service Funds		
Public Facilities Fund	Park Facilities Fund	PEG Fund	Public Facilities Corporation Fund	Financing Authority Fund	Redevelopment Agency Fund
$ 41,143	$ 127,160	$ 19,281	$ -	$ -	$ 2,001
				550,465	611,994
		19,802			1,658
					47,256
161	513			1,257	1,728
				7,690,181	
$ 41,304	$ 127,673	$ 39,083	$ -	$ 8,241,903	$ 664,637
$ -	$ -	$ -	$ -	$ -	$ 50,837
					50,837
				8,241,903	613,800
41,304	127,673	39,083			
41,304	127,673	39,083		8,241,903	613,800
$ 41,304	$ 127,673	# $ 39,083	$ -	$ 8,241,903	$ 664,637

Continued

CITY OF BELLFLOWER
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009
(Continued)

	Capital Projects Fund			
	CDBG Fund	Capital Projects Fund	Redevelopment Agency Housing Fund	Totals
ASSETS				
Cash and investments	$ -	$	$ 118,224	$ 3,555,258
Cash and investments with fiscal agents				1,162,459
Accounts receivable - net	202,512	837,597		1,603,603
Due from other funds				47,256
Interest receivable			1,602	18,746
Notes receivable	736,090		2,200,095	2,936,185
Advances receivable				7,690,181
Total assets	$ 938,602	$ 837,597	$ 2,319,921	$ 17,013,688
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 56,819	$ 402,297	$ 231,484	$ 1,195,799
Accrued expenditures	8,833		637	44,270
Retention payble		109,365		109,365
Deposit payable		6,000		6,000
Due to other funds	136,860	255,234		586,266
Deferred revenue	736,090		2,200,095	2,936,185
Total Liabilities	938,602	772,896	2,432,216	4,877,885
Fund Balances:				
Reserved:				
Debt service				8,855,703
Unreserved:				
Designated for subsequent year's expenditures				3,327,694
Undesignated		64,701	(112,295)	(47,594)
Total fund balances		64,701	(112,295)	12,135,803
Total liabilities and fund balances	$ 938,602	$ 837,597	$ 2,319,921	$ 17,013,688

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CITY OF BELLFLOWER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009

	Special Revenue Funds			
	Drug Forfeiture Fund	Transportation Fund	Proposition C Fund	Gas Tax Fund
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits				
Investment earnings	625	6,560	27,394	
Charges for current services				
Intergovernmental revenue	2,560	1,194,227	929,883	1,223,002
Other revenues		130,000		
Total revenues	3,185	1,330,787	957,277	1,223,002
EXPENDITURES				
Current:				
General government				
Public safety				
Public works		1,394,952	824,828	
Community development				
Capital outlay	16,280	102,250	222,456	
Debt service:				
Principal retirement				
Interest and other charges				
Pass-through payments				
Total expenditures	16,280	1,497,202	1,047,284	
Excess of revenues over (under) expenditures	(13,095)	(166,415)	(90,007)	1,223,002
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long term debt				
Proceeds on sale of property		376		
Transfers in				
Transfers out				(1,223,002)
Total other financing sources (uses)		376		(1,223,002)
Net change in fund balances	(13,095)	(166,039)	(90,007)	
Fund balances - July 1, 2008	38,637	170,572	1,013,100	
Fund balances - June 30, 2009	$ 25,542	$ 4,533	$ 923,093	$ -

Special Revenue Funds					
AQMD Fund	Sewer Reconstruction Fund	TDA Article 3 Fund	Proposition 1B Fund	Parking District No. 1 Fund	Building and Safety Fund
$ -	$ -	$ -	$ -	$ -	$ -
					410,036
6,126	7,151		27,852		
				7,945	
90,057		45,729	41,533		
	3,276				
96,183	10,427	45,729	69,385	7,945	410,036
4,500			277,309	31,343	
					789,720
	181,316	45,729	5,424		5,085
4,500	181,316	45,729	282,733	31,343	794,805
91,683	(170,889)		(213,348)	(23,398)	(384,769)
				23,398	384,769
				23,398	384,769
91,683	(170,889)		(213,348)		
227,861	279,950		1,207,515		
$ 319,544	$ 109,061	$ -	$ 994,167	$ -	$ -

Continued

CITY OF BELLFLOWER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009
(Continued)

	Special Revenue Funds			
	Public Arts Fund	CA-COPS Grant Fund	COG Position Fund	Traffic Relief Fund
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits				
Investment earnings	3,190	198		5,743
Charges for current services	37,500		177,819	
Intergovernmental revenue		100,000		652,614
Other revenues				
Total revenues	40,690	100,198	177,819	658,357
EXPENDITURES				
Current:				
General government			177,819	
Public safety		121,703		
Public works				
Community development				
Capital outlay	5,000			69,678
Debt service:				
Principal retirement				
Interest and other charges				
Pass-through payment				
Total expenditures	5,000	121,703	177,819	69,678
Excess of revenues over (under) expenditures	35,690	(21,505)		588,679
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long term debt				
Proceeds on sale of property				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances	35,690	(21,505)		588,679
Fund balances - July 1, 2008	110,035	29,291		1,504
Fund balances - June 30, 2009	$ 145,725	$ 7,786	$ -	$ 590,183

Special Revenue Funds			Debt Service Funds		
Public Facilities Fund	Park Facilities Fund	PEG Fund	Public Facilities Corporation Fund	Financing Authority Fund	Redevelopment Agency Fund
$ -	$ -	$ -	$ -	$ -	$ 1,579,988
952	4,046		24	12,761	15,025
8,001	63,600				
		39,083			
8,953	67,646	39,083	24	12,761	1,595,013
					30,704
	83,836				
			265,000		160,361
			200,022	293,017	2,111,332
					450,973
	83,836		465,022	293,017	2,753,370
8,953	(16,190)	39,083	(464,998)	(280,256)	(1,158,357)
				8,230,000	
			464,981	292,159	1,172,000
			464,981	8,522,159	1,172,000
8,953	(16,190)	39,083	(17)	8,241,903	13,643
32,351	143,863		17		600,157
$ 41,304	$ 127,673	$ 39,083	$ -	$ 8,241,903	$ 613,800

Continued

CITY OF BELLFLOWER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009
(Continued)

	Capital Projects Funds			
	CDBG Fund	Capital Projects Fund	Redevelopment Agency Housing Fund	Totals
REVENUES				
Taxes	$ -	$ -	$ 394,997	$ 1,974,985
Licenses and permits				410,036
Investment earnings	92,273	2,434	35,227	247,581
Charges for current services				294,865
Intergovernmental revenue	1,154,045	996,513		6,469,246
Other revenues			11,250	144,526
Total revenues	1,246,318	998,947	441,474	9,541,239
EXPENDITURES				
Current:				
General government				177,819
Public safety				121,703
Public works				2,532,932
Community development	871,933		1,202,853	2,895,210
Capital outlay		994,496		1,731,550
Debt service:				
Principal retirement	248,000			673,361
Interest and other charges	339,969			2,944,340
Pass-through payment				450,973
Total expenditures	1,459,902	994,496	1,202,853	11,527,888
Excess of revenues over (under) expenditures	(213,584)	4,451	(761,379)	(1,986,649)
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long term debt				8,230,000
Proceeds on sale of property			1	377
Transfers in	213,584			2,550,891
Transfers out			(117,507)	(1,340,509)
Total other financing sources (uses)	213,584		(117,506)	9,440,759
Net change in fund balances		4,451	(878,885)	7,454,110
Fund balances - July 1, 2008		60,250	766,590	4,681,693
Fund balances - June 30, 2009	$ -	$ 64,701	$ (112,295)	$ 12,135,803

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DRUG FORFEITURE SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 100	$ 625	$ 525
Intergovernmental revenue	5,000	2,560	(2,440)
Total revenues	5,100	3,185	(1,915)
EXPENDITURES			
Current:			
Public safety	5,000		5,000
Capital outlay	23,000	16,280	6,720
Total expenditures	28,000	16,280	11,720
Net change in fund balance	(22,900)	(13,095)	9,805
Fund balance - July 1, 2008	38,637	38,637	
Fund balance - June 30, 2009	$ 15,737	$ 25,542	$ 9,805

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 4,000	$ 6,560	$ 2,560
Intergovernmental revenue	1,718,114	1,194,227	(523,887)
Other revenues	130,000	130,000	
Total revenues	1,852,114	1,330,787	(521,327)
EXPENDITURES			
Current:			
Public works	1,884,273	1,394,952	489,321
Capital outlay	145,768	102,250	43,518
Total expenditures	2,030,041	1,497,202	532,839
Excess of revenues over (under) expenditures	(177,927)	(166,415)	11,512
OTHER FINANCING SOURCES (USES)			
Proceeds on sale of property		376	376
Total other financing sources (uses)		376	376
Net change in fund balance	(177,927)	(166,039)	11,888
Fund balance - July 1, 2008	170,572	170,572	
Fund balance - June 30, 2009	$ (7,355)	$ 4,533	$ 11,888

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PROPOSITION C SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 5,000	$ 27,394	$ 22,394
Intergovernmental revenue	1,139,000	929,883	(209,117)
Total revenues	1,144,000	957,277	(186,723)
EXPENDITURES			
Current:			
Public works	932,994	824,828	108,166
Capital outlay	810,000	222,456	587,544
Total expenditures	1,742,994	1,047,284	695,710
Net change in fund balance	(598,994)	(90,007)	508,987
Fund balance - July 1, 2008	1,013,100	1,013,100	
Fund balance - June 30, 2009	$ 414,106	$ 923,093	$ 508,987

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenue	$ 1,443,700	$ 1,223,002	$ (220,698)
Total revenues	1,443,700	1,223,002	(220,698)
OTHER FINANCING SOURCES (USES)			
Transfers out	(1,443,700)	(1,223,002)	220,698
Total other financing sources (uses)	(1,443,700)	(1,223,002)	220,698
Net change in fund balance			
Fund balance - July 1, 2008			
Fund balance - June 30, 2009	$ -	$ -	$ -

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
AQMD SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 12,500	$ 6,126	$ (6,374)
Intergovernmental revenue	98,000	90,057	(7,943)
Total revenues	110,500	96,183	(14,317)
EXPENDITURES			
Current:			
Public works	5,242	4,500	742
Total expenditures	5,242	4,500	742
Net change in fund balance	105,258	91,683	(13,575)
Fund balance - July 1, 2008	227,861	227,861	
Fund balance - June 30, 2009	$ 333,119	$ 319,544	$ (13,575)

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SEWER RECONSTRUCTION SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 5,000	$ 7,151	$ 2,151
Other revenues	1,000	3,276	2,276
Total revenues	6,000	10,427	4,427
EXPENDITURES			
Capital outlay	285,000	181,316	103,684
Total expenditures	285,000	181,316	103,684
Net change in fund balance	(279,000)	(170,889)	108,111
Fund balance - July 1, 2008	279,950	279,950	
Fund balance - June 30, 2009	$ 950	$ 109,061	$ 108,111

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TDA ARTICLE 3 SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenue	$ 47,000	$ 45,729	$ (1,271)
Total revenues	47,000	45,729	(1,271)
EXPENDITURES			
Capital outlay	47,000	45,729	1,271
Total expenditures	47,000	45,729	1,271
Net change in fund balance			
Fund balance - July 1, 2008			
Fund balance - June 30, 2009	$ -	$ -	$ -

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PROPOSITION 1B SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 5,000	$ 27,852	$ 22,852
Intergovernmental revenue		41,533	41,533
Total revenues	5,000	69,385	64,385
EXPENDITURES			
Current:			
Public works	170,000	277,309	(107,309)
Capital outlay	961,532	5,424	956,108
Total expenditures	1,131,532	282,733	848,799
Net change in fund balance	(1,126,532)	(213,348)	913,184
Fund balance - July 1, 2008	1,207,515	1,207,515	
Fund balance - June 30, 2009	$ 80,983	$ 994,167	$ 913,184

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARKING DISTRICT NO. 1 SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for current services	$ 8,500	$ 7,945	$ (555)
Total revenues	8,500	7,945	(555)
EXPENDITURES			
Current:			
Public works	59,682	31,343	28,339
Total expenditures	59,682	31,343	28,339
Excess of revenues over (under) expenditures	(51,182)	(23,398)	27,784
OTHER FINANCING SOURCES (USES)			
Transfers in	51,182	23,398	(27,784)
Total other financing sources (uses)	51,182	23,398	(27,784)
Net change in fund balance			
Fund balance - July 1, 2008			
Fund balance - June 30, 2009	$ -	$ -	$ -

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING AND SAFETY SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Licenses and permits	$ 806,700	$ 410,036	$ (396,664)
Total revenues	806,700	410,036	(396,664)
EXPENDITURES			
Current:			
Community development	851,686	789,720	61,966
Capital outlay		5,085	(5,085)
Total expenditures	851,686	794,805	56,881
Excess of revenues over (under) expenditures	(44,986)	(384,769)	(339,783)
OTHER FINANCING SOURCES (USES)			
Transfers in	44,986	384,769	339,783
Total other financing sources (uses)	44,986	384,769	339,783
Net change in fund balance			
Fund balance - July 1, 2008			
Fund balance - June 30, 2009	$ -	$ -	$ -

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC ARTS SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 2,000	$ 3,190	$ 1,190
Charges for current services	40,000	37,500	(2,500)
Total revenues	42,000	40,690	(1,310)
EXPENDITURES			
Capital outlay	203,000	5,000	198,000
Total expenditures	203,000	5,000	198,000
Net change in fund balance	(161,000)	35,690	196,690
Fund balance - July 1, 2008	110,035	110,035	
Fund balance - June 30, 2009	$ (50,965)	$ 145,725	$ 196,690

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CA - COPS GRANT SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 2,000	$ 198	$ (1,802)
Intergovernmental revenue	150,000	100,000	(50,000)
Total revenues	152,000	100,198	(51,802)
EXPENDITURES			
Current:			
Public safety	152,000	121,703	30,297
Total expenditures	152,000	121,703	30,297
Net change in fund balance		(21,505)	(21,505)
Fund balance - July 1, 2008	29,291	29,291	
Fund balance - June 30, 2009	$ 29,291	$ 7,786	$ (21,505)

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COG POSITION SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for current services	$ 182,044	$ 177,819	$ (4,225)
Total revenues	182,044	177,819	(4,225)
EXPENDITURES			
Current:			
General government	182,044	177,819	4,225
Total expenditures	182,044	177,819	4,225
Net change in fund balance			
Fund balance - July 1, 2008			
Fund balance - June 30, 2009	$ -	$ -	$ -

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TRAFFIC RELIEF SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 10,000	$ 5,743	$ (4,257)
Intergovernmental revenue	791,000	652,614	(138,386)
Total revenues	801,000	658,357	(142,643)
EXPENDITURES			
Capital outlay	801,000	69,678	731,322
Total expenditures	801,000	69,678	731,322
Net change in fund balance		588,679	588,679
Fund balance - July 1, 2008	1,504	1,504	
Fund balance - June 30, 2009	$ 1,504	$ 590,183	$ 588,679

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC FACILITIES SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 500	$ 952	$ 452
Charges for current services	5,000	8,001	3,001
Total revenues	5,500	8,953	3,453
Net change in fund balance	5,500	8,953	3,453
Fund balance - July 1, 2008	32,351	32,351	
Fund balance - June 30, 2009	$ 37,851	$ 41,304	$ 3,453

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARK FACILITIES SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 5,000	$ 4,046	$ (954)
Charges for current services	40,000	63,600	23,600
Total revenues	45,000	67,646	22,646
EXPENDITURES			
Capital outlay	85,000	83,836	1,164
Total expenditures	85,000	83,836	1,164
Net change in fund balance	(40,000)	(16,190)	23,810
Fund balance - July 1, 2008	143,863	143,863	
Fund balance - June 30, 2009	$ 103,863	$ 127,673	$ 23,810

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PEG SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenue	$ -	$ 39,083	$ 39,083
Total revenues		39,083	39,083
Net change in fund balance		39,083	39,083
Fund balance - July 1, 2008			
Fund balance - June 30, 2009	$ -	$ 39,083	$ 39,083

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC FACILITIES CORPORATION DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 300	$ 24	$ (276)
Total revenues	300	24	(276)
EXPENDITURES			
Debt service:			
Principal retirement	265,000	265,000	
Interest and other charges	200,523	200,022	501
Total expenditures	465,523	465,022	501
Excess of revenues over (under) expenditures	(465,223)	(464,998)	225
OTHER FINANCING SOURCES (USES)			
Transfers in	465,523	464,981	(542)
Total other financing sources (uses)	465,523	464,981	(542)
Net change in fund balance	300	(17)	(317)
Fund balance - July 1, 2008	17	17	
Fund balance - June 30, 2009	$ 317	$ -	$ (317)

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FINANCING AUTHORITY DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 20,000	$ 12,761	$ (7,239)
Total revenues	20,000	12,761	(7,239)
EXPENDITURES			
Debt service:			
Interest and other charges	293,017	293,017	
Total expenditures	293,017	293,017	
Excess of revenues over (under) expenditures	(273,017)	(280,256)	(7,239)
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of long-term debt	7,716,969	8,230,000	513,031
Transfers in	291,904	292,159	255
Total other financing sources (uses)	8,008,873	8,522,159	513,286
Net change in fund balance	7,735,856	8,241,903	506,047
Fund balance - July 1, 2008			
Fund balance - June 30, 2009	$ 7,735,856	$ 8,241,903	$ 506,047

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
REDEVELOPMENT AGENCY DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	$ 1,557,000	$ 1,579,988	$ 22,988
Investment earnings	30,000	15,025	(14,975)
Total revenues	1,587,000	1,595,013	8,013
EXPENDITURES			
Current:			
Community development	25,800	30,704	(4,904)
Debt service:			
Principal retirement	127,960	160,361	(32,401)
Interest and other charges	2,482,363	2,111,332	371,031
Pass-through payments	450,300	450,973	(673)
Total expenditures	3,086,423	2,753,370	333,053
Excess of revenues over (under) expenditures	(1,499,423)	(1,158,357)	341,066
OTHER FINANCING SOURCES (USES)			
Transfers in	118,964	1,172,000	1,053,036
Transfers out	(1,020,000)		1,020,000
Total other financing sources (uses)	(901,036)	1,172,000	2,073,036
Net change in fund balance	(2,400,459)	13,643	2,414,102
Fund balance - July 1, 2008	600,157	600,157	
Fund balance - June 30, 2009	$ (1,800,302)	$ 613,800	$ 2,414,102

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CDBG CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	$ 3,500	$ 92,273	$ 88,773
Intergovernmental revenue	1,256,829	1,154,045	(102,784)
Total revenues	1,260,329	1,246,318	(14,011)
EXPENDITURES			
Current:			
Community development	637,360	871,933	(234,573)
Debt service:			
Principal retirement	248,000	248,000	
Interest and other charges	339,969	339,969	
Total expenditures	1,225,329	1,459,902	(234,573)
Excess of revenues over (under) expenditures	35,000	(213,584)	(248,584)
OTHER FINANCING SOURCES (USES)			
Transfers in		213,584	213,584
Total other financing sources (uses)		213,584	213,584
Net change in fund balance	35,000		(35,000)
Fund balance - July 1, 2008			
Fund balance - June 30, 2009	$ 35,000	$ -	$ (35,000)

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenue	$ 6,835,203	$ 996,513	$ (5,838,690)
Other revenues	1,984	2,434	450
Total revenues	6,837,187	998,947	(5,838,240)
EXPENDITURES			
Capital outlay	6,835,203	994,496	5,840,707
Total expenditures	6,835,203	994,496	5,840,707
Net change in fund balance	1,984	4,451	2,467
Fund balance - July 1, 2008	60,250	60,250	
Fund balance - June 30, 2009	$ 62,234	$ 64,701	$ 2,467

CITY OF BELLFLOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
REDEVELOPMENT AGENCY HOUSING CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	$ 389,000	$ 394,997	$ 5,997
Investment earnings	30,000	35,227	5,227
Other revenues	11,250	11,250	
Total revenues	430,250	441,474	11,224
EXPENDITURES			
Current:			
Community development	1,738,015	1,202,853	535,162
Total expenditures	1,738,015	1,202,853	535,162
Excess of revenues over (under) expenditures	(1,307,765)	(761,379)	546,386
OTHER FINANCING SOURCES (USES)			
Proceeds on sale of property		1	1
Transfers out	(118,964)	(117,507)	1,457
Total other financing sources (uses)	(118,964)	(117,506)	1,458
Net change in fund balance	(1,426,729)	(878,885)	547,844
Fund balance - July 1, 2008	766,590	766,590	
Fund balance (Deficit) - June 30, 2009	$ (660,139)	$ (112,295)	$ 547,844

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.

BUSD Trust Fund

The Bellflower Redevelopment Agency has established the BUSD Trust Fund in accordance with the Amended Memorandum of Understanding and Settlement Agreement and Mutual Release dated November 24, 2008. The Agency is required to deposit certain amounts into the BUSD Trust Fund and the funds must be disbursed to, or on behalf of, Bellflower United School District for only those projects that had been approved and incorporated into the agreement.

CITY OF BELLFLOWER
AGENCY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Fiscal Year ended June 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Agency Fund				
Assets:				
Cash and investments	$ 741,512	$ 21,484	$ -	$ 762,996
Liabilities:				
Deposits payable	$ 741,512	$ 21,484	$ -	$ 762,996
Total liabilities	$ 741,512	$ 21,484	$ -	$ 762,996
BUSD Trust Fund				
Assets:				
Cash and investments	$ -	$ 200,711	$ -	$ 200,711
Liabilities:				
Deposits payable	$	$ 200,711	$ -	$ 200,711
Total liabilities	$ -	$ 200,711	$ -	$ 200,711
Total Agency Funds				
Assets:				
Cash and investments	$ 741,512	$ 222,195	$ -	$ 963,707
Liabilities:				
Deposits payable	$ 741,512	$ 222,195	$ -	$ 963,707
Total liabilities	$ 741,512	$ 222,195	$ -	$ 963,707

CITY OF BELLFLOWER

Families. Businesses. Futures.

"GROWING TOGETHER"

STATISTICAL SECTION
(UNAUDITED)

CITY OF BELLFLOWER

Families. Businesses. Futures.

"GROWING TOGETHER"

STATISTICAL SECTION

	Pages
Financial Trends – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	122 - 131
Revenue Capacity – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	132 - 135
Debt Capacity – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	136 - 141
Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	142 - 144
Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	146 - 148

CITY OF BELLFLOWER

Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)

	2008-09	2007-08	2006-07
Governmental activities:			
Invested in capital assets, net of related debt	$ 24,618,458	$ 34,454,767	$ 28,032,957
Restricted	13,727,607	5,144,724	5,797,645
Unrestricted	23,465,495	23,197,638	23,640,310
Total governmental activities net assets	$ 61,811,560	$ 62,797,129	$ 57,470,912
Business-type activites:			
Invested in capital assets, net of related debt	$ 6,305,692	$ 6,115,154	$ 6,171,974
Restricted	-	-	-
Unrestricted	(7,020,762)	(6,699,586)	(6,453,055)
Total business-type activites net assets	$ (715,070)	$ (584,432)	$ (281,081)
Primary government:			
Invested in capital assets, net of related debt	$ 30,924,150	$ 40,569,921	$ 34,204,931
Restricted	13,727,607	5,144,724	5,797,645
Unrestricted	16,444,733	16,498,052	17,187,255
Total primary government net assets	$ 61,096,490	$ 62,212,697	$ 57,189,831

City of Bellflower implemented GASB 34 for the fiscal year ended June 30, 2003.
Information prior to the implementation of GASB 34 is not available.

Source: City Finance Department

2005-06	2004-05	2003-04	2002-03
$ 22,594,651	$ 14,706,513	$ 10,751,912	$ 18,597,924
7,890,144	10,033,611	14,510,268	4,758,956
20,901,096	21,643,482	17,575,155	17,225,057
$ 51,385,891	$ 46,383,606	$ 42,837,335	$ 40,581,937
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
$ -	$ -	$ -	$ -
$ 22,594,651	$ 14,706,513	$ 10,751,912	$ 18,597,924
7,890,144	10,033,611	14,510,268	4,758,956
20,901,096	21,643,482	17,575,155	17,225,057
$ 51,385,891	$ 46,383,606	$ 42,837,335	$ 40,581,937

CITY OF BELLFLOWER

Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	2008-09	2007-08	2006-07	2005-06	2004-05
Expenses:					
Governmental activities:					
General government	$ 4,016,741	$ 4,673,647	$ 4,684,334	$ 4,190,022	$ 4,251,643
Public safety	10,465,437	9,830,279	9,466,438	8,931,846	8,505,491
Public works	8,534,387	8,561,074	7,955,725	8,134,862	7,655,727
Community development	5,610,613	4,737,554	4,154,709	4,666,591	3,763,743
Parks and recreation	2,880,923	3,422,450	2,888,491	2,690,337	2,644,966
Interest on long-term debt	1,370,074	1,082,459	1,106,344	1,130,336	1,149,420
Loss on sale of property	2,185,142	-	-	-	-
Total governmental activities expenses	35,063,317	32,307,463	30,256,041	29,743,994	27,970,990
Business-type activities:					
Water	1,423,016	1,886,301	722,246	-	-
Total business-type activities expenses	1,423,016	1,886,301	722,246	-	-
Total primary government expenses	$ 36,486,333	$ 34,193,764	$ 30,978,287	$ 29,743,994	$ 27,970,990
Program revenues:					
Governmental activities:					
Charges for services:					
Public safety	1,792,240	1,696,289	1,748,090	1,734,648	1,506,526
Public works	378,031	634,813	575,015	176,980	286,347
Community development	533,292	561,831	888,645	936,430	741,302
Parks and recreation	578,768	711,744	617,406	504,394	497,670
Operating contributions and grants	5,124,970	7,787,002	6,026,064	7,242,195	5,647,748
Capital contributions and grants	1,866,525	2,013,500	1,211,344	1,269,027	969,623
Total governmental activities program revenues	10,273,826	13,405,179	11,066,564	11,863,674	9,649,216
Business-type activities:					
Charges for services:					
Water	1,471,959	1,489,421	422,677	-	-
Operating contributions and grants	-	-	-	-	-
Capital contributions and grants	2,222	35,548	-	-	-
Total business-type activities program revenues	1,474,181	1,524,969	422,677	-	-
Total primary government program revenues	$ 11,748,007	$ 14,930,148	$ 11,489,241	$ 11,863,674	$ 9,649,216
Net revenues (expenses):					
Governmental activities	$ (24,789,491)	$ (18,902,284)	$ (19,189,477)	$ (17,880,320)	$ (18,321,774)
Business-type activities	51,165	(361,332)	(299,569)	-	-
Total Primary government net expenses	$ (24,738,326)	$ (19,263,616)	$ (19,489,046)	$ (17,880,320)	$ (18,321,774)

City of Bellflower implemented GASB 34 for the fiscal year ended June 30, 2003.
Information prior to the implementation of GASB 34 not available.

Source: City Finance Department

2003-04	2002-03
$ 3,314,466	$ 3,842,068
8,329,356	8,392,745
6,967,996	6,017,861
4,307,424	3,879,185
2,599,166	2,629,115
460,854	460,005
-	-
25,979,262	25,220,979
-	-
-	-
$ 25,979,262	$ 25,220,979

1,588,548	1,014,482
111,191	80,880
559,775	481,466
445,630	455,731
6,326,966	5,025,451
705,282	1,705,501
9,737,392	8,763,511
-	-
-	-
-	-
-	-
$ 9,737,392	$ 8,763,511
$ (16,241,870)	$ (16,457,468)
-	-
$ (16,241,870)	$ (16,457,468)

Continued

CITY OF BELLFLOWER

Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	2008-09	2007-08	2006-07	2005-06	2004-05
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Sales taxes	$ 4,074,112	$ 4,864,723	$ 5,492,016	$ 5,623,126	$ 5,126,776
Property taxes	4,259,838	4,630,983	4,378,690	4,092,921	3,408,915
Property taxes in lieu of VLF	6,408,704	6,089,921	5,568,084	4,551,129	3,786,400
Franchise taxes	1,517,568	1,536,573	1,355,987	1,403,431	1,318,757
Utility users taxes	4,118,981	4,057,482	4,029,961	3,935,990	3,748,243
Transient occupancy taxes	514,825	579,635	603,016	584,975	520,290
Business license taxes	601,787	515,903	591,004	518,358	501,369
Property transfer taxes	101,339	127,741	223,963	239,878	252,189
Intergovernmental - unrestricted:					
Motor vehicle in lieu	263,401	343,552	418,679	534,255	2,264,037
Earnings on investments	1,151,930	1,027,148	830,394	556,572	352,426
Miscellaneous	506,782	457,785	1,752,791	841,970	588,643
Transfers	284,655	(2,944)	-	-	-
Total governmental activities	23,803,922	24,228,502	25,244,585	22,882,605	21,868,045
Business-type activities					
Earnings on investments	102,852	63,741	18,486	-	-
Miscellaneous	-	(8,704)	2	-	-
Transfers	(284,655)	2,944	-	-	-
Total business-type activities	(181,803)	57,981	18,488	-	-
Total primary government	$ 23,622,119	$ 24,286,483	$ 25,263,073	$ 22,882,605	$ 21,868,045
Changes in net assets					
Governmental activities	$ (985,569)	$ 5,326,218	$ 6,055,108	$ 5,002,285	$ 3,546,271
Business-type activities	(130,638)	(303,351)	(281,081)	-	-
Total primary government	(1,116,207)	5,022,867	5,774,027	5,002,285	3,546,271
Net assets- July 1	62,212,697	57,189,830	51,385,891	46,383,606	42,837,335
Prior period adjustments	-	-	29,912	-	-
	62,212,697	57,189,830	51,415,803	46,383,606	42,837,335
Net assets- June 30	$ 61,096,490	$ 62,212,697	$ 57,189,830	$ 51,385,891	$ 46,383,606

City of Bellflower implemented GASB 34 for the fiscal year ended June 30, 2003.
Information prior to the implementation of GASB 34 not available.

Source: City Finance Department

2003-04	2002-03
$ 5,366,684	$ 5,367,504
2,918,170	2,586,027
-	-
1,298,670	1,254,579
3,358,180	3,239,040
518,838	499,837
503,318	481,278
213,839	153,101
3,476,915	4,516,754
219,649	317,933
623,005	484,302
-	-
18,497,268	18,900,355
-	-
-	-
-	-
-	-
$ 18,497,268	$ 18,900,355
$ 2,255,398	$ 2,442,887
-	-
2,255,398	2,442,887
40,581,937	38,139,050
-	-
40,581,937	38,139,050
$ 42,837,335	$ 40,581,937

CITY OF BELLFLOWER

Fund Balances of Governmental Funds
Last Seven Fiscal Years
(modified accrual basis of accounting)

	2008-09	2007-08	2006-07	2005-06
General fund:				
Reserved	$ 10,468,690	$ 14,987,982	$ 14,514,961	$ 10,284,180
Unreserved	15,232,621	11,198,992	11,537,788	12,106,940
Total general fund	$ 25,701,311	$ 26,186,974	$ 26,052,749	$ 22,391,120
All other governmental funds:				
Reserved	$ 8,855,703	$ 1,366,764	$ 1,721,800	$ 1,498,046
Unreserved, reported in:				
Special revenue funds	3,327,694	3,254,679	2,446,988	1,892,825
Capital projects funds	(14,885,202)	(12,246,593)	(9,091,439)	(3,765,274)
Total all other governmental funds	$ (2,701,805)	$ (7,625,150)	$ (4,922,651)	$ (374,403)
Total general and other governmental funds	$ 22,999,506	$ 18,561,824	$ 21,130,098	$ 22,016,717

City of Bellflower has elected to show only seven years of data for this schedule to match the preceding net assets schedule.

Source: City Finance Department

2004-05	2003-04	2002-03
$ 5,808,367	$ 2,970,580	$ 1,897,237
14,728,727	13,816,303	13,662,445
$ 20,537,094	$ 16,786,883	$ 15,559,682
$ 1,379,715	$ 1,781,629	$ 216,111
1,672,152	1,649,405	2,242,222
2,481,605	6,812,177	(1,841,764)
$ 5,533,472	$ 10,243,211	$ 616,569
$ 26,070,566	$ 27,030,094	$ 16,176,251

CITY OF BELLFLOWER

Changes in Fund Balances of Governmental Funds
Last Seven Fiscal Years
(modified accrual basis of accounting)

	2008-09	2007-08	2006-07
Revenues:			
Taxes	$ 22,101,270	$ 22,016,119	$ 21,686,876
Licenses and permits	464,381	987,878	1,374,588
Fines, forfeitures and penalties	1,666,020	1,601,565	1,652,801
Investment income	930,809	1,122,760	1,442,451
Charges for current services	1,012,328	1,667,612	1,517,594
Intergovernmental	7,334,737	9,227,030	7,060,444
Other	675,210	775,340	1,227,621
Total revenues	34,184,755	37,398,304	35,962,375
Expenditures			
Current:			
General government	4,011,397	4,465,318	4,417,204
Public safety	10,449,205	9,628,337	9,391,867
Public works	8,151,096	8,090,059	7,252,435
Community development	6,518,256	4,373,346	3,724,641
Parks and recreation	2,576,285	2,913,410	2,659,799
Capital outlay	3,513,599	7,384,859	6,553,988
Debt service:			
Principal retirement	673,361	618,654	607,013
Interest and fiscal charges	2,944,340	2,438,881	2,194,586
Debt issuance costs	-	-	-
Pass-through payments	450,973	50,770	47,461
Total expenditures	39,288,512	39,963,634	36,848,994
Excess (dificiency) of revenues over (under) expenditures	(5,103,757)	(2,565,330)	(886,619)
Other financing sources (uses):			
Proceeds from issuance of long term debt	9,255,000	-	-
Payment to refunded debt escrow	-	-	-
Proceeds on sale of property	1,784	-	-
Original issuance discount	-	-	-
Transfers in	4,221,886	3,055,912	2,190,297
Transfers out	(3,937,231)	(3,058,856)	(2,190,297)
Total other financing sources (uses)	9,541,439	(2,944)	-
Net change in fund balances	$ 4,437,682	$ (2,568,274)	$ (886,619)
Debt service as a percentage of noncapital expenditures	10.11%	9.39%	9.18%

City of Bellflower has elected to show only seven years of data for this schedule to match the preceding net assets schedule.

Source: City Finance Department

2005-06	2004-05	2003-04	2002-03
$ 20,932,778	$ 18,695,357	$ 14,386,007	$ 13,434,204
717,457	666,283	525,931	454,720
1,627,310	1,450,200	1,526,371	953,120
1,237,932	1,963,553	1,060,975	1,160,279
994,934	896,682	637,601	610,335
8,424,480	8,341,439	10,376,260	10,704,674
1,927,505	373,128	600,214	727,449
35,862,396	32,386,642	29,113,359	28,044,781
4,000,618	3,776,426	2,844,794	2,994,450
8,890,397	8,505,120	8,298,283	8,361,304
6,988,181	6,744,422	6,304,721	5,598,487
4,320,677	4,101,851	4,391,298	3,784,808
2,455,222	2,497,559	2,409,121	2,446,395
10,801,152	5,642,889	5,078,293	4,048,727
598,519	487,315	278,090	275,000
1,820,663	1,766,409	448,609	452,960
-	2,478	536,803	-
40,816	32,418	28,548	23,802
39,916,245	33,556,887	30,618,560	27,985,933
(4,053,849)	(1,170,245)	(1,505,201)	58,848
-	210,717	14,815,000	128,502
-	-	(2,380,002)	-
-	-	-	-
-	-	(75,954)	-
2,087,090	3,047,142	7,129,525	2,564,493
(2,087,090)	(3,047,142)	(7,129,525)	(2,564,493)
-	210,717	12,359,044	128,502
$ (4,053,849)	$ (959,528)	$ 10,853,843	$ 187,350
7.67%	7.87%	4.85%	2.94%

CITY OF BELLFLOWER

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30	City				Redevelopment Agency				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	
2009	$3,839,378	$ 37,165	$ (69,946)	$3,806,597	$531,946	$ 61,700	$(116,725)	$476,921	0.12214%
2008	3,643,542	32,468	(58,355)	3,617,655	515,140	58,000	(120,349)	452,791	0.11948%
2007	3,326,750	28,653	(61,577)	3,293,826	478,641	58,848	(109,660)	427,829	0.11796%
2006	3,006,912	30,005	(57,193)	2,979,724	441,229	56,079	(98,508)	398,799	0.11506%
2005	2,707,953	30,703	(50,155)	2,688,502	420,607	50,211	(89,074)	381,745	0.11473%
2004	2,495,033	33,315	(36,014)	2,492,334	388,580	58,757	(82,702)	364,635	0.11274%
2003	2,305,258	35,649	(40,153)	2,300,754	398,123	58,146	(108,183)	348,086	0.11055%
2002	2,159,284	35,065	(35,120)	2,159,229	383,976	54,428	(106,222)	332,183	0.10434%
2001	2,032,525	34,698	(33,515)	2,033,708	372,432	54,286	(102,485)	324,233	0.10737%
2000	1,932,110	33,282	(41,531)	1,923,861	362,873	46,254	(104,813)	304,314	0.10240%

Note:
upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: County of Los Angeles Department of Auditor-Controller

CITY OF BELLFLOWER

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Rate per $100 of assessed value)
Last Ten Fiscal Years

	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
Basic Levy[1]	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Detention Facilities 1987 Debt S	-	-	0.00066	0.00080	0.00092	0.00099	0.00103	0.00113	0.00131	0.00142
LA Co. Flood Control Storm Dr. DS #4	-	-	0.00005	0.00002	0.00021	0.00043	0.00062	0.00066	0.00092	0.00097
Flood Control Ref. Bonds 1993 DS	-	-	-	0.00003	0.00003	0.00004	0.00026	0.00041	0.00064	0.00079
Vehicle Parking District #1	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000
Cerritos Cc Ds 2004 Ser 2004A	0.00172	0.00407	0.00251	0.01279	0.01908	-	-	-	-	-
Cerritos Cc Ds 2005 Ref Bonds	0.00510	0.00412	0.00429	0.01144	-	-	-	-	-	-
Cerritos Ccd Ds 2004 Series 2006	0.00312	0.00253	0.01713	-	-	-	-	-	-	-
Compton Ccd Ds 2002 Ser A	0.01132	0.01763	0.01975	0.02051	0.00396	0.02714	-	-	-	-
Compton Ccd Ds 2002 Ser2008A	0.01262	-	-	-	-	-	-	-	-	-
Abc Usd Ds 2003 Refdg Bd S-A	0.01013	0.01015	0.01028	0.01248	0.01087	0.00998	0.01223	0.01137	0.01059	0.02578
Abc Unified Sd Ds 1997 Ser B	0.01375	0.01420	0.01399	0.01497	0.01570	0.01493	0.01556	0.01359	0.01508	-
Downey Unified Ds 1996 Ser C	0.00332	0.00339	0.00354	0.00394	0.00442	0.00497	0.00524	0.00549	0.00605	0.00608
Downey Unif Sd Ref Bd Ds 99 S-A	0.00700	0.00690	0.00799	0.00809	0.00929	0.01026	0.01168	0.01103	0.01291	0.01318
Downey Unif Sd Ds 1996 Series D	-	-	0.00225	0.00252	0.00287	0.00319	0.00330	0.00351	0.00384	0.00450
Downey Unif Sd Ds 1996 Series E	0.00255	0.00217	0.00694	0.00761	0.00861	0.00951	0.01081	0.01230	-	-
Downey Usd Ds 2002 Ser A	0.01158	0.01238	0.01374	0.01529	0.01849	0.02337	-	-	-	-
Downey Usd Ds 2002 Ser B	0.00806	0.00687	0.01620	0.01902	0.02198	-	-	-	-	-
Downey Unified Ds 2002 Ser C	0.00790	0.02405	0.01082	0.02073	-	-	-	-	-	-
Downey Usd Ds 2006 Ref Bonds	0.00549	0.00665	-	-	-	-	-	-	-	-
Downey Usd Ds 2007 Rf Bds	0.01200	0.01329	-	-	-	-	-	-	-	-
Nor-La Mirada Usd Ds 2002 S-03A	-	-	-	-	0.04841	0.05560	-	-	-	-
Nor-La Mirada Usd Ds 2002 S-05A	0.00638	0.00101	0.00085	0.00071	0.00475	-	-	-	-	-
Norwalk-La MiradaUsd Ds 2005 Ref Bds	0.04554	0.04817	0.04951	0.05297	-	-	-	-	-	-
Norwalk-La MiradaUsd Ds 2002 Ser 2007A	0.01079	0.00309	-	-	-	-	-	-	-	-
Paramount Unif Ds 1998 Ser A	0.04482	0.04394	0.04750	0.05038	0.05399	0.05587	0.05566	0.05441	0.05688	0.06371
Paramount Unif Ds 1998 Ser B	-	-	-	-	-	-	-	0.00123	-	-
Paramount Unif Ds 2006 Ser 2007	0.06344	0.05534	-	-	-	-	-	-	-	-
Metropolitan Water District	0.00430	0.00450	0.00470	0.00520	0.00580	0.00610	0.00670	0.00770	0.00880	0.00890
Total Direct & Overlapping[2] Tax Rates	1.44094	1.43441	1.38269	1.40950	1.37937	1.37237	1.27309	1.27284	1.26700	1.27534
City's Share of 1% Levy per Prop 13[3]	0.06662	0.06662	0.06662	0.06662	0.06662	0.06662	0.06662	0.06662	0.06662	0.06662
Redevelopment Rate[4]	1.00430	1.00450	1.00541	1.00604	1.00697	1.00755	1.00861	1.00990	1.01167	1.01209
Total Direct Rate[5]	0.12214	0.11948	0.11796	0.11506	0.11473	0.11274	0.11055	0.10434	0.10737	0.10240

Notes:

[1] In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

[2] Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

[3] City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figues.

[4] RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.

[5] Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Due to rounding, the percentage details may not add up to corresponding totals.

Source: HdL Coren & Cone

CITY OF BELLFLOWER

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	2008-09 Taxable Assessed Value	2008-09 Percent of Total Taxable Assessed Value	1999-00 Taxable Assessed Value	1999-00 Percent of Total Taxable Assessed Value
Advanced Group 98-71	$ 17,179,064	0.40%	$ -	-
C-Native Exchange I LLC Time Warner	16,243,815	0.38%	-	-
Kmart Plaza Bellflower	15,540,584	0.36%	11,055,999	0.50%
Haagen GDH Partnership	14,324,185	0.33%	12,001,494	0.54%
Bellflower Park LP	13,759,290	0.32%	-	-
AG BPG Rosewood Center Inc	12,835,728	0.30%	-	-
Belmont Place Bellflower Associates	11,376,864	0.27%	7,955,500	0.36%
Bellflower-Somerset Mutual Water Co	10,759,602	0.25%	-	-
Advanced Group 06 89	10,432,794	0.24%	-	-
Iron Mountain	10,298,542	0.24%	-	-
Media One of Los Angeles Inc.	-	-	24,850,543	1.12%
Advanced Group 400	-	-	13,432,700	0.60%
Bellflower Business Partners LP	-	-	12,143,200	0.54%
Union Development Company Inc	-	-	8,103,271	0.36%
Park Water Company	-	-	7,825,148	0.35%
James A. and Sharon Carter	-	-	7,816,174	0.35%
William J. Wade Trust Acrem I Business	-	-	7,625,733	0.34%
	$ 132,750,468	3.10%	$ 112,809,762	5.06%

Note:
The amounts shown above include assessed values for both the City and the Redevelopment Agency. While assessed values are shown, the principal property taxpayers are based on the revenues generated to the City and Redevelopment Agency, not on the assessed values.

Sources: HdL Coren & Cone

CITY OF BELLFLOWER

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30	Original Taxes Levied for the Fiscal Year[1]	Collected within the Fiscal Year of Levy		Other Collections[2]	Total Collections to Date	
		Amount[2]	Percent of Levy		Amount[2]	Percent of Levy
2009	$ 5,092,968	$ 4,753,030	93.3%	$ 483,060	$ 5,236,090	102.8%
2008	4,872,639	4,513,325	92.6%	658,826	5,172,151	106.1%
2007	4,444,448	4,217,240	94.9%	661,847	4,879,088	109.8%
2006	3,890,631	3,769,339	96.9%	889,598	4,658,938	119.7%
2005	3,525,978	3,458,438	98.1%	476,531	3,934,969	111.6%
2004	3,222,790	3,130,513	97.1%	235,337	3,365,849	104.4%
2003	2,929,220	2,848,336	97.2%	110,424	2,958,760	101.0%
2002	2,676,122	2,589,750	96.8%	212,997	2,802,748	104.7%
2001	2,518,620	2,411,311	95.7%	(6,805)	2,404,506	95.5%
2000	2,241,214	2,162,348	96.5%	108,075	2,270,423	101.3%

Notes:
- The unsecured portion of the amount collected is estimated for fiscal years 2000-2002.
- Other Collections may include items such as supplemental assessments, prior year delinquencies, penalties, taxpayer refunds, homeowner's exemptions (paid by the state), highway rental fee, horserace tax, or adminstrative fees.
- Total collections include ERAF and Section 33676 payments that are not recognized as revenue by the City.

Sources: [1]HdL Coren & Cone and Los Angeles County Auditor-Controller
[2]City Finance Department

CITY OF BELLFLOWER

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities								
Fiscal Year Ended June 30	2004 Tax Allocation Bonds[1]	California Energy Commission Loan	Notes Payable	1999 Certificates of Participation	2008 Water System Certificates of Participation	Section 108 Loan	Total Governmental Activities	Percentage of Personal Income[2]	Debt Per Capita[3]
2009	$ 7,135,000	$ -	$ 1,173,267	$ 3,935,000	$ 8,230,000	$ 6,088,000	$ 26,561,267	n/a	$ 344
2008	7,255,000	-	188,628	4,200,000	-	6,336,000	17,979,628	n/a	233
2007	7,370,000	-	196,281	4,460,000	-	6,572,000	18,598,281	0.62%	241
2006	7,480,000	19,654	203,641	4,705,000	-	6,797,000	19,205,295	0.67%	249
2005	7,590,000	58,097	210,717	4,945,000	-	7,000,000	19,803,814	0.74%	257
2004	7,815,000	95,412	-	5,170,000	-	7,000,000	20,080,412	0.79%	261
2003	2,000,000	128,502	-	5,390,000	-	-	7,518,502	0.31%	98
2002	2,025,000	-	-	5,640,000	-	-	7,665,000	0.34%	102
2001	2,045,000	-	-	5,880,000	-	-	7,925,000	0.36%	107
2000	2,065,000	-	-	6,110,000	-	-	8,175,000	0.39%	113

[1]Tax Allocation Bonds were refunded in April 2004.
[2]Per Capita Personal Income data was not available for calendar years 2008 and 2009.
[3]These ratios are calculated using the official demographic estimate as of January 1st of each calendar year.

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements.
No debt was issued in the business-type activities.

Source: City Finance Department

CITY OF BELLFLOWER

RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year Ended June 30	Outstanding General Bonded Debt: Tax Allocation Bonds[1]	Total	Percent of Assessed Value[2]	Per Capita[3]
2009	$ 7,135,000	$ 7,135,000	0.167%	$ 92
2008	7,255,000	7,255,000	0.178%	94
2007	7,370,000	7,370,000	0.198%	95
2006	7,480,000	7,480,000	0.221%	97
2005	7,590,000	7,590,000	0.247%	99
2004	7,815,000	7,815,000	0.274%	102
2003	2,000,000	2,000,000	0.076%	26
2002	2,025,000	2,025,000	0.081%	27
2001	2,045,000	2,045,000	0.087%	28
2000	2,065,000	2,065,000	0.093%	28

[1]Tax Allocation Bonds were refunded in April 2004.
[2]Assessed value has been used because the actual value of taxable property is not readily available in the State of California.
[3]These ratios are calculated using the official demographic estimates as of January 1st of each calendar year.

NOTE:
General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

Source: City Finance Department

CITY OF BELLFLOWER

LEGAL DEBT MARGIN INFORMATION
Last Ten Years
(in thousands of dollars)

	2009	2008	2007	2006	2005
Assessed valuation[1]	$ 3,806,597	$ 3,617,655	$ 3,293,826	$ 2,979,724	$ 2,688,502
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	951,649	904,414	823,457	744,931	672,125
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	142,747	135,662	123,518	111,740	100,819
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	$ 142,747	$ 135,662	$ 123,518	$ 111,740	$ 100,819
Total debt applicable to the limit as a percentage of debt limt	0.0%	0.0%	0.0%	0.0%	0.0%

[1]Assessed valuation for City, does not include Redevelopment Agency.

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: County of Los Angeles Department of Auditor-Controller

2004	2003	2002	2001	2000
$ 2,492,334	$ 2,300,754	$ 2,159,229	$ 2,033,708	$ 1,923,861
25%	25%	25%	25%	25%
623,083	575,189	539,807	508,427	480,965
15%	15%	15%	15%	15%
93,463	86,278	80,971	76,264	72,145
-	-	-	-	-
$ 93,463	$ 86,278	$ 80,971	$ 76,264	$ 72,145
0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF BELLFLOWER

DIRECT AND OVERLAPPING DEBT
Fiscal Year Ended June 30, 2009

2008-09 Assessed Valuation:	$ 4,283,517,991
Redevelopment Incremental Valuation:	256,700,848
Adjusted Assessed Valuation:	$ 4,026,817,143

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2009	% Applicable (1)	City's share of Debt 6/30/09
Los Angeles County	$ 84,705,000	0.451 %	$ 382,020
Metropolitan Water District	293,425,000	0.218	639,667
Cerritos Community College District	113,510,994	12.820	14,552,109
Compton Community College District	36,390,000	2.614	951,235
Downey Unified School District	83,810,256	3.891	3,261,057
Norwalk-La Mirada Unified School District	123,006,246	0.020	24,601
Paramount Unified School District	61,784,976	10.372	6,408,338
Los Angeles County Regional Park and Open Space Assessment District	246,875,000	0.431	1,064,031
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$ 27,283,058
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Los Angeles County General Fund Obligations	$ 928,941,195	0.431 %	$ 4,003,737
Los Angeles County Pension Obligations	235,690,861	0.431	1,015,828
Los Angeles County Superintendent of Schools Certificates of Participati	15,904,264	0.431	68,547
Los Angeles County Sanitation District No. 2 Authority	36,518,088	10.577	3,862,518
Los Angeles County Sanitation District No. 3 Authority	27,747,996	0.238	66,040
Los Angeles County Sanitation District No. 18 Authority	20,415,624	0.005	1,021
Bellflower Unified School District Certificates of Participation	10,975,000	68.861	7,557,495
Norwalk-La Mirada Unified School District Certificates of Participation	35,382,999	0.020	7,077
Paramount Unified School District Certificates of Participation	27,890,000	10.372	2,892,751
City of Bellflower Certificates of Participation	12,165,000	100.000	12,165,000
TOTAL GROSS DIRCT AND OVERLAPPING GENERAL FUND DEBT			$ 31,640,014
COMBINED TOTAL DEBT			$ 58,923,072 (2)

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2008-09 Assessed Valuation:
Total Overlapping Tax and Assessment Debt..... 0.64%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt ($12,165,000)..... 0.30%
Combined Total Debt..... 1.46%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: $0

Source: California Municipal Statistics, Inc.

CITY OF BELLFLOWER

PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

	Tax Allocation Bonds			
		Debt Service		
Fiscal Year Ended June 30	Tax Increment	Principal	Interest	Coverage
2009	$ 1,974,985	$ 120,000	$ 469,818	3.35
2008	1,968,309	115,000	474,177	3.34
2007	1,839,456	110,000	477,697	3.13
2006	1,607,935	110,000	480,491	2.72
2005	1,284,957	225,000	367,017	2.17
2004	1,126,025	25,000	189,045	5.26
2003	935,422	25,000	191,220	4.33
2002	949,675	20,000	193,177	4.45
2001	956,956	20,000	194,917	4.45
2000	672,925	20,000	196,658	3.11

Note:
Details regarding the city's outstanding debt can be found in Note 10 in the notes to the financial statements.

Source: City Finance Department

CITY OF BELLFLOWER

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Calendar Year	Population[1]	Personal Income	Per Capita Personal Income[2]	Unemployment Rate[3]
2009	77,194	$ n/a	$ n/a	11.70%
2008	77,110	n/a	n/a	7.60%
2007	77,189	2,984,898,630	38,670	5.20%
2006	77,039	2,865,773,761	37,199	4.80%
2005	77,052	2,676,478,272	34,736	5.40%
2004	76,888	2,529,999,640	32,905	6.60%
2003	76,434	2,390,626,218	31,277	7.10%
2002	75,092	2,286,476,308	30,449	6.90%
2001	73,823	2,218,012,035	30,045	5.80%
2000	72,600	2,106,053,400	29,009	5.50%

Sources:

[1]California Department of Finance
http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/ReportsPapers.asp
Official estimate as of January 1st of each calendar year.

[2]Bureau of Economic Analysis; Los Angeles-Long Beach-Riverside area; historical data restated
(City of Bellflower data not available)
http://www.bea.gov/regional/reis/default.cfm?selTable=CA1-3&section=2
Information on Per Capita Personal Income not available for calendar years 2008 and 2009.

[3]California Employment Development Department Labor Market Information
http://www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/AreaSelection.asp?tableName=Labforce
Unemployment rates are calendar-year based; historical rates restated

- Rate for calendar year 2009 not available; average rate through September 2009 used.

CITY OF BELLFLOWER

PRINCIPAL EMPLOYERS
Current Year and Eight Years Ago

Employer	2008-09 Number of Employees[1]	2008-09 Percent of Total Employment[2]	2000-01 Number of Employees[1]	2000-01 Percent of Total Employment[2]
Southern California Permanente/ Kaiser Permanente Medical Group	993	2.961%	896	2.707%
Bellflower Medical Center	522	1.557%	293	0.885%
Hollywood Sports	184	0.549%	-	0.000%
City of Bellflower	158	0.471%	247	0.746%
K-Mart Corporation	137	0.409%	145	0.438%
Estrella, Inc.	121	0.361%	-	0.000%
Peter Wylan DDS	114	0.340%	114	0.344%
Stater Bros. Market	105	0.313%	105	0.317%
Bel Tooren Villa Convalescent	102	0.304%	-	0.000%
Norms Restaurant	63	0.188%	-	0.000%
Bellwood General Hospital	-	0.000%	293	0.885%
Time Warner Cable (Comcast of L.A.)	-	0.000%	183	0.553%
Ford West	-	0.000%	163	0.492%
Harbor Health Care	-	0.000%	102	0.308%
	2,499	7.452%	2,541	7.408%

Sources: [1]City Finance Department
[2]California Employment Development Department Labor Market Information
http://www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/AreaSelection.asp?tableName=Labforce

(The above percentages are based on total employment for the applicable fiscal year.)

Fiscal Year	Total Employment	Calendar Year	Total Employment
2008-09	33,533	2008	34,300
2007-08	34,489	2007	34,900
2006-07	34,750	2006	34,475
2005-06	34,150	2005	34,017
2004-05	33,675	2004	33,283
2003-04	33,292	2003	33,033
2002-03	33,033	2002	33,175
2001-02	33,392	2001	33,458
2000-01	33,100	2000	33,017
1999-00	Data not available	1999	Data not available

CITY OF BELLFLOWER

FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	Full-time and Part-time Employees as of June 30									
Function	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government										
Full-time	18	21	21	21	20	18	18	16	14	14
Part-time	6	9	10	7	7	13	16	12	13	12
Total	24	30	31	28	27	31	34	28	27	26
Public safety										
Full-time	12	11	11	10	11	11	11	10	10	10
Part-time	7	8	8	11	11	9	10	12	15	20
Total	19	19	19	21	22	20	21	22	25	30
Public works										
Full-time	35	31	31	31	31	28	28	28	29	26
Part-time	14	16	14	11	13	17	15	8	7	9
Total	49	47	45	42	44	45	43	36	36	35
Community development										
Full-time	19	24	24	24	21	19	19	19	16	16
Part-time	2	3	5	4	3	9	10	4	8	5
Total	21	27	29	28	24	28	29	23	24	21
Parks and recreation										
Full-time	8	10	10	10	10	10	10	10	9	9
Part-time	72	134	146	118	114	105	105	121	126	117
Total	80	144	156	128	124	115	115	131	135	126
Full-time total	92	97	97	96	93	86	86	83	78	75
Part-time total	101	170	183	151	148	153	156	157	169	163
Grand Total	193	267	280	247	241	239	242	240	247	238

Source: City Finance Department

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CITY OF BELLFLOWER

OPERATING INDICATORS BY FUNCTION
Last Eight Fiscal Years

	2008-09	2007-08	2006-07	2005-06	2004-05
Police:					
Arrests[1]	-	2,258	2,413	2,214	2,133
Parking citations issued	30,017	25,290	24,941	28,318	29,870
Public Works:					
Street resurfacing (miles)	-	-	-	2.65	0.77
Parks and Recreation:					
Number of recreation classes	158	131	156	159	164
Number of facility rentals	268	299	264	282	286
Programs and Facilities Attendance	1,159,691	1,207,835	1,163,802	1,189,803	1,256,536
Water Services:					
Customer accounts	1,823	1,818	1,815	-	-
Annual Supply (acre feet)	712	763	818	-	-
Average Daily Consumption (thousands of gallons)	667	709	730	-	-

Notes:

[1] Reported on a calendar year basis by the Sheriff's department.

- Fire and sewer services are provided by special districts of Los Angeles County.
- The City aquired the water system from a local water company on January 12, 2007.

City of Bellflower has elected to show only eight years of data for this schedule.

Source: City of Bellflower

2003-04	2002-03	2001-02
2,084	2,151	1,885
33,028	27,242	21,191
1.14	4.73	6.00
151	154	136
291	271	263
1,356,420	1,351,491	1,424,251
-	-	-
-	-	-
-	-	-

CITY OF BELLFLOWER

CAPITAL ASSET STATISTICS BY FUNCTION
Last Four Fiscal Years

	2008-09	2007-08	2006-07	2005-06
Police:				
Substation	1	1	1	1
Public Works:				
Streets (miles)	96.41	96.41	96.41	96.41
Streetlights	147	147	147	147
Traffic signals	49	49	49	49
Parks and Recreation:				
Parks	5	5	5	5
Community centers	2	2	2	2
Wastewater:				
Sanitary sewers (miles)	98.65	98.65	98.65	98.65
Storm drains (miles)	6.25	6.25	6.25	6.25

City of Bellflower has elected to show only four years of data for this schedule.

Source: City of Bellflower

CITY OF BELLFLOWER

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