

City of Bellflower, California

# *Comprehensive Annual Financial Report*

Fiscal Year Ended June 30, 2011



# CAFR

CITY OF BELLFLOWER



*Families. Businesses. Futures.*

"GROWING TOGETHER"

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

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2011**

**PREPARED BY  
FINANCE DEPARTMENT**

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**CITY OF BELLFLOWER**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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December 27, 2011

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, 2011, 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. 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 76,840 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 facilities, 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 features a large banquet facility, 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, a skate park, and the Carpenter House Museum. Built in 1981, the William and Jane Bristol Civic Auditorium seats 356 guests and hosts numerous community events, fine arts productions, and City functions. The Bellflower Bike Trail consists of 2.4 miles of bike and pedestrian path that is a part of the Los Angeles Regional Bikeway network connecting to the San Gabriel River bikeway path.

Bellflower is serviced by Norwalk Transit, 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. In light of the prolonged recession and steep budget cuts, the following are the major accomplishments for the fiscal year and future initiatives.

## **MAJOR ACCOMPLISHMENTS FOR THE YEAR**

### **Capital and Community Development Projects**

- The City joined the Accumulative Capital Outlay Program of the Los Angeles County Consolidated Sewer Maintenance District in FY 2009-10. Through this action, an \$8 per year per sewer equivalent unit fee is charged to Bellflower properties on the property tax roll. The revenue goes to the District and the District, in turn, will be responsible for future preventive televised evaluation of sewer conditions and for implementation resultant recommended sewer repairs as well as emergency sewer repairs for the City-owned sewers. The City remains responsible for completing a currently agreed upon program of repairs. The first phase of those repairs was completed in FY 2009-10. In FY 2010-11, design was completed on the second phase and initiated on the third and final phase.
- Department of Transportation Stimulus projects.
  - Completed Rehabilitation of Downey Avenue south City limit to north City limit. Work accomplished includes full width grind and asphalt overly. It also includes a truck landing pad to protect the pavement at the base of the 91 freeway off ramp, bring all curb ramps up to current ADA standards and add bicycle detection loops at the traffic signals.
  - Bike Trail Landscaping. The City's new 2.4 mile Bike Trail and pedestrian path sits on a 100 foot wide former railroad right of way. The only aesthetic improvement in the initial construction project was to cover the grounds with wood chips. The City has approval from the ROW owner to install irrigation and add trees and shrubs to the outside edges of the right of way. This project will accomplish that. In FY 10-11, a contract for the landscaping of the trail was awarded. The contractor filed for Chapter 7 bankruptcy in December, 2010 before beginning work. The City reached an agreement with the bonding company and construction of the landscaping was kicked off with the new contractor in June, 2011.
- Completed Department of Energy Stimulus projects.
  - Replaced the roof on Thompson Park Community Center with a new reflective energy conserving roof.
  - Completed City Hall weatherization. Due to deterioration over time, City Hall is no longer watertight or airtight. Refurbishing all aperture caulking and any related repairs will protect the asset and decrease energy usage.
  - Replaced lights and ballasts at all indoor City facilities to reduce energy usage.
- Fire Museum and Event Center. Continued to work with and support the County of Los Angeles Fire Museum Association (CLAFMA) on their efforts to raise funds to enable the construction of a permanent Fire Museum and Event Center. Acquired Verizon property at the southeast corner of Oak Street and Adenmoor Avenue for an additional public parking lot that is necessary for the Fire Museum and Event Center project.
- Bellflower Village. Continued efforts to develop the Bellflower Village as a destination-oriented district within downtown Bellflower, pursuant to the provisions of the Bellflower Village Overlay Zone. This is a multi-faceted project involving the improvement of a portion of Walnut Avenue, immediately east of the Bellflower Boulevard intersection with planter areas, center median, decorative hardscape, signage, public parking lot, and a public plaza with decorative fountain,

improvements to the alley and other pedestrian amenities adjacent to the Cafe Camellia project. The public parking lot was completed in November 2011.

- Bellflower Village Overlay Zone – North. Adopted an overlay zone on the portion of the downtown (and Town Center District) from the Bikeway (MTA ROW) on the north to Flower St. on the south. The overlay zone adds new development opportunities for mixed use and transit oriented development, as well as providing development incentives for the recycling of existing aging commercial properties.
- Café Camellia Project. Approved construction drawings for this project, which entails redevelopment of 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.
- Walnut Street and Public Parking. A contract for construction of the project was awarded in June 2011.
- Completed construction of traffic signal upgrades at the intersection of Clark Avenue and Artesia Blvd. providing left turn phasing and fully ADA compliant pedestrian curb ramps.
- Completed installation of new sidewalks in the neighborhood bounded by Foster Road, Clark Avenue, Rosecrans and Birkhall.
- Completed installation of new traffic signal at the intersection of Flower and Flora Vista Streets adjacent to the Bike Trail Plaza designed to enhance bicycle and pedestrian safety.
- Southeast Corner of Oak Street and Bellflower Boulevard. Continued efforts to redevelop the approximate 15,000 square feet of RDA-owned property into a viable commercial project.
- Bellflower and Belmont. Entered into a Disposition and Development Agreement with HQT and approved a three-story tall, dynamic mixed use building spanning 26,179 square feet (“Belmont Court”). This project includes 30 two-story condominium townhomes over ground floor commercial and 60-space parking lot. Also includes an attractive 1,400 square foot public plaza, interior courtyard and pedestrian breezeway linking public parking and Bellflower Boulevard.
- North Downtown Mixed Use District. Obtained a compass blueprint grant from the Southern California Association of Governments to fund this endeavor and hire Wildan to create an overlay zone for the portion of Bellflower Boulevard and Alondra Avenue, north of the Downtown district to create a viable mixed use/transit oriented development district to compliment and expand the downtown district.
- Old Greek Market. Continued to seek development opportunities to rehabilitate the existing building to upgrade the exterior façade and create pedestrian access to Bellflower Blvd and to the rear parking lot.
- Old “Sewing Machine” property. Removed all lead and asbestos from the property. Continued to seek opportunities for the use of this property in the overall redevelopment of the downtown district.
- Continued to assemble property for the Artesia Boulevard Commercial Improvement project and assisted in the redevelopment of the northwest corner of Artesia Boulevard and Lakewood Boulevard.

- The Design for Development zoning for properties adjacent to the intersection of Bellflower Blvd and Artesia Blvd has been approved. Continued to support development interest for the redevelopment of those properties.
- Began the effort to expand the Redevelopment Project Area No. 1.

### Municipal Water System

- Continued construction of a High Capacity Well to serve the needs of our MWS customers as well as the community at-large. Completed well drilling. The well's capacity will be greater than originally estimated. For that reason, the well equipment was re-designed to accommodate a larger above-ground pump. Redesign and environmental clearance of the modified project were completed. Awarded the contract for well equipping and pump house construction in June 2011. The well should be placed in service by March 2011. The estimated cost of the High Capacity Well is \$2.5 million.
- Continued the aggressive public outreach program using the Municipal Water System page on the City's website ([www.bellflower.org/water](http://www.bellflower.org/water)) to promote water conservation, provide general information about the State-wide drought, and provide general information about water rates and rules, assistance programs, water quality, and other information.

### Other Accomplishments

- The City experienced the lowest crime rate in more than 40 years in the last calendar year 2010. CY 2011 is projected to be 4% below last year's record low.
- Detectives investigated approximately 1793 criminal cases and achieved a 92% solve rate.
- The City's robust traffic enforcement program throughout the year achieved an enforcement index that averaged approximately 100% higher than the standard set by the State of California (i.e. ratio of hazardous citations to fatal/injury collisions).
- In addition to their various other duties, the City's Special Assignment Deputies were able to effectively investigate and resolve over 85 "problem locations" (e.g. house containing suspicious activity) in response to requests from local residents.
- Bellflower deputies made approximately 2,660 arrests during the course of the year.
- Implemented and/or assisted with special events including the Boulevard car show, Prayer Breakfast, Service Club Luncheon, Community Job Fair, Christmas Tree Lighting ceremony, Children's Holiday Party, BRAVO, State of the City Luncheon, and Outgoing Mayor's Ceremony.
- Partnered with local service clubs, churches and residents for the School Supplies/Backpack Drive and Holiday Food Basket & Spring Easter Basket Programs.
- Completed six Bellflower Looking Better beautification projects throughout the City.
- Supervised and coordinated 12,000 hours of volunteer service through the Bellflower Volunteer Center.
- Designed and distributed 25,000 recreation activity brochures to households three times a year.

- Developed an informative handbook for the Volunteer Center.
- Established social media marketing (Twitter/Facebook) for Parks and Recreation promotional materials and park marquee signs.
- Provided 11,570 hours of supervised park facilities to the community.
- Developed succession plan for department reorganization and transition due to Department Head retirement.
- Continued work with a coalition of cities supporting reasonable storm water quality regulations.
- Worked closely with Congresswoman Lucille Roybal-Allard, to secure federal funding for local water system and transportation projects, and for development and construction of a fire museum.
- Negotiated a revised and extended solid waste franchise agreement to incorporate street sweeping at no additional cost to City or ratepayers.
- Acquired and implemented new radio system for more reliable and flexible emergency communications capacity among all City staff.
- Coordinated video filming of all 22 City Council and Redevelopment Agency meetings as well as special events such as Bellflower's annual BRAVO Awards honoring public safety heroes and the State of the City luncheon and program. All events were aired the City's public access channel on Time Warner Cable.
- Provided informative monthly City newsletter "eCitizen" to residents, business owners and other Bellflower community members via email and the City's website in an environmental conscious paperless publication.
- Bellflower was recognized by the California League of Cities as being one of the top five cities in Southern California to have an informative website. The city was also recognized for playing a significant role in the social media arena with active Facebook and Twitter pages along with instant "e-bulletin" messages sent out daily to relay important City of Bellflower information to the public.
- Worked closely with CGI Communications, Inc. for several months to produce a comprehensive series of eleven educational and informative community videos that highlight a variety of places and services the City of Bellflower has to offer. These community videos were created at no charge to the City. All videos are available on the City's website 24/7 along with numerous vidcasts covering resident services and special events.
- Maintained accurate financial records for the successful completion of financial and compliance audits including the City, Redevelopment Agency, Public Facilities Corporations, Financing Authority, and Federal grants.
- Prepared the Biennial Operating Budget timely for adoption by the Council in June 2011.
- Received the financial reporting excellence award from the Government Finance Officers Association (GFOA) for the Comprehensive Annual Financial Report (CAFR).

## **ECONOMIC CONDITION**

The City's revenues have declined significantly since the recession. When compared to the pre-recession fiscal year 2006-07, the General Fund alone has suffered a loss of \$2.0 million, or 7.6%, in recurring revenues in fiscal year 2010-11. Costs, on the other hand, have increased and the loss of purchasing power during the same time period for the General Fund is approximately \$1.9 million, or 6.9%, for the combined loss of \$3.9 million, or 14.5%. While the economy has shown signs of recovery, the City's revenues have yet to recover. For budgeting and fiscal management, the City continues its conservative and cautious outlook.

As a remedial action, under the American Recovery and Reinvestment Act of 2009, the City had been allocated \$2.5 million in Federal funding for capital projects related to bike trail landscaping, pavement rehabilitation, facilities improvements for energy efficiency and conservation, water system improvements, and public safety.

The State, on the other hand, continues to unilaterally take local governments' revenues to address its budget crisis and meet other financial obligations. In fiscal year 2010-11, Bellflower Redevelopment Agency lost \$168 thousand to the Supplemental Educational Revenue Augmentation Fund (SERAF) as a State mandate with severe penalties for noncompliance. Since fiscal year 2004-05, the State took a total of \$2.2 million from the City and Redevelopment Agency. In fiscal year 2011-12, the State permanently took all of the City's vehicle license fees (\$271 thousand annually) and required the Redevelopment Agency to make annual payments to continue its existence (\$129 thousand for fiscal year 2010-11). The constitutionality of these State shifts is currently being litigated in the courts.

The State's prior budgetary actions altering local governments' revenues have also created a long-term and permanent structural cash flow deficit of approximately \$3.4 million annually for the City (i.e., vehicle license fees for property taxes referred to as "VLFAA" and sales taxes for property taxes known as "triple flip").

In response to the significant revenue decreases caused by the recession and State revenue shifts, 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, 10% furlough, freezing vacant positions, and offering early retirement incentives. In June 2009 and 2011, the City Council adopted substantially balanced biennial Operating Budgets with continued, significant cuts to services, programs, capital projects and staffing including part-time layoffs (over 80 positions), frozen/eliminated full-time positions (14 total), and 10% furlough. The effective labor force reduction is more than one third. In light of these steep cuts, there continues to be concerted efforts on the part of staff for additional financial savings.

As a remedy, the Council unanimously approved and placed a temporary 5-year, 2% utility users tax (Measure A) for the November 2010 election. Unfortunately, Measure A failed by a very small margin of 13 votes out of 13,385 cast, less than one-tenth of one percent. Nonetheless, based on these important actions of the Council, it is clearly evident that the Council's intent and will is to act quickly and responsibly to ensure the continued financial stability and solvency of the City. To that end, the following major initiatives are undertaken with highly limited funding.

## **MAJOR INITIATIVES FOR THE FUTURE**

### **Capital and Community Development Projects**

- Update the Downtown Revitalization Vision Strategy.
- TownCenter Gateway Plaza. Expand the TownCenter Gateway Plaza to the southeast corner of Belmont Street and Bellflower Boulevard to seek a redevelopment and/or revitalization project to complement the revitalization efforts that have occurred on the northeast corner and the west-side of Bellflower Boulevard and Belmont Street.
- Bellflower Boulevard and Oak Street. Redevelop the approximate 15,000 square feet of RDA-owned property into a viable commercial project.
- Northwest Corner of Bellflower Boulevard and Mayne Street. Revitalize the old “Greek Market” site with a viable use or uses for the property.
- Fire Museum and Event Center. Continue to work with, and support the efforts of, the County of Los Angeles Fire Museum Association (CLAFMA) to establish a permanent Fire Museum and Event Center in downtown Bellflower. Assist in the acquisition of property that is needed to secure the museum’s location.
- Downtown Transit Center. Continue to work on securing funding to acquire and construct a Transit Center north of the downtown that will also provide for parking that will benefit downtown Bellflower, and provide a shuttle connection to the Metro Green Line light rail station at Lakewood Boulevard at the I-105 freeway.
- Bellflower Village. Issued building permits for revitalized “Café Camellia” project and begin construction.
- West Artesia Boulevard Commercial Highway Specific Plan. Seek opportunities for viable commercial development within the West Artesia Boulevard Commercial Highway Specific Plan, located along Artesia Boulevard, between Lakewood Boulevard and Downey Avenue.
- Lakewood Boulevard. Seek opportunities for viable commercial development and revitalization opportunities along the Lakewood Boulevard commercial corridor.
- Bellflower Boulevard and Artesia Boulevard. Seek opportunities to revitalize properties located adjacent to this intersection, with emphasis on assembling property and redeveloping them into viable commercial/retail development.
- Continue to work on establishing a Multi-Family Improvement District for the Eucalyptus Avenue neighborhood and establish a property owner’s association.

### **Municipal Water System**

- Complete construction of the high capacity well.
- Continue seeking grant funding for water system improvements.

## Other Initiatives

- Continue efforts to maintain safe and attractive City facilities with minimal staffing.
- Update the aerial photography used in the City's GIS system
- Inventory all traffic control and traffic information signs and enter into electronic database
- Continue partnerships with public and private agencies for the expansion and continuation of the School Supplies/Backpack Drive and Holiday Food Basket and Spring Easter Basket programs.
- Implement/assist with special events including the Boulevard Car Show, Prayer Breakfast, Service Club Luncheon, Christmas Tree Lighting Ceremony, Children's Holiday Party, BRAVO, State of the City Luncheon, Election, Oath of Office Ceremony and Outgoing Mayor's Ceremony.
- Continue to provide seven Bellflower Looking Better beautification projects throughout the year.
- 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.
- Promote health and wellness through daily programming at parks and the aquatic center.
- Continue facility user surveys to ascertain input from the public on our efforts and any improvement that may be needed.
- Proactively address future trends of the community and within the Parks & Recreation profession so as to meet the needs of a rapidly changing society.
- Develop a systemized and streamlined approach for surveying participants in recreation programs to evaluate the programming and the needs to the community.
- Continue maintaining accurate financial records for the successful completion of financial and compliance audits including the City, Redevelopment Agency, Public Facilities Corporations, Financing Authority and Federal grants.
- Continue updating the Biennial Operating Budget for timely adoption by the Council.
- Due to the substantial revenue declines since inception of the recession, continue monitoring financial activities closely to maintain the fiscal stability of the City.
- Continue publishing the Comprehensive Annual Financial Report (CAFR) to receive the financial reporting excellence award from the Government Finance Officers Association (GFOA).

## OTHER INFORMATION

During the fiscal year ended June 30, 2011, the City implemented the Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under previous reporting standards, the City's governmental fund balances were reported under three categories: reserved, unreserved, and designated. The new reporting standard replaces these three fund balance categories with five new classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

- Nonspendable Fund Balance includes amounts not in spendable form (e.g., prepaid expenditures, inventories and long-term loans/notes receivable) or amounts required to be maintained intact legally or contractually (e.g., corpus or principal of a permanent fund).
- Restricted Fund Balance includes amounts constrained for a specific purpose by external parties, grantors, contributors, constitutional provision or enabling legislation (e.g., debt service, state and federal grants, propositions, redevelopment, low income housing, etc.).
- Committed Fund Balance includes amounts constrained for a specific purpose by formal action of the City Council (e.g., major maintenance, capital replacement reserve, land acquisition, etc.). Such constraints can only be removed or changed by taking the same type of action employed to commit those amounts (e.g., resolution, ordinance, etc.).
- Assigned Fund Balance includes amounts constrained by the City's tentative intent to be used for a specific purpose (neither restricted nor committed) expressed by the City Council or by an official who has been delegated the authority to assign amounts (e.g., capital projects budget carryover to the subsequent fiscal year, budgeted expenditures in excess of budgeted revenues in the subsequent fiscal year, etc.). When the City Council or authorized official formally restricts or commits to that intent, the City Manager is delegated authority to assign all or portion of this fund balance accordingly.
- Unassigned Fund Balance consists of residual resources that have not been classified in the previous four categories. All funds in this category are considered spendable resources.

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.

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, 2011. The auditors' unqualified (clean) opinion on the basic financial statements and accompanying footnotes is included in the Financial Section of this report (CAFR). The auditors also issued an unqualified opinion on the following financial reports: Redevelopment Agency, Public Facilities Corporation, Financing Authority, and Single Audit Report (Federal funds).

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, 2010. 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 seventeen (17) 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, 2011.

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, 2010

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**

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**The Mission of the City of Bellflower is:**

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

## **DIRECTORY OF CITY OFFICIALS**

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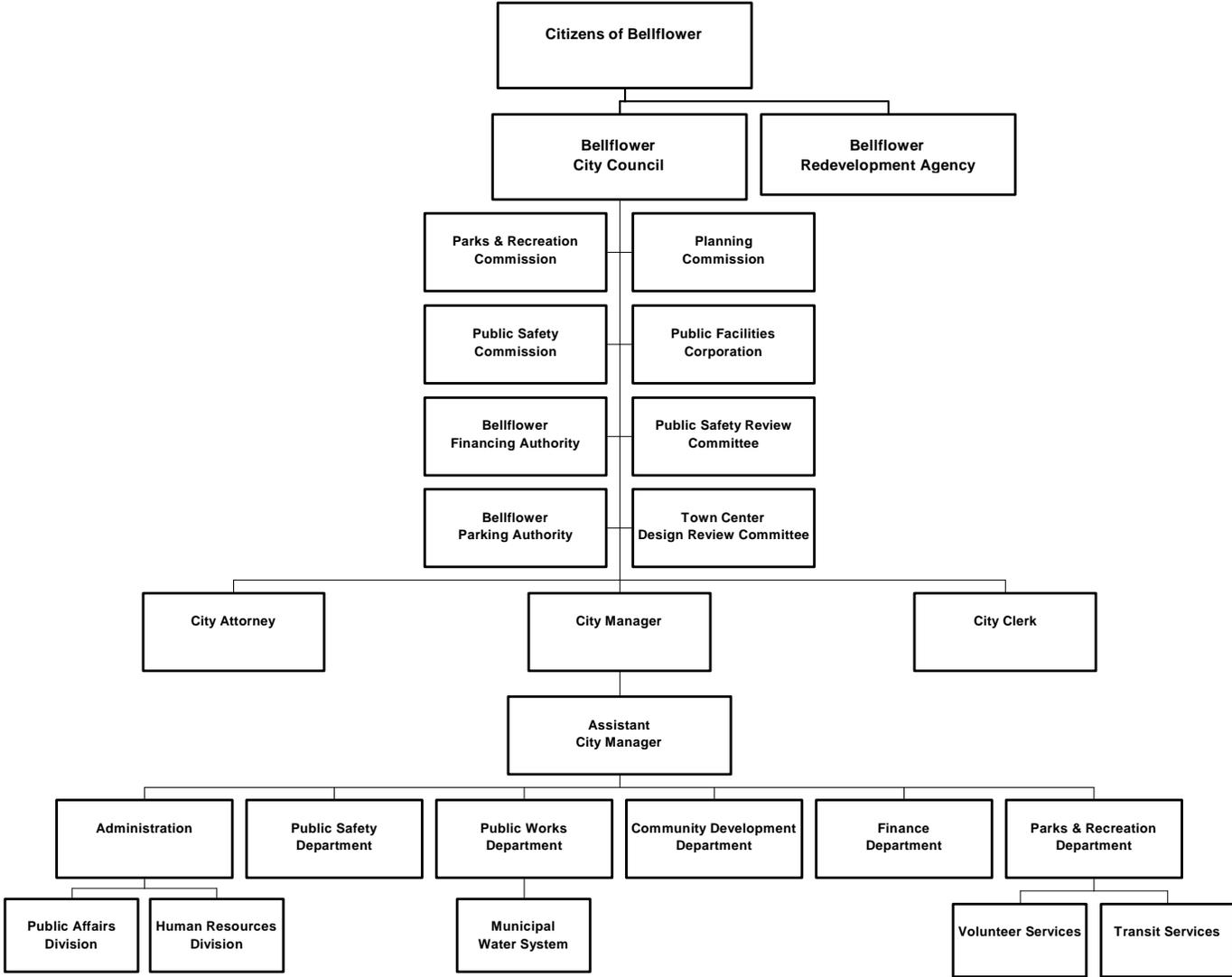
### **CITY COUNCIL**

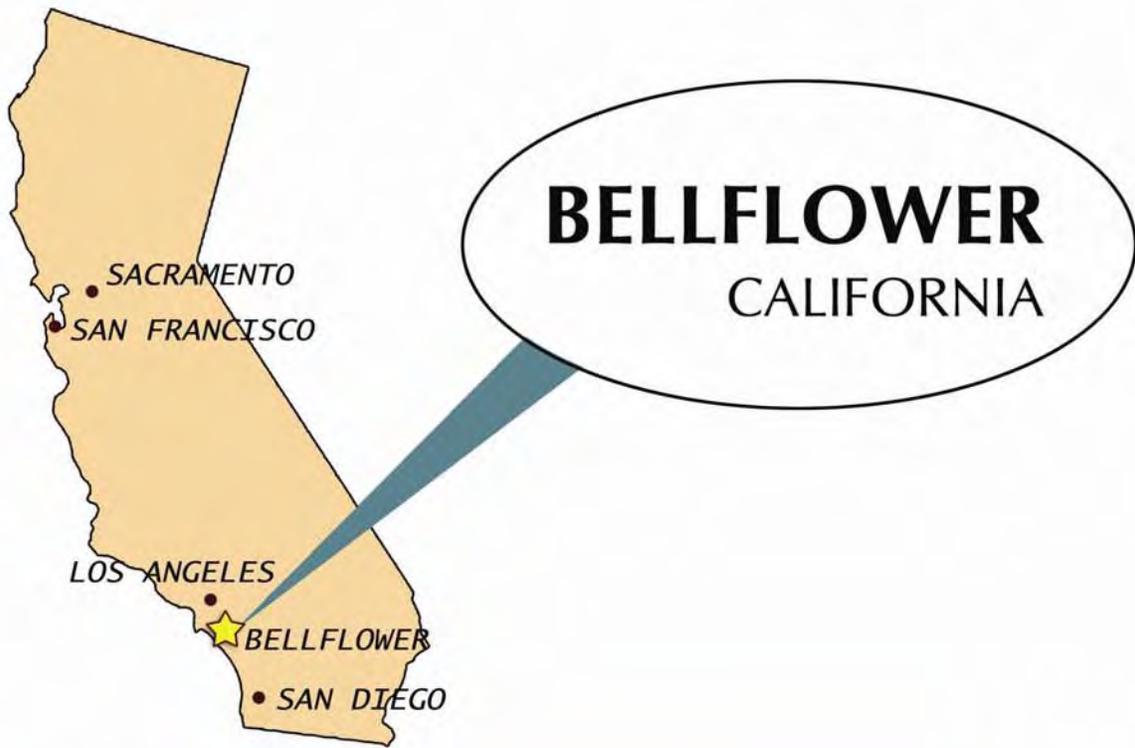
Scott A. Larsen, Mayor  
Dan Koops, Mayor Pro Tem  
Randy J. Bomgaars, Council Member  
Raymond Dunton, Council Member  
Sonny Santa Ines, Council Member

### **PRINCIPAL ADMINISTRATIVE OFFICERS**

Leo L. Mingle, Interim City Manager  
Debra D. Bauchop, City Clerk  
Rafael Guzman, Acting 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









MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

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

**COMMERCIAL ACCOUNTING & TAX SERVICES**

9107 WILSHIRE BLVD. SUITE 500  
BEVERLY HILLS, CA 90210  
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**GOVERNMENTAL AUDIT SERVICES**

5800 E. HANNUM, SUITE E  
CULVER CITY, CA 90230  
TEL: 310.670.2745  
FAX: 310.670.1689  
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, 2011, 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, 2011, 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.

The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions and GASB Statement No. 59 – Financial Instruments Omnibus*, effective July 1, 2010.

**OFFICES: BEVERLY HILLS · CULVER CITY · 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 19, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 19 and the Postemployment Retiree Benefits Funding Progress on page 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 capital projects and debt service funds budgetary 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 required parts of the basic financial statements. The major capital projects and debt service funds budgetary schedules and the combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information included in the "Introductory Section", and the "Statistical Section", has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim LLP  
Culver City, California  
December 19, 2011

## 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, 2011. 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, Bellflower Redevelopment Agency, Bellflower Public Facilities Corporation, and Bellflower Financing Authority. The City has a business-type activity which is water distribution to retail customers.

*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, 2011, the City continued with its budget cuts since inception of the current recession to maintain its stable financial position despite substantial revenue decreases.

#### Government-wide:

- ❑ At June 30, 2011, the City's total assets were \$101.3 million and total liabilities were \$30.8 million. The assets exceeded liabilities by \$70.5 million (net assets). Of this amount, \$7.5 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, 2011, net assets increased \$5.3 million. Total revenues from programs and general revenues were \$39.3 million and total expenses for all functions and programs were \$33.9 million.
- ❑ Of total revenues of \$39.3 million, program revenues were \$13.7 million and general revenues were \$25.5 million. Program revenues are divided into three categories: Charges for services, \$4.6 million; Operating contributions and grants, \$6.7 million; and Capital contributions and grants, \$2.4 million.

#### Fund Based:

- ❑ At June 30, 2011, the General Fund balance was \$28.1 million, an increase of \$629 thousand from the prior year fund balance of \$27.5 million. The nonspendable fund balance was \$12.4 million (long-term inter-fund and related entity advances and prepaid expenditures) and the unassigned fund balance was \$15.7 million, of which \$8 million was a contingency reserve set aside for cash flows and emergencies.
- ❑ The actual General Fund revenues and transfers in were \$24.8 million, a decrease of \$418 thousand from the prior year actual of \$25.2 million. The final budget was \$24.3 million.

- The actual General Fund expenditures and transfers out were \$24.2 million, an increase of \$721 thousand from the prior year actual of \$23.4 million. The final budget was \$26.8 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

	Statement of Net Assets (in millions)					
	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 46.8	\$ 44.6	\$ (7.7)	\$ (7.2)	\$ 39.1	\$ 37.4
Capital assets	54.7	54.0	7.5	7.0	62.2	61.0
Total assets	<u>101.5</u>	<u>98.6</u>	<u>(0.1)</u>	<u>(0.2)</u>	<u>101.3</u>	<u>98.4</u>
Current and other liabilities	6.3	7.6	0.2	0.4	6.5	8.0
Long-term debt	24.2	25.2	-	-	24.2	25.2
Total liabilities	<u>30.5</u>	<u>32.8</u>	<u>0.2</u>	<u>0.4</u>	<u>30.8</u>	<u>33.2</u>
Net Assets:						
Invested in capital assets, net of related debt	39.0	36.6	7.5	7.0	46.5	43.6
Restricted	16.5	13.4	-	1.0	16.5	14.4
Unrestricted	<u>15.4</u>	<u>15.8</u>	<u>(7.9)</u>	<u>(8.5)</u>	<u>7.5</u>	<u>7.2</u>
Total net assets	<u>\$ 70.9</u>	<u>\$ 65.8</u>	<u>\$ (0.4)</u>	<u>\$ (0.6)</u>	<u>\$ 70.5</u>	<u>\$ 65.2</u>

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

The City's Government-wide total net assets were \$70.5 million, with assets of \$101.3 million and liabilities of \$30.8 million. The net investment in capital assets of \$46.5 million represents 66% of the City's total net assets. Investment in capital assets (e.g., infrastructure, land, buildings, machinery and equipment, water rights, etc.) 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, \$16.5 million, or 23%, represents resources that are subject to external restrictions in how they may be used. The remaining balance of \$7.5 million, or 11%, 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	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Revenues						
Program revenues:						
Charges for services	\$ 3.2	\$ 3.2	\$ 1.5	\$ 1.4	\$ 4.7	\$ 4.6
Operating contributions and grants	6.7	6.1	-	-	6.7	6.1
Capital contributions and grants	2.0	2.3	0.4	0.4	2.4	2.7
Subtotal Program Revenues	<u>11.9</u>	<u>11.6</u>	<u>1.8</u>	<u>1.8</u>	<u>13.7</u>	<u>13.4</u>
General Revenues:						
Sales taxes	4.3	4.5	-	-	4.3	4.5
Property taxes	4.6	3.8	-	-	4.6	3.8
Property taxes in lieu of VLF	6.1	6.1	-	-	6.1	6.1
Franchise taxes	1.4	1.4	-	-	1.4	1.4
Utility users taxes	3.9	4.0	-	-	3.9	4.0
Transient occupancy taxes	0.4	0.5	-	-	0.4	0.5
Business license taxes	0.6	0.7	-	-	0.6	0.7
Property transfer taxes	0.1	0.1	-	-	0.1	0.1
Motor vehicle in lieu	0.4	0.2	-	-	0.4	0.2
Earnings on investments	2.9	2.9	-	-	2.9	2.9
Miscellaneous	0.7	0.4	-	-	0.7	0.4
Subtotal General Revenues	<u>25.5</u>	<u>24.6</u>	<u>-</u>	<u>-</u>	<u>25.5</u>	<u>24.6</u>
Total Revenues	<u>37.4</u>	<u>36.2</u>	<u>1.8</u>	<u>1.8</u>	<u>39.3</u>	<u>38.0</u>
Expenses:						
Governmental activities:						
General government	3.7	3.7	-	-	3.7	3.7
Public safety	10.3	10.3	-	-	10.3	10.3
Public works	8.2	8.7	-	-	8.2	8.7
Community development	4.9	3.8	-	-	4.9	3.8
Parks and recreation	1.9	2.2	-	-	1.9	2.2
Interest on long-term debt	3.6	3.6	-	-	3.6	3.6
Business-type activities:						
Water	-	-	1.3	1.3	1.3	1.3
Interest on long-term debt	-	-	-	0.4	-	0.4
Total Expenses	<u>32.7</u>	<u>32.2</u>	<u>1.3</u>	<u>1.7</u>	<u>33.9</u>	<u>33.9</u>
Excess (deficiency) before transfers	\$ 4.7	\$ 4.0	\$ 0.5	\$ 0.1	\$ 5.3	\$ 4.1
Transfers:	0.4	-	(0.4)	-	-	-
Change in Net Assets	<u>\$ 5.1</u>	<u>\$ 4.0</u>	<u>\$ 0.2</u>	<u>\$ 0.1</u>	<u>\$ 5.3</u>	<u>\$ 4.1</u>
Net Assets - Beginning of Fiscal Year	<u>65.8</u>	<u>61.8</u>	<u>(0.6)</u>	<u>(0.7)</u>	<u>65.2</u>	<u>61.1</u>
Net Assets - End of Fiscal Year	<u>\$ 70.9</u>	<u>\$ 65.8</u>	<u>\$ (0.4)</u>	<u>\$ (0.6)</u>	<u>\$ 70.5</u>	<u>\$ 65.2</u>

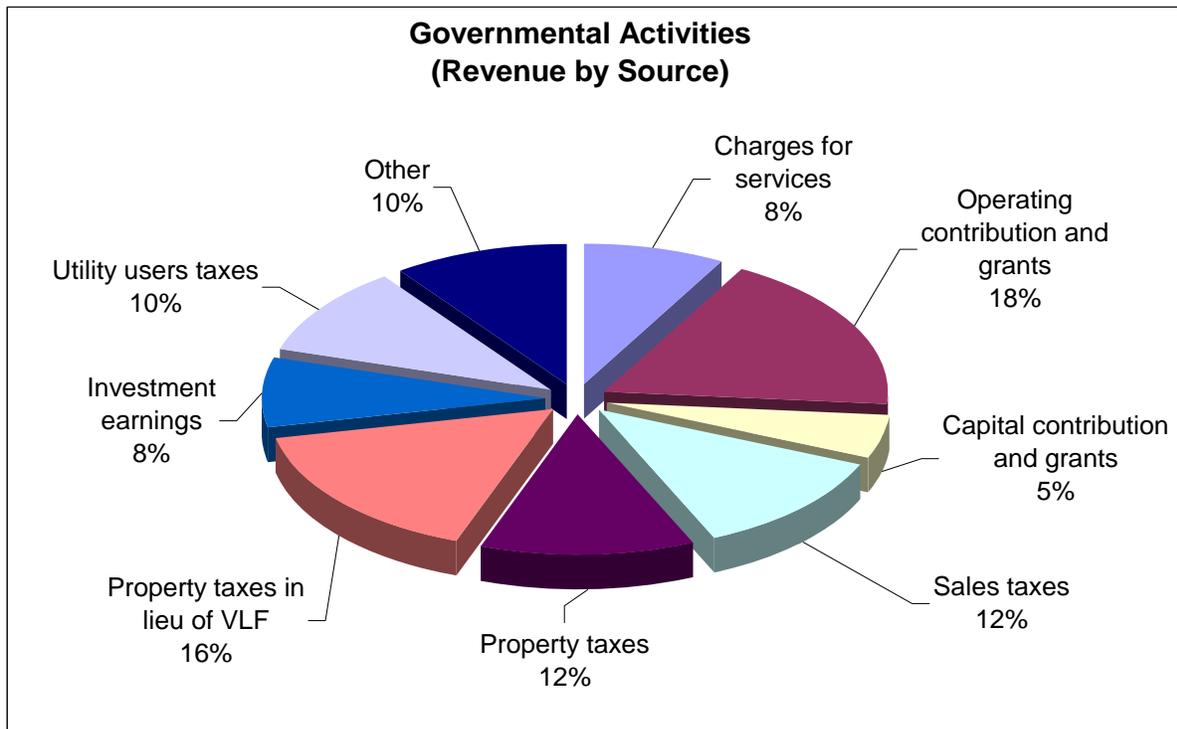
Note: Due to rounding, the dollar and percentage details may not add up to corresponding totals.

Revenues for the City's governmental and business-type activities were \$39.3 million, an increase of 3%, from \$38.0 million in the preceding 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, a general revenue, at \$10.7 million, which increased \$894 thousand, or 9%, from the preceding fiscal year. Property taxes include property taxes in lieu of VLF (VLFAA) of \$6.1 million and are reduced for payments made to other taxing agencies as pass-through payments and the State-mandated transfers to the Supplemental Educational Revenue Augmentation Fund (SERAF). The required transfer to SERAF was lower in this fiscal year by \$648 thousand compared to the preceding fiscal year.

VLFAA 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 VLFAA for this fiscal year totaled \$6.1 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 VLFAA payments are made during the second half of the fiscal year in January and May (in two equal amounts).

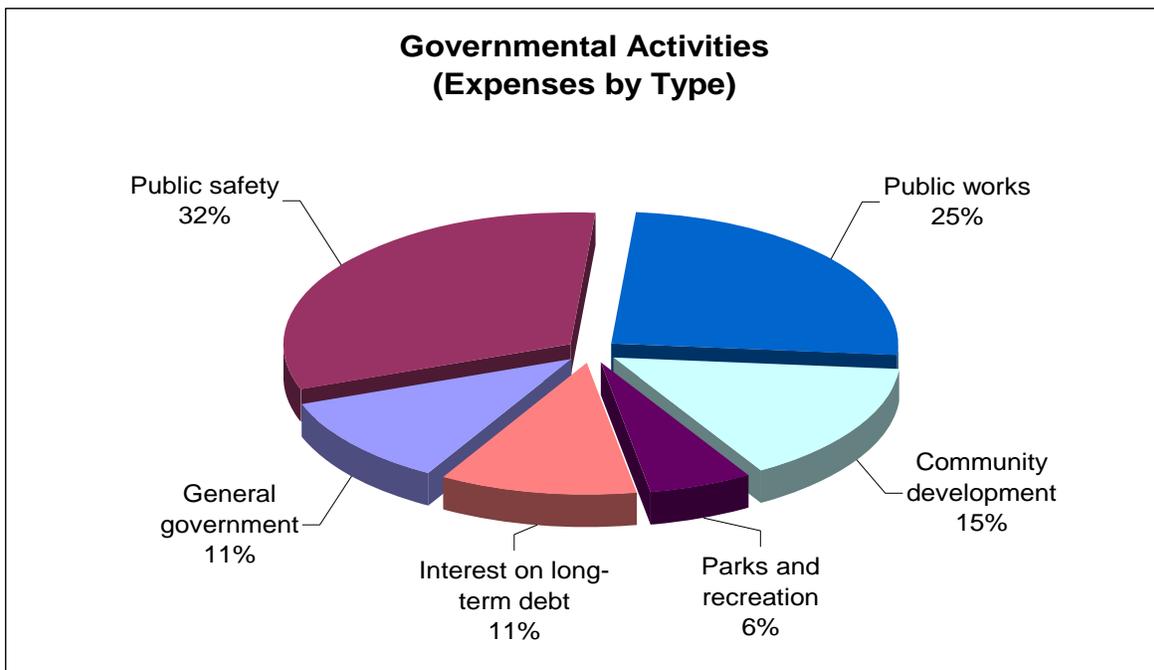
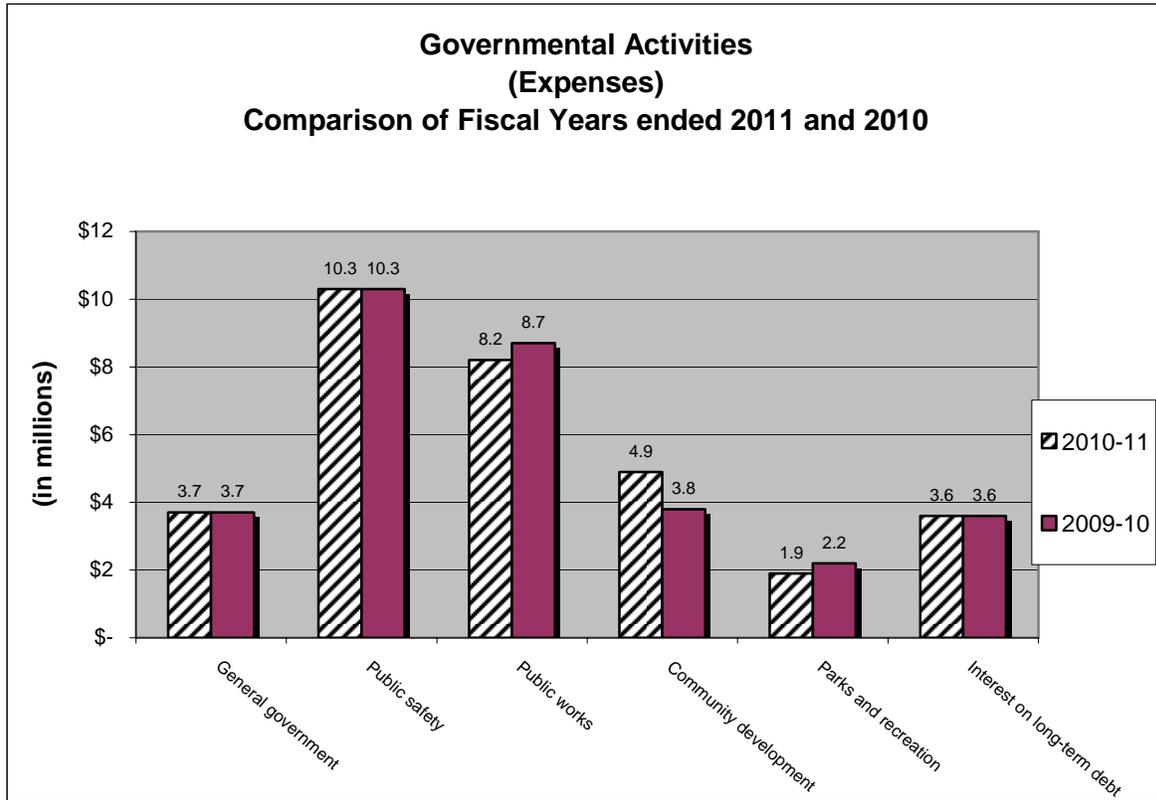
- The second largest revenue source was operating contributions and grants, a program revenue, at \$6.7 million, which increased \$603 thousand, or 10%, from the preceding fiscal year. Operating contributions and grants for public works and community development increased \$760 thousand and \$585 thousand, respectively. Operating contributions and grants for public safety and parks and recreation, on the other hand, decreased \$106 thousand and \$636 thousand, respectively.
- The third largest revenue source was sales taxes, a general revenue, at \$4.3 million, which decreased \$169 thousand, 4% from the preceding fiscal year. In the preceding fiscal year, there was a one-time positive retroactive adjustment of \$484 thousand by the State Board of Equalization. During the current fiscal year, the City gained from a strong growth in the automobile and fuel sector. However, the overall sales tax revenue, once peaked at \$5.5 million, continues to be weak from the recession and closure of new auto dealerships.
- The fourth largest revenue source was utility users taxes (UUT), a general revenue, at \$3.9 million, which decreased \$181 thousand, or 4%, from the preceding fiscal year. The UUT on electric, gas and telecommunication decreased during the fiscal year.
- The fifth largest revenue source was charges for services, a program revenue, at \$3.2 million, which slightly decreased \$3 thousand, or 0.1%, from the preceding fiscal year.



Note: Due to rounding, the percentages may not total 100%.

The cost of providing all governmental activities this year was \$32.7 million before applying program revenues of \$11.9 million. The remaining “public benefit” portion of governmental activities was paid with general revenues. Public Safety, the largest expense category, represented \$10.3 million, or 32% of governmental activities, of which approximately \$2.1 million was funded with program revenues. The remaining balance of \$8.2 million was funded with general revenues. Public Works, the second largest expense category, represented \$8.2 million, or 25% of governmental activities with program revenues of \$5.7 million. Community Development, the third largest expense category, represented \$4.9 million, or 15% of governmental activities with program revenues of \$3.5 million. General Government had expenses of \$3.7 million, or 11% of governmental activities paid entirely with general revenues. Parks and Recreation had expenses of \$1.9 million, or 6% of governmental activities with program revenues of \$589 thousand. Interest on long-term debt was \$3.6 million, or 11%, paid entirely with general revenues.

Significant changes in the governmental activities expense categories when compared to the prior fiscal year are summarized as follows: \$1.1 million increase in Community Development mainly attributable to Federal HOME programs and activities of \$768 thousand and Redevelopment Project Area expansion cost of \$194 thousand; \$569 thousand decrease in Public Works, of which \$543 thousand is attributable to the cuts in the Fixed Route and Dial-A-Ride transportation services; and \$250 thousand decrease in Parks and Recreation caused by additional budget cuts. Because of the weak revenues caused by the recession, there were further budget cuts during the fiscal year in addition to the already drastic cuts to the programs and services at inception of the recession which significantly affected personnel, operating and capital expenses.

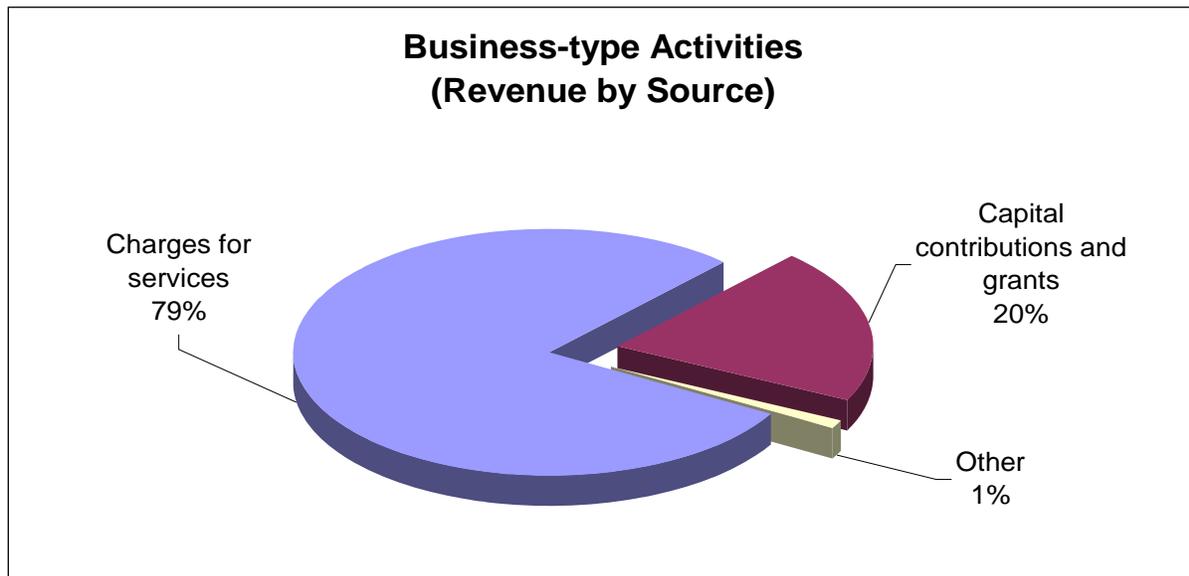


Note: The above chart may not total 100% due to rounding.

Business-Type Activities.

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

- ❑ The total MWS revenues were \$1.9 million, a decrease of \$12 thousand, or 0.7%, compared to the preceding fiscal year. Substantially all of the revenues were program revenues.
- ❑ The total operating expenses and transfers out were \$1.7 million, a decrease of \$57 thousand, or 3%, compared to the preceding fiscal year.
- ❑ At June 30, 2011, the deficit in net assets decreased \$189 thousand, to \$382 thousand.
- ❑ During the fiscal year, MWS incurred costs totaling \$707 thousands towards the construction of a high capacity well which is expected to be completed in early 2012.



**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, unassigned 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, 2011, the City's governmental funds reported combined ending fund balances of \$21.5 million, an increase of \$114 thousand, or 0.5%, compared to the prior year's total of \$21.4 million. The fund balances consisted of nonspendable, restricted, assigned and unassigned. Nonspendable fund balance of \$19.9 million is not available for use and are comprised of long-term inter-fund and related entity advances and prepaid expenditures. Restricted fund balance of \$4.9 million can only be used for specific purposes pursuant to constraints imposed by applicable law and regulations and external parties such as grantors and creditors. Assigned fund balance of \$938 thousand can be used for capital and economic development projects through the appropriate budget approval process. Unassigned fund deficit of \$4.2 million represents the residual balance.

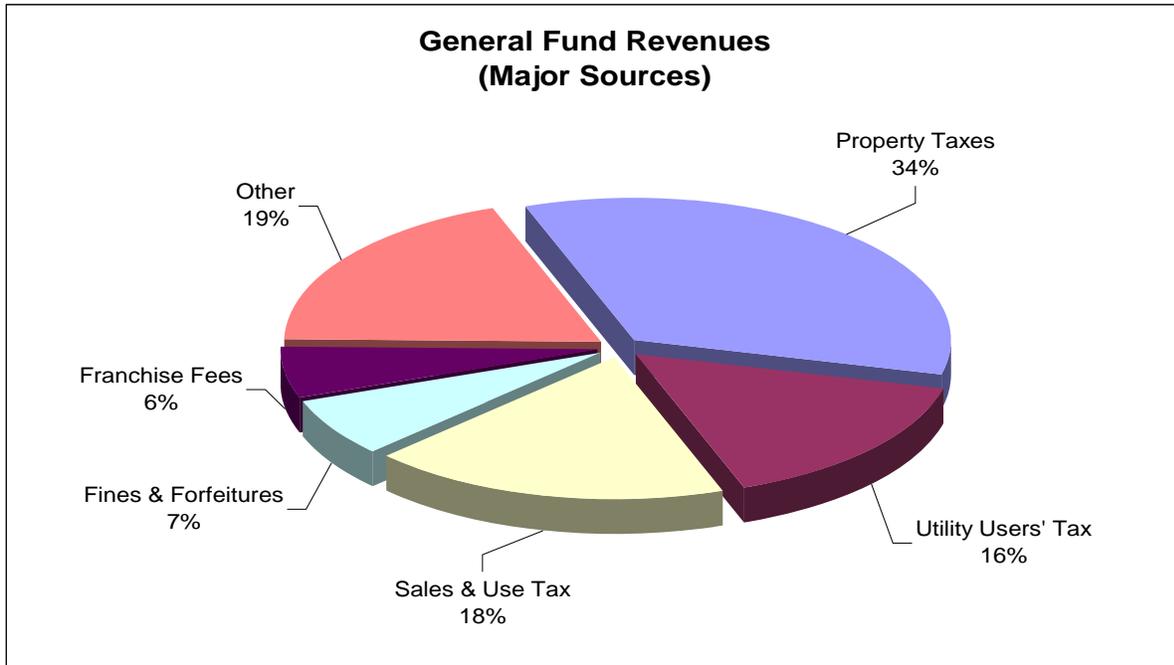
Revenues of governmental funds for the fiscal year ended June 30, 2011 were \$36.0 million, an increase of \$663 thousand, or 2%, from the prior year total of \$35.4 million. Expenditures of governmental funds were \$36.3 million, a decrease of \$633 thousand or 2%, from the prior fiscal year total of \$37.0 million. Excluding other financing sources and uses, expenditures of governmental funds exceeded revenues by \$305 thousand.

The City has three major governmental funds: General Fund, Financing Authority Debt Service Fund, and 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.

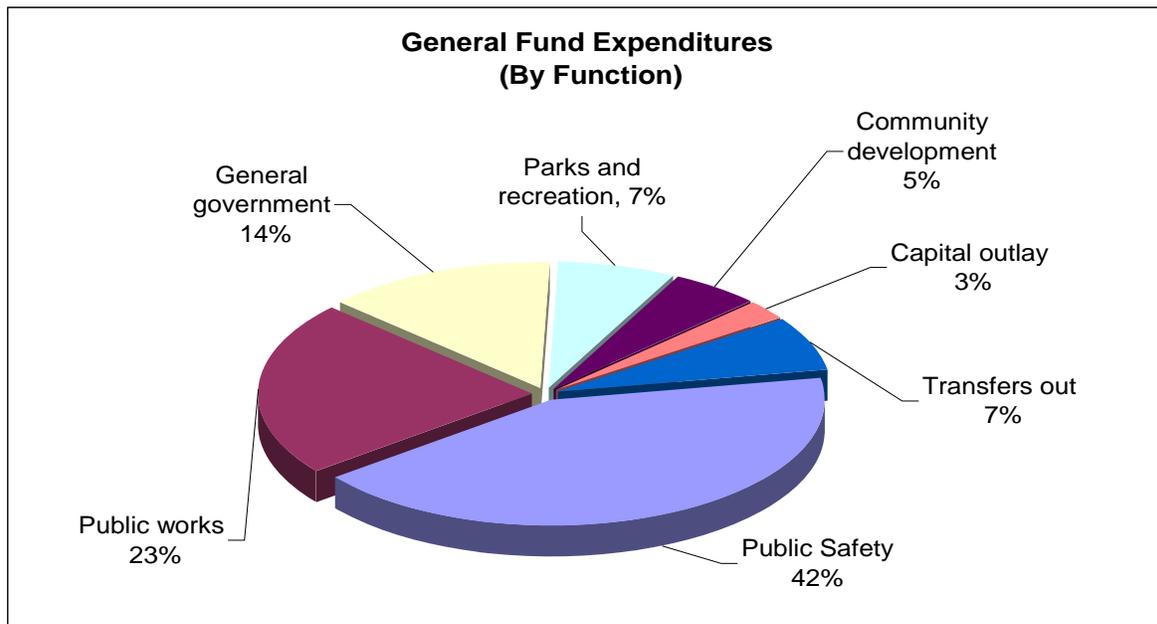
General Fund is the chief operating fund of the City, which is used to account for all discretionary revenues and expenditures necessary to carryout basic government functions that are not accounted for through other special revenue and grant funds.

At the end of the current fiscal year, the total fund balance of the General Fund was \$28.1 million, an increase of \$629 thousand, or 2.3%, from the preceding fiscal year. Unassigned fund balance was \$15.7 million, of which \$8 million was a contingency reserve set aside for cash flows and emergencies. The remaining \$12.4 million was a nonspendable fund balance comprised of long-term inter-fund and related entity advances and prepaid expenditures. As a measure of General Fund's liquidity, it may be useful to compare the unassigned fund balance, net of the contingency reserve, to the total fund expenditures and operating transfers out. The net unassigned fund balance of \$7.7 million represented 32% of the total fund expenditures and operating transfers out of \$24.2 million.

General Fund revenues and transfers in were \$24.8 million, a decrease of \$418 thousand, or 1.7%, from the preceding fiscal year total of \$25.2 million. Significant changes are as follows: \$636 thousand decrease in Proposition A park maintenance grant reimbursements, \$181 thousand decrease in utility users tax, \$205 thousand increase in sales tax, \$128 thousand increase in vehicle license fees, and \$126 thousand increase in reimbursed costs.



General Fund expenditures and transfers out were \$24.2 million, an increase of \$721 thousand, or 3.1%, from the preceding fiscal year total of \$23.4 million. Changes by functions are as follows: \$100 thousand increase in general government, \$74 thousand increase in public safety, \$248 thousand decrease in public works, \$72 thousand decrease in community development, \$171 thousand decrease in parks and recreation, \$98 thousand increase in capital outlay, and \$940 increase in transfers out primarily for capital and economic development projects.



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

N

Financing Authority Debt Service Fund. Pursuant to the Joint Exercise of Powers Act (California Government Code Sections 6500, et seq.), Bellflower Financing Authority was established to provide the financing of public capital improvements and other projects for revitalization of the City. This Fund is used to account for the accumulation of resources (bond proceeds and lease revenues) and the payment of interest and principal on the Authority's long-term obligations.

At the end of the current fiscal year, the fund balance of the Financing Authority Debt Service Fund was \$8.1 million, a decrease of \$135 thousand, or 1.6%, from the preceding fiscal year. Nonspendable fund balance was \$7.6 million, comprised of long-term advances, net of deferred interest, to the Municipal Water System, and the remaining fund balance of \$567 thousand was restricted as a debt service reserve.

The revenues and transfers in were \$402 thousand (lease interest and investment earnings), a decrease of \$17 thousand, or 4.0% from the preceding fiscal year. Transfers in were lease interest earned and received from the Municipal Water System. The transfers generally equal to the required annual interest payments on the 2008 Water System Certificates of Participation and related trustee fees less interest earned on the debt service reserve account. The Financing Authority also received \$135 thousand from the Municipal Water System to make the required annual principal payment on the 2008 Certificates, reducing the Authority's advances receivable from the Water System by the same amount.

The expenditures (principal, interest and other charges) were \$537 thousand, an increase of \$132 thousand, or 33%, from the preceding fiscal year. The Financing Authority Debt Service Fund incurred expenditures related solely to the 2008 Water System Certificates of Participation issued in July 2008 in the amount of \$8,230,000.

Redevelopment Agency Capital Projects Fund, pursuant to 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 revenues 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 revenues, net of annual debt service payments and 20% set-aside for low and moderate income housing, are 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.

At the end of the current fiscal year, the fund deficit of the Redevelopment Agency Debt Service Fund was \$19.9 million, an increase of \$2.4 million, or 14%, from the preceding fiscal year. The entire fund deficit was classified as unassigned fund balance.

The revenues were \$46 thousand, a decrease of \$10 thousand, or 19%, from the preceding fiscal year.

The expenditures were \$1.1 million as follows: \$966 thousand in community development and \$135 thousand in capital outlay. Community development expenditures increased \$328 thousand and capital outlay decreased \$54 thousand. \$194 thousand of the increase was attributable to the Redevelopment Project Area expansion.

The transfers to the Redevelopment Agency Debt Service Fund were \$1.4 million, a decrease of \$509 thousand, or 27%, compared to the preceding fiscal year. The transfers were made to provide sufficient funds to make debt service payments by the Debt Service Fund.

### **General Fund Budgetary Highlights**

In any fiscal year, the City Council and the City Manager (with limited authority pursuant to a Council approved policy) 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 final budgeted revenues and transfers in were \$24.3 million, a decrease of \$1.0 million from original allocations of \$25.3 million as follows: \$160 thousand decrease in taxes, \$150 thousand increase in fines, forfeitures, and penalties, \$80 thousand decrease in investment earnings, \$340 thousand increase in charges for current services, \$127 thousand increase in intergovernmental revenue, \$199 thousand increase in other revenues and \$1.6 million decrease in transfers in.

*Appropriations and Transfers Out* – The final appropriations and transfers out were \$26.8 million, an increase of \$1.5 million from the original allocations of \$25.3 million as follows: \$20 thousand increase in general government, \$243 thousand decrease in public safety, \$19 thousand decrease in public works, \$979 thousand increase in capital outlay, and \$786 thousand increase in transfers out.

### **Budget to Actual Variance**

The actual revenues and transfers in of \$24.8 million were higher than the final budgeted revenues and transfers in of \$24.3 million by \$485 thousand. Larger favorable variances were realized with taxes and intergovernmental revenue of \$345 thousand and \$136 thousand, respectively.

The actual expenditures and transfers out of \$24.2 million were lower than the final appropriations and transfers out of \$26.8 million by approximately \$2.6 million as follows: \$158 thousand in general government, \$96 thousand in public safety, \$506 thousand in public works, \$261 thousand in community development, \$166 thousand in parks and recreation and \$1.4 million in capital outlay, and \$54 thousand transfers out.

### **Capital Asset and Debt Administration**

Capital Assets. The City's investment in capital assets for governmental and business-type activities as of June 30, 2011, was \$62.2 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 the notes to the basic financial statements.

	Capital Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Land	\$ 17,698	\$ 17,406	\$ 827	\$ 827	\$ 18,525	\$ 18,233
Buildings and improvements	19,062	19,025	74	78	19,135	19,103
Equipment and furniture and fixtures	1,466	1,683	12	13	1,478	1,696
Infrastructure	14,515	13,334	1,312	1,455	15,827	14,789
Construction in progress	1,758	1,611	1,050	344	2,808	1,955
Water rights	181	94	4,000	4,000	4,181	4,094
Acquisition costs	-	-	228	270	228	270
Total Capital Assets	<u>\$ 54,679</u>	<u>\$ 53,152</u>	<u>\$ 7,503</u>	<u>\$ 6,986</u>	<u>\$ 62,183</u>	<u>\$ 60,139</u>

**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 projects for the fiscal year:

□ Various Street Improvements	\$1.0 million
□ High Capacity Well	\$707 thousand
□ Various Facilities Improvements	\$542 thousand
□ Downey Avenue Pavement Project	\$415 thousand
□ EECBG Energy Efficiency Project (various facilities)	\$408 thousand
□ Property Acquisitions	\$292 thousand
□ West Branch Greenway Project	\$168 thousand
□ Traffic Signal Improvements	\$121 thousand

**Long-Term Debt.** At June 30, 2011, the City had \$26.2 million in outstanding long-term debt for governmental activities, a decrease of \$905 thousand, or 3%, from the preceding fiscal year. The overall decrease was due to the City's scheduled repayment of the principal on the outstanding long-term debt. During the fiscal year, the 1999 Refunding Certificates of Participation were refinanced with the 2011 Lease Financing Agreement. For additional information on long-term debt, please refer to the notes to the basic financial statements.

	Long-Term Debt (in thousands)			
	2011	2010	Variance Increase/ (Decrease)	% Change
1999 Refunding Certificates of Participation	\$ -	\$ 3,655	\$ (3,655)	-100%
2004 Refunding Tax Allocation Bonds	6,880	7,010	(130)	-2%
2008 Certificates of Participation (Water System)	8,095	8,230	(135)	-2%
2011 Lease Financing Agreement	3,495	-	3,495	n/a
HUD Section 108 Loan	5,555	5,828	(273)	-5%
Notes Payable	725	957	(232)	-24%
Compensated Absences	1,433	1,408	25	2%
Total Long-Term Debt	<u>\$ 26,183</u>	<u>\$ 27,087</u>	<u>\$ (905)</u>	<u>-3%</u>

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

Under the California Government Code Section 43605, the City's legal bonded debt limit for this fiscal year was \$133 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 2011-12**

The City's finances and the ability to pay for essential services and capital projects are heavily dependent on the economy, legislative actions of the Federal and State governments, and laws governing local finances.

In its fourth quarterly report of 2012, the UCLA Anderson Forecast takes note of some of the positive signs in the recent data being reported regarding California's economy. The September employment numbers, released in late October, turned out to be a pleasant surprise and the October job growth had followed course, yielding the first signs of a nascent new recovery. However, due to a weak national and international outlook, California's recovery is not expected to be robust.

In November 2011, the Legislative Analyst's Office, California's nonpartisan fiscal and policy advisor, reported that the economic recovery is even slower than expected. While the economy has some bright spots, weakness in the housing market continues to affect both the construction industry and the financial services sector. The end of the federal fiscal stimulus program and declining governmental employment also are limiting economic growth. In the forecast, LAO projected continuation of this slow, arduous recovery with California's unemployment rate remaining above 10 percent through mid-2014 and above 8 percent through the end of 2017. The preliminary unemployment rate in California is 11.3% for November 2011.

The National Bureau of Economic Research, a panel of academic economists that dates the beginning and end of recessions, declared the current recession started in December 2007 and had ended in June 2009. However, the unemployment rates remain high, real estate and mortgage problems persist, and state and local governments are still suffering from substantial revenue declines. While the worst recession since the Great Depression may have bottomed, it is still a long and slow struggle to a full economic recovery we once enjoyed.

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 local governments. Under the American Recovery and Reinvestment Act of 2009, the City was allocated \$2.5 million in Federal funding for capital projects related to bike trail landscaping, pavement rehabilitation, facilities improvements for energy efficiency and conservation, water system improvements, and public safety. The State, on the other hand, continues to unilaterally take and defer local governments' revenues to address its budget crisis and meet other financial obligations.

Even though local government's revenues are protected under Proposition 22 (Local Taxpayer, Public Safety and Transportation Protection Act of 2010) and Proposition 1A of 2004 (Protection of Local Government Revenues), the State has yet again taken irresponsible actions to solve its budget crisis by raiding local governments' revenues that are already suffering from the current recession. The following are the State's shifts of Bellflower's revenues since fiscal year 2004-05:

		Fiscal Year	Amount
Annual payment to the State to continue Redevelopment Agency	In Litigation	2011-12	\$ 129,000
Annual vehicle license fees	In Litigation	2011-12	271,000
Supplemental Educational Revenue Augmentation Fund (SERAF)	In Litigation	2010-11	168,000
Supplemental Educational Revenue Augmentation Fund (SERAF)	In Litigation	2009-10	816,000
Educational Revenue Augmentation Fund (ERAF III)		2005-06	618,000
Educational Revenue Augmentation Fund (ERAF III)		2004-05	609,000
Total			<u>\$ 2,611,000</u>

Note: The constitutionality of some of the revenue shifts is being litigated in the courts.

In addition, the State's prior budgetary actions altering local governments' revenues have created a long-term and permanent structural cash flow deficit for the City of approximately \$3.4 million annually as of fiscal year 2009-10 and increasing thereafter (i.e., vehicle license fees for property taxes referred to as "VLFAA" and sales taxes for property taxes known as "triple flip").

For local governments, all of these come at very difficult times when they are already suffering from the recession and their ability to raise revenues is significantly limited under various propositions that impose restrictions on locally raised taxes, assessments and fees – Proposition 13 of 1978 (People's Initiative to Limit Property Taxation), Proposition 4 of 1979 and Proposition 111 of 1990 (annual appropriations limit), Proposition 62 of 1986 (Voter Approval of Taxes Act), Proposition 218 of 1996 (Voter Approval for Local Government Taxes; Limitations on Fees, Assessments, and Charges), and Proposition 26 of 2010 (certain state and local fees be approved by two-thirds vote).

### Adopted Budget

In June 2011, the City Council adopted a balanced fiscal year 2011-12 budget with the total budgeted revenues and transfers in and total appropriations and transfers out of \$23.8 million. The adopted original General Fund budget for fiscal year 2007-08 was \$27.1 million.

In response to the unanticipated, significant revenue decreases caused by the recession, the Council promptly took action during fiscal year 2008-09 to make approximately \$4 million in broad budget cuts including various community events, programs, services, capital projects, part-time layoffs (over 80 positions), 10% furlough, freezing and eliminating vacant full-time positions (currently 14 positions), and offering early retirement incentives. In addition, in June 2009 and 2011, the City Council adopted biennial operating budgets which continued most of the cuts and included additional significant cuts to the services, programs, capital projects and personnel including the 10% furlough. Currently, the City's labor force is effectively reduced by more than one third.

Based on these important actions of the City Council, it is clearly evident that the Council's will is to act quickly and responsibly to ensure the continued financial stability 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](http://www.bellflower.org).

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF BELLFLOWER**  
**STATEMENT OF NET ASSETS**  
**June 30, 2011**

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 23,706,982	\$ 1,190,319	\$ 24,897,301
Cash and investments with fiscal agents	1,169,646		1,169,646
Receivables:			
Accounts receivable - net	3,472,370	314,873	3,787,243
Notes receivable	7,638,470		7,638,470
Interest receivable	81,690		81,690
Loans receivable	13,633		13,633
Inventory		12,240	12,240
Prepaid expenses	2,600	1,000	3,600
Net OPEB asset	58,105		58,105
Internal balances	9,662,814	(9,662,814)	
Deferred charges - net of accumulated amortization	517,855	463,780	981,635
Deferred loss on refunding - net of accumulated amortization	457,056		457,056
Pre-acquisition costs - net of accumulated amortization		27,500	27,500
Capital assets not being depreciated	19,636,899	5,877,399	25,514,298
Capital assets - net of accumulated depreciation	35,042,459	1,625,799	36,668,258
<b>Total assets</b>	<b>101,460,579</b>	<b>(149,904)</b>	<b>101,310,675</b>
<b>LIABILITIES</b>			
Accounts payable	2,060,014	77,977	2,137,991
Accrued expenses	439,726	2	439,728
Interest payable	494,647	99,305	593,952
Pre-acquisition costs payable		5,000	5,000
Unearned revenue	1,308,906		1,308,906
Deposits	51,948	49,956	101,904
Retention payable	6,482		6,482
Noncurrent liabilities:			
Due within one year	1,946,501		1,946,501
Due in more than one year	24,236,674		24,236,674
<b>Total liabilities</b>	<b>30,544,898</b>	<b>232,240</b>	<b>30,777,138</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	38,999,300	7,503,198	46,502,498
Restricted for:			
Construction of capital assets	1,060,429		1,060,429
Debt service	8,231,720		8,231,720
Streets, highways, bikeways, public transit, and other related purposes	2,900,198		2,900,198
Housing	4,249,379		4,249,379
Public safety	66,097		66,097
Unrestricted	15,408,558	(7,885,342)	7,523,216
<b>Total net assets (deficit)</b>	<b>\$ 70,915,681</b>	<b>\$ (382,144)</b>	<b>\$ 70,533,537</b>

**See Notes to the Basic Financial Statements**

**CITY OF BELLFLOWER  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2011**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Governmental Activities:</b>				
General government	\$ 3,719,558	\$ -	\$ -	\$ -
Public safety	10,325,791	1,813,859	272,577	
Public works	8,151,419	154,069	3,854,922	1,661,113
Community development	4,876,131	915,134	2,538,987	91,768
Parks and recreation	1,938,080	294,005	52,543	242,821
Interest on long-term debt	3,644,737			
<b>Total Governmental Activities</b>	<b>32,655,716</b>	<b>3,177,067</b>	<b>6,719,028</b>	<b>1,995,701</b>
<b>Business-type Activities:</b>				
Water	1,290,882	1,463,718		376,485
<b>Total Business Activities</b>	<b>1,290,882</b>	<b>1,463,718</b>		<b>376,485</b>
<b>Total primary government</b>	<b>\$ 33,946,598</b>	<b>\$ 4,640,785</b>	<b>\$ 6,719,028</b>	<b>\$ 2,372,186</b>

**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
  - State mandated cost
- Earnings on investments
- Miscellaneous
- Transfers

Total general revenues and transfers

Change in net assets

Net assets (deficit) - July 1, 2010

Net assets (deficit) - June 30, 2011

**See Notes to the Basic Financial Statements**

Net (Expenses) Revenues and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (3,719,558)	\$ -	\$ (3,719,558)
(8,239,355)		(8,239,355)
(2,481,316)		(2,481,316)
(1,330,242)		(1,330,242)
(1,348,711)		(1,348,711)
(3,644,737)		(3,644,737)
<u>(20,763,920)</u>		<u>(20,763,920)</u>
	549,321	549,321
	549,321	549,321
<u>(20,763,920)</u>	<u>549,321</u>	<u>(20,214,599)</u>
4,323,155		4,323,155
4,647,638		4,647,638
6,130,178		6,130,178
1,447,478		1,447,478
3,856,436		3,856,436
443,966		443,966
588,495		588,495
112,740		112,740
354,854		354,854
42,374		42,374
2,907,072	1,490	2,908,562
669,985	19,855	689,840
382,031	(382,031)	
<u>25,906,403</u>	<u>(360,686)</u>	<u>25,545,717</u>
5,142,483	188,635	5,331,118
<u>65,773,198</u>	<u>(570,779)</u>	<u>65,202,419</u>
<u>\$ 70,915,681</u>	<u>\$ (382,144)</u>	<u>\$ 70,533,537</u>

**CITY OF BELLFLOWER  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2011**

	General Fund	Financing Authority Debt Service Fund	Redevelopment Agency Capital Projects Fund
<b>ASSETS</b>			
Cash and investments	\$ 15,565,145	\$ -	\$ -
Cash and investments with fiscal agents		565,893	
Accounts receivable - net	2,000,342		
Due from other funds	228,671		237,341
Interest receivable	59,178	782	
Loans receivable	13,633		
Prepaid expenditures	2,600		
Notes receivable			74,197
Advances receivable	22,146,381	7,555,181	
Total assets	\$ 40,015,950	\$ 8,121,856	\$ 311,538
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,392,432	\$ -	\$ 69,054
Accrued expenditures	375,071		37,326
Due to other funds			
Deposits	21,482		17,123
Retention payable			
Deferred revenue	10,128,806		74,197
Advances payable			20,038,748
Total liabilities	11,917,791		20,236,448
Fund balances:			
Nonspendable:			
Prepaid expenditures	2,600		
Advances, net of deferred interest	12,359,890	7,555,181	
Restricted			
Assigned		566,675	
Unassigned	15,735,669		(19,924,910)
Total fund balances	28,098,159	8,121,856	(19,924,910)
Total liabilities and fund balances	\$ 40,015,950	\$ 8,121,856	\$ 311,538

**See Notes to the Basic Financial Statements**

Other Governmental Funds	Total Governmental Funds
\$ 5,409,585	\$ 20,974,730
603,753	1,169,646
1,472,028	3,472,370
	466,012
11,816	71,776
	13,633
	2,600
7,564,273	7,638,470
	29,701,562
<u>\$ 15,061,455</u>	<u>\$ 63,510,799</u>

\$ 596,264	\$ 2,057,750
27,329	439,726
466,012	466,012
13,343	51,948
6,482	6,482
8,737,237	18,940,240
	20,038,748
<u>9,846,667</u>	<u>42,000,906</u>

	2,600
	19,915,071
4,328,366	4,895,041
938,000	938,000
(51,578)	(4,240,819)
<u>5,214,788</u>	<u>21,509,893</u>
<u>\$ 15,061,455</u>	<u>\$ 63,510,799</u>

**CITY OF BELLFLOWER  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
June 30, 2011**

Fund balances of governmental funds	\$	21,509,893
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.		54,679,358
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.		206,373
Net OPEB asset has not been included as financial resources in governmental funds.		58,105
Interest accrued on advances are not available to pay for current expenditures and, therefore are offset by deferred revenue in the governmental funds.		9,786,491
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.		7,638,470
Long-term debt and compensated absences have not been included in the governmental funds:		
Long-term debt		(24,749,969)
Compensated absences		(1,433,206)
Deferred charges, net of accumulated amortization for debt issuance costs and discounts on long-term debt have not been reported in the governmental funds.		517,855
Deferred losses on refunding, net of accumulated amortization for long-term debt issuance have not been reported in the governmental funds.		457,056
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.		(494,647)
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. The amount is net of capital assets which have been already included as the governmental capital assets.		2,739,902
Net assets of governmental activities:	\$	70,915,681

**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, 2011**

	General Fund	Financing Authority Debt Service Fund	Redevelopment Agency Capital Projects Fund
<b>REVENUES</b>			
Taxes	\$ 19,523,893	\$ -	\$ -
Licenses and permits	51,095		
Fines, forfeitures, and penalties	1,686,089		
Investment earnings	373,509	4,331	40,903
Charges for current services	875,494		
Intergovernmental revenue	612,901		
Other revenues	484,698		5,000
<b>Total revenues</b>	<b>23,607,679</b>	<b>4,331</b>	<b>45,903</b>
<b>EXPENDITURES</b>			
Current:			
General government	3,292,618		
Public safety	10,171,225		
Public works	5,482,725		
Community development	1,302,390		965,739
Parks and recreation	1,633,907		
Capital outlay	605,382		135,245
Debt service:			
Principal retirement		135,000	
Interest and other charges		401,619	
Debt issuance costs			
Pass-through payments			
<b>Total expenditures</b>	<b>22,488,247</b>	<b>536,619</b>	<b>1,100,984</b>
Excess of revenues over (under) expenditures	1,119,432	(532,288)	(1,055,081)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from refunding long-term debt			
Payment to refunded debt escrow			
Transfers in	1,173,933	397,649	
Transfers out	(1,664,278)		(1,376,444)
<b>Total other financing sources (uses)</b>	<b>(490,345)</b>	<b>397,649</b>	<b>(1,376,444)</b>
<b>Net change in fund balances</b>	<b>629,087</b>	<b>(134,639)</b>	<b>(2,431,525)</b>
Fund balances (deficit) - July 1, 2010	27,469,072	8,256,495	(17,493,385)
Fund balances (deficit) - June 30, 2011	<u>\$ 28,098,159</u>	<u>\$ 8,121,856</u>	<u>\$ (19,924,910)</u>

**See Notes to the Basic Financial Statements**

Other Governmental Funds	Total Governmental Funds
\$ 2,866,280	\$ 22,390,173
520,967	572,062
	1,686,089
171,556	590,299
52,061	927,555
8,488,055	9,100,956
270,796	760,494
<hr/>	<hr/>
12,369,715	36,027,628
<hr/>	<hr/>
186,424	3,479,042
64,930	10,236,155
2,109,723	7,592,448
2,669,628	4,937,757
	1,633,907
2,337,816	3,078,443
924,778	1,059,778
3,218,493	3,620,112
58,326	58,326
636,591	636,591
<hr/>	<hr/>
12,206,709	36,332,559
<hr/>	<hr/>
163,006	(304,931)
<hr/>	<hr/>
3,495,000	3,495,000
(3,458,403)	(3,458,403)
3,167,851	4,739,433
(1,316,680)	(4,357,402)
<hr/>	<hr/>
1,887,768	418,628
<hr/>	<hr/>
2,050,774	113,697
<hr/>	<hr/>
3,164,014	21,396,196
<hr/>	<hr/>
\$ 5,214,788	\$ 21,509,893
<hr/>	<hr/>

**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, 2011**

Net change in fund balances - total governmental funds	\$	113,697
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.		1,527,287
Certain taxes and fees in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds		(203,496)
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 in between notes receivable collected and issued.		354,035
Interest revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		2,292,424
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 cost are an expenditure 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 of the issuance of long-term debt and the principal repayments.		929,778
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 of debt issuance costs and the amortization of debt issuance costs and deferred loss on refunding in the current period.		98,923
Accrued interest is interest due on long-term debt payable. This is the net change in accrued interest for the current period.		28,181
OPEB expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in OPEB for the current period.		26,581
Compensated absence expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.		(25,503)
The internal service fund is used by management to charge the costs of equipment replacement to individual funds. The net revenues (expenses) of the internal service fund is reported with governmental activities (excluding net change in capital assets of \$(163,904)).		576
Change in net assets of governmental activities:	\$	5,142,483

**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, 2011**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 19,339,000	\$ 19,178,778	\$ 19,523,893	\$ 345,115
Licenses and permits	34,690	34,690	51,095	16,405
Fines, forfeitures, and penalties	1,525,750	1,676,150	1,686,089	9,939
Investment earnings	498,120	417,720	373,509	(44,211)
Charges for current services	529,500	869,400	875,494	6,094
Intergovernmental revenue	350,100	477,000	612,901	135,901
Other revenues	259,500	458,100	484,698	26,598
Total revenues	22,536,660	23,111,838	23,607,679	495,841
<b>EXPENDITURES</b>				
Current:				
General government:				
City council	226,401	226,401	194,951	31,450
Public affairs	304,945	304,945	283,266	21,679
Special events	78,530	78,530	45,509	33,021
City manager	509,212	509,212	559,094	(49,882)
City clerk	318,177	318,177	357,857	(39,680)
Election	89,421	179,421	152,890	26,531
Parks and rec. commission	3,100	3,100	2,050	1,050
Planning commission	13,200	13,200	9,100	4,100
Finance	810,643	810,643	733,808	76,835
City attorney	120,000	120,000	118,831	1,169
Personnel/Risk management	315,199	315,199	296,715	18,484
Public safety commission	4,300	4,300	(100)	4,400
Non-departmental	637,600	567,600	538,647	28,953
Total general government	3,430,728	3,450,728	3,292,618	158,110
Public safety:				
Administration	1,444,644	1,444,644	1,408,570	36,074
Crossing guard	160,350	160,350	143,199	17,151
Sheriff	7,989,650	7,945,650	7,899,623	46,027
Support services	911,400	712,400	716,144	(3,744)
Emergency management	4,000	4,000	3,689	311
Total public safety	10,510,044	10,267,044	10,171,225	95,819

(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, 2011**  
**(Continued)**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES - CONTINUED</b>				
Public works:				
Administration	\$ 788,855	\$ 788,855	\$ 909,202	\$ (120,347)
Street maintenance	2,373,082	2,245,698	1,874,163	371,535
Stormwater maintenance	496,032	509,980	426,500	83,480
Lighting and landscaping	571,088	571,088	601,921	(30,833)
Facility maintenance	1,778,766	1,873,404	1,670,939	202,465
Total public works	<u>6,007,823</u>	<u>5,989,025</u>	<u>5,482,725</u>	<u>506,300</u>
Community development:				
Administration	412,289	412,289	372,466	39,823
Planning	768,194	768,194	653,609	114,585
Building and safety- LA contract	47,000	47,000	46,267	733
Farmers' market	1,200	1,200	1,184	16
Code enforcement	334,963	334,963	228,864	106,099
Total community development	<u>1,563,646</u>	<u>1,563,646</u>	<u>1,302,390</u>	<u>261,256</u>
Parks and recreation:				
Administration	691,649	691,649	536,643	155,006
Simms park	323,028	323,028	324,255	(1,227)
Thompson park	249,334	249,334	262,319	(12,985)
Caruthers park	243,917	243,917	251,905	(7,988)
Aquatic center	193,268	193,268	168,616	24,652
Civic auditorium	72,880	72,880	64,479	8,401
Cultural arts	25,690	25,690	25,690	
Total parks and recreation	<u>1,799,766</u>	<u>1,799,766</u>	<u>1,633,907</u>	<u>165,859</u>
Capital outlay	<u>1,040,750</u>	<u>2,019,452</u>	<u>605,382</u>	<u>1,414,070</u>
Total expenditures	<u>24,352,757</u>	<u>25,089,661</u>	<u>22,488,247</u>	<u>2,601,414</u>
Excess of revenues over (under) expenditures	<u>(1,816,097)</u>	<u>(1,977,823)</u>	<u>1,119,432</u>	<u>3,097,255</u>

(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, 2011  
(Continued)**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds on sale of property	\$ 500	\$ 500	\$ -	(500)
Transfers in	2,782,500	1,184,700	1,173,933	\$ (10,767)
Transfers out	(932,549)	(1,718,193)	(1,664,278)	53,915
 Total other financing sources (uses)	 1,850,451	 (532,993)	 (490,345)	 42,648
 Net change in fund balance	 34,354	 (2,510,816)	 629,087	 3,139,903
 Fund balance - July 1, 2010	 27,469,072	 27,469,072	 27,469,072	 _____
 Fund balance - June 30, 2011	 <u>\$ 27,503,426</u>	 <u>\$ 24,958,256</u>	 <u>\$ 28,098,159</u>	 <u>\$ 3,139,903</u>

**See Notes to the Basic Financial Statements**

**CITY OF BELLFLOWER  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2011**

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Water Fund	Equipment Replacement Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 1,190,319	\$ 2,732,252
Accounts receivable	314,873	
Interest receivable		9,914
Inventory	12,240	
Prepaid expense	1,000	
Total current assets	1,518,432	2,742,166
Noncurrent assets:		
Deferred charges - net of accumulated amortization	463,780	
Pre-acquisition costs - net of accumulated amortization	27,500	
Capital assets not being depreciated	5,877,399	
Capital assets - net of accumulated depreciation	1,625,799	339,410
Total noncurrent assets	7,994,478	339,410
Total assets	9,512,910	3,081,576
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	77,977	2,264
Accrued liabilities	2	
Accrued interest payable	99,305	
Pre-acquisition costs payable	5,000	
Refundable deposits	49,956	
Total current liabilities	232,240	2,264
Noncurrent liabilities:		
Advances from other funds	9,662,814	
Total noncurrent liabilities	9,662,814	
Total liabilities	9,895,054	2,264
<b>NET ASSETS</b>		
Invested in capital assets	7,503,198	339,410
Unrestricted	(7,885,342)	2,739,902
Total net assets (deficit)	\$ (382,144)	\$ 3,079,312

**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, 2011**

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Water Fund	Equipment Replacement Fund
<b>OPERATING REVENUES</b>		
Charges for services (net of refunds)	\$ 1,463,718	\$ -
Total operating revenues	1,463,718	
<b>OPERATING EXPENSES</b>		
Salaries	193,036	8,772
Benefits	80,724	869
Administration	37,622	
Alarm	300	
Communications	3,939	
Distribution lines	3,705	
Energy	14,127	
Hydrants, meters, covers & services	15,250	
Insurance	15,113	
Licenses	11,701	
Maintenance	8,279	11,868
Reclaimed water	3,375	
Office supplies and expenses	13,398	
Professional services	156,336	
Pumps and wells	6,804	
Taxes	14,812	
Telephone	3,239	
Tools and equipment	662	
Treatment & test	13,130	
Utilities	2,557	
Auto	8,560	
Water purchases	447,450	
Water subsidy	15,618	
Other expenses	3,132	
Amortization	21,417	
Depreciation	190,115	166,168
Total operating expenses	1,284,401	187,677
Operating income (loss)	179,317	(187,677)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment earnings	1,490	24,349
Interest expense	(6,481)	
Other non-operating revenue	19,855	
Total non-operating revenues (expenses)	14,864	24,349
Income (loss) before capital contributions and transfers	194,181	(163,328)
<b>Capital contributions and grants</b>	376,485	
<b>Transfers in</b>	15,618	
<b>Transfers out</b>	(397,649)	
Changes in net assets	188,635	(163,328)
Total net assets (deficit), July 1, 2010	(570,779)	3,242,640
Total net assets (deficit) , June 30, 2011	\$ (382,144)	\$ 3,079,312

See Notes to the Basic Financial Statements

**CITY OF BELLFLOWER  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2011**

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Water Fund	Equipment Replacement Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers and users	\$ 1,632,694	\$ -
Cash paid to employees	(273,760)	(9,641)
Cash paid to suppliers	(913,346)	(9,747)
Net cash provided (used) by operating activities	<u>445,588</u>	<u>(19,388)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Cash transfers to/from other funds	(382,031)	
Net cash provided (used) by non-capital financing activities	<u>(382,031)</u>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Intergovernmental revenue	376,485	
Internal activity - receipts from other funds	53,511	
Pre-acquisition cost payable	(10,000)	
Interest expense	(7,831)	
Acquisition of capital assets	(706,819)	(2,264)
Net cash provided (used) by capital and related financing activities	<u>(294,654)</u>	<u>(2,264)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest earnings	22,713	22,928
Net cash provided by investing activities	<u>22,713</u>	<u>22,928</u>
Net increase (decrease) in cash and cash equivalents	(208,384)	1,276
Cash and cash equivalents, July 1, 2010	<u>1,398,703</u>	<u>2,730,976</u>
Cash and cash equivalents, June 30, 2011	<u>\$ 1,190,319</u>	<u>\$ 2,732,252</u>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ 179,317	\$ (187,677)
Adjustments to reconcile operating income (loss) to net cash provided (used)		
Amortization	21,417	
Depreciation	190,115	166,168
Changes in assets and liabilities:		
Accounts receivable	162,772	
Inventory	2,453	
Accounts payable	(97,979)	2,264
Accrued liabilities		(143)
Retention payable	(18,711)	
Refundable deposits	6,204	
Net cash provided (used) by operating activities	<u>\$ 445,588</u>	<u>\$ (19,388)</u>

**See Notes to the Basic Financial Statements**

**CITY OF BELLFLOWER  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
June 30, 2011**

	BUSD Trust	Agency Fund
<b>ASSETS</b>		
Cash and investments	\$ 1,005,069	\$ 752,961
Interest receivable	958	
Total assets	1,006,027	\$ 752,961
 <b>LIABILITIES</b>		
Deposits payable		752,961
Total liabilities		\$ 752,961
 <b>NET ASSETS</b>		
Held in trust for other purposes	\$ 1,006,027	

**See Notes to the Basic Financial Statements**

**CITY OF BELLFLOWER  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
For the Fiscal Year ended June 30, 2011**

<b>ADDITION</b>	<u>BUSD Trust</u>
Contributions	\$ 403,037
Investment earnings	<u>401</u>
Total additions	<u>403,438</u>
Change in net assets	403,438
Net assets - July 1, 2010	<u>602,589</u>
Net assets- June 30, 2011	<u><u>\$ 1,006,027</u></u>

**See Notes to the Basic Financial Statements**

**NOTES TO BASIC  
FINANCIAL STATEMENTS**

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**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, Public Facilities Corporation and Financing Authority 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.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**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.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

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

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

Fiduciary funds focus on net assets and changes in net assets. Trust funds use the flow of economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans. Agency funds also use the accrual basis of accounting, but since they are custodial in nature and do not involve the measurement of results of operations, they do not use a measurement focus.

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.

**Bellflower Financing Authority Debt Service Fund**

The Bellflower Financing Authority Debt Service Fund is used to account for the financing of public capital improvements and other projects for revitalization of the City.

**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 for property owners who need to access utilities and, in doing so damage sidewalks or other pavement, are required to deposit a form of bond to ensure repair of the pavement.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

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

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

**Fiduciary Funds (Continued)**

- 2) BUSD Trust Fund is established as a private-purpose trust for the Bellflower Redevelopment Agency to benefit the Bellflower Unified 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.

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.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

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

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

**Cash and Investments (Continued)**

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.

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 XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

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

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

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**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, 2011.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**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:

<u>Assets</u>	<u>Years</u>
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.

**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 net assets are considered unrestricted.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

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

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

**Net Assets and Fund Equity (Continued)**

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. Use of Restricted/Unrestricted Net Assets**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

**F. 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.

**G. 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 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 \$24,749,969 long-term debt difference is as follows:

2004 Refunding tax allocation bonds payable	\$	6,880,000
2008 Certificate of participation payable		8,095,000
2011 Lease purchasing agreement payable		3,495,000
Section 108 loan payable		5,555,000
Notes payable		724,969
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	\$	24,749,969

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

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

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

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 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 \$ 1,527,287 difference are as follows:

Capital outlay:	
Capital outlay	\$ 3,080,707
Depreciation	<u>(1,553,420)</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,527,287</u>

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 \$929,778 difference are as follows:

Principal repayments:	
1999 Refunding certificate of participation	\$ 3,655,000
2004 Refunding tax allocation bonds payable	130,000
2008 Certificate of participation payable	135,000
Section 108 loan payable	273,000
Notes payable	231,778
Issuance of long-term debt:	
2011 Lease purchasing agreement payable	<u>(3,495,000)</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 929,778</u>

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

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

**H. New Accounting Pronouncements**

The City has implemented the requirements of GASB Statement No. 54 and No. 59 during the fiscal year ended June 30, 2011.

**GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definition**

This Statement is effective for periods beginning after June 15, 2010. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are described in Note 15.

**GASB Statement No. 59 – Financial Instruments Omnibus**

This Statement is effective for periods beginning after June 15, 2010. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. Implementation of GASB Statement No. 59 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2011.

**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.

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 \$5,783,871 for the fiscal year.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

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

**B. Excess Expenditures over Appropriations**

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2011.

<u>Fund/Function</u>	<u>Final Appropriation</u>	<u>Expenditures</u>	<u>Excess</u>
Nonmajor Funds:			
Special revenue funds:			
Building and safety:			
Community development	\$ 650,144	\$ 687,955	\$ (37,811)
Traffic relief:			
Public works	300,000	477,577	(177,577)
Capital project fund:			
CDBG:			
Community development	807,535	854,430	(46,895)
Debt service fund:			
Redevelopment agency:			
Community development	34,000	43,564	(9,564)
Pass-through payments	625,960	636,591	(10,631)

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 24,897,301
Cash and investments with fiscal agents	1,169,646
Fiduciary funds:	
Cash and investments	<u>1,758,030</u>
Total cash and investments	<u>\$ 27,824,977</u>

Cash and investments as of June 30, 2011 consist of the following:

Petty cash	\$ 3,417
Deposits with financial institutions	628,079
Investments	<u>27,193,481</u>
Total cash and investments	<u>\$ 27,824,977</u>

**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.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

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

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Banker's Acceptance	180 days	40%	30%
Certificates of Deposit	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Commercial Paper	270 days	None	None
State of California Local Agency Investment Fund (State Pool)	N/A	None	\$50,000,000
Medium Term Notes, Prime Quality	5 years	30%	None
Money Market Mutual Funds	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. Agency Securities	5 years	None	None

**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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

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

**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:

Investment Type	Totals	Remaining maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months
Certificate of Deposit	\$ 32,317	\$ 32,317	\$ -	\$ -	\$ -
Money Market Funds	5,000	5,000			
State Investment Pool	17,570,383	17,570,383			
Municipal Obligations	8,416,135	1,520,000	2,972,340	2,608,795	1,315,000
Held by Debt Trustee:					
Certificates of Deposit	1,136,000			1,136,000	
Money Market Funds	33,646	33,646			
	<u>\$ 27,193,481</u>	<u>\$ 19,161,346</u>	<u>\$ 2,972,340</u>	<u>\$ 3,744,795</u>	<u>\$ 1,315,000</u>

**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.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

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

**Disclosures Relating to Credit Risk (Continued)**

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
Certificates of Deposit	\$ 32,317	N/A	\$ -	\$ -	\$ -	\$ -	\$ 32,317 *
Money Market Accounts	5,000	N/A					5,000 *
State Investment Pool	17,570,383	N/A					17,570,383
Municipal Obligations	8,416,135	N/A			4,067,665	4,348,470	
Held by Debt Trustee:							
Certificates of Deposit	1,136,000	N/A					1,136,000 *
Money Market Funds	33,646	N/A		33,646			
	<u>\$ 27,193,481</u>		<u>\$ -</u>	<u>\$ 33,646</u>	<u>\$ 4,067,665</u>	<u>\$ 4,348,470</u>	<u>\$ 18,743,700</u>

\* These investments are insured by the Federal Deposit Insurance Corporation (FDIC)

**Concentration of Credit Risk**

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Agency investments.

**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 fair 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, 2011, all of the City's deposits with financial institutions were covered by federal depository insurance limits or were held in collateralized accounts.

**Investment in State Investment Pool**

The City is a voluntary participant in the Local City 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.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 4 - ACCOUNTS RECEIVABLE**

The following is a list of accounts receivable at June 30, 2011:

Governmental Activities -

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Accounts receivable	<u>\$3,472,370</u>	<u>\$ -</u>	<u>\$3,472,370</u>
Total Governmental Activities	<u>\$3,472,370</u>	<u>\$ -</u>	<u>\$3,472,370</u>

Business-type Activities -

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Accounts receivable	<u>\$ 314,873</u>	<u>\$ -</u>	<u>\$ 314,873</u>
Total Business-type Activities	<u>\$ 314,873</u>	<u>\$ -</u>	<u>\$ 314,873</u>

**NOTE 5 - NOTES RECEIVABLE**

Notes receivable from mortgage loans for housing and commercial property rehabilitation and construction:

	<u>Amount</u>
Major Funds	
Redevelopment Agency Capital Projects Fund	\$ 74,197
Nonmajor Funds	
Community Development Block Grant Fund	677,003
Redevelopment Agency Housing Set-Aside Fund	2,842,878
HOME Fund	<u>4,044,392</u>
Total Notes Receivable	<u>\$ 7,638,470</u>

**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, 2011:

	<u>Period in Months</u>	<u>Deferred Charges</u>	<u>Accumulated Amortization</u>	<u>Deferred Charges, net of Amortization</u>	<u>Amortization for the Fiscal Year</u>
<b>Business-Type Activities</b>					
2008 Certificate of Participation	375	<u>\$ 513,031</u>	<u>\$ 49,251</u>	<u>\$ 463,780</u>	<u>\$ 16,417</u>
<b>Governmental Activities</b>					
2011 Lease Purchasing Agreement	103	58,326	2,444	55,882	2,444
2004 Refunding Tax Allocation Bonds	358	579,637	139,241	440,396	19,429
Section 108 Loan	241	33,120	11,543	21,577	1,649
		<u>671,083</u>	<u>153,228</u>	<u>517,855</u>	<u>23,522</u>
		<u>\$1,184,114</u>	<u>\$ 202,479</u>	<u>\$ 981,635</u>	<u>\$ 39,939</u>

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**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, 2011 was \$141,248 with amortization expense for the fiscal year of \$22,905. In addition, deferred loss on refunding on the issuance of the 2011 Lease Financing with Bank of America is \$116,452. The amortization period is 103 months. The annual amortization expense is \$13,524 and the amortization expense for the fiscal year ended June 30, 2011 is \$4,880. The net unamortized amount is \$111,572 as of June 30, 2011.

**NOTE 8 - INTERFUND ACTIVITY**

The following represents the interfund activity of the City for the fiscal year ended June 30, 2011.

**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.

Receivable Funds	Amount	Payable Funds	Amount
<u>Major Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	
General	\$ 228,671	Gas Tax	\$ 113,347
Redevelopment Agency		TDA Article 3	1,368
Capital Project	237,341	Parking District	147
		Public Arts	51,578
		COG Position	51,748
		Redevelopment Agency	
		Debt Service	237,341
		Redevelopment Agency	
		Housing	10,483
			466,012
Totals	\$ 466,012		\$ 466,012

**A. Advances Receivable/Payable**

Advances made to the Redevelopment Agency from the General Fund are due to the Agency's project expenditures and other costs exceeding revenues collected by the Agency. The advances also include interest accrued on the outstanding balance.

The advances made from the Bellflower Financing Authority to the Water Fund are due to the long-term debt (2008 Water System Certificates of Participation) issued to provide funds to the City for the reimbursement of costs incurred by the General Fund in connection with the acquisition of a water system and to make certain improvements to the system.

The advances made from the General Fund to the Water Fund are due to the Water Fund's working capital needs and cash flow deficits.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 8 - INTERFUND ACTIVITY (Continued)**

**B. Advances Receivable/Payable (Continued)**

At June 30, 2011, the funds below have made/received advances that are not expected to be repaid within one year.

<u>Funds making advances</u>	<u>Funds receiving advances</u>	<u>Amount</u>
<u>Major Governmental Fund</u> General	<u>Major Governmental Fund</u> Redevelopment Agency Capital Project	<u>\$ 20,038,748</u>
<u>Major Governmental Fund</u> General	<u>Major Proprietary Fund</u> Water	<u>2,107,633</u>
<u>Major Governmental Fund</u> Financing Authority Debt Service	<u>Major Proprietary Fund</u> Water	<u>7,555,181</u>
Totals		<u><u>\$ 29,701,562</u></u>

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

The advances from the Bellflower Financing Authority to the Water Fund bear the same interest costs as the 2008 Water System Certificates of Participation. The repayment schedule matches the debt service schedule for the 2008 Water System Certificates of Participation.

The advances from the General Fund to the Water Fund for working capital (\$261,574) bear zero percent interest. The advances for cash flow deficits bear the same interest rates as the State of California Local Agency Investment Fund. 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. The General Fund transfers to the Water Fund were related to the water rate subsidy for low income households and to the Building and Safety and Community Development Block Grant Funds were to eliminate fund deficits.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 8 - INTERFUND ACTIVITY (Continued)**

**C. Transfers (Continued)**

Receiving Funds	Transfers In	Paying Funds	Transfers Out
<u>Major Governmental Funds</u>		<u>Major Governmental Funds</u>	
General	\$ 1,173,933	General	\$ 1,664,278
Financing Authority		Redevelopment Agency	
Debt Service	397,649	Capital Project	1,376,444
<u>Major Proprietary Fund</u>		<u>Major Proprietary Fund</u>	
Water	15,618	Water	397,649
<u>Nonmajor Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	
Building and Safety	166,988	Gas Tax	1,173,933
Public Facilities Corporation		Redevelopment Agency	
Debt Service	421,372	Housing	142,747
Redevelopment Agency			
Debt Service	1,519,191		
Community Development			
Block Grant	122,300		
Capital Projects/ Economic Development	938,000		
Totals	\$ 4,755,051		\$ 4,755,051

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 9 – CAPITAL ASSETS**

**Governmental Activities**

Changes in capital assets for governmental activities for the fiscal year ended June 30, 2011 were as follows:

Governmental Activities	Balance at July 1, 2010	Additions	Deletions	Transfers	Balance at June 30, 2011
Nondepreciable Capital Assets:					
Land	\$ 17,405,900	\$ -	\$ -	\$ 292,480	\$ 17,698,380
Water rights	94,010			87,000	181,010
Construction in progress	1,610,570	2,962,170		(2,815,231)	1,757,509
<b>Total Nondepreciable Capital Assets</b>	<b>19,110,480</b>	<b>2,962,170</b>		<b>(2,435,751)</b>	<b>19,636,899</b>
Capital assets, being depreciated					
Buildings and improvements	27,945,651	3,900		714,279	28,663,830
Equipment and furniture and fixtures	7,614,301	114,637	(5,488)	60,322	7,783,772
Infrastructure	19,231,563			1,661,150	20,892,713
<b>Total Depreciable Capital Assets</b>	<b>54,791,515</b>	<b>118,537</b>	<b>(5,488)</b>	<b>2,435,751</b>	<b>57,340,315</b>
Less accumulated depreciation for:					
Buildings and improvements	(8,920,956)	(681,238)			(9,602,194)
Equipment and furniture and fixtures	(5,930,911)	(392,245)	5,488		(6,317,668)
Infrastructure	(5,898,057)	(479,937)			(6,377,994)
<b>Total Accumulated Depreciation</b>	<b>(20,749,924)</b>	<b>(1,553,420)</b>	<b>5,488</b>		<b>(22,297,856)</b>
<b>Net Depreciable Capital Assets</b>	<b>34,041,591</b>	<b>(1,434,883)</b>		<b>2,435,751</b>	<b>35,042,459</b>
<b>Net Governmental Capital Assets</b>	<b>\$ 53,152,071</b>	<b>\$ 1,527,287</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 54,679,358</b>

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

General government	\$ 238,434
Public safety	87,208
Public works	548,508
Community development	378,312
Parks and recreation	300,958
<b>Total</b>	<b>\$ 1,553,420</b>

Depreciation expense for governmental activities (governmental funds) is \$1,387,252.

Depreciation expense for governmental activities (internal service fund) is \$166,168.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 9 – CAPITAL ASSETS (CONTINUED)**

**Business-type Activities**

Changes in capital assets for business-type activities for the fiscal year ended June 30, 2011 were as follows:

	<u>Balance at July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2011</u>
Nondepreciable Capital Assets:				
Land	\$ 827,065	\$ -	\$ -	\$ 827,065
Water rights	4,000,000			4,000,000
Construction in progress	<u>343,515</u>	<u>706,819</u>		<u>1,050,334</u>
 Total Nondepreciable Capital Assets	 <u>5,170,580</u>	 <u>706,819</u>		 <u>5,877,399</u>
Depreciable Capital Assets:				
Building and improvement	95,000			95,000
Machinery & Equipment	15,544			15,544
Acquisition costs	412,081			412,081
Infrastructure	<u>1,917,412</u>			<u>1,917,412</u>
 Total Depreciable Capital Assets	 <u>2,440,037</u>			 <u>2,440,037</u>
Accumulation Depreciation				
Building and improvement	(16,625)	(4,750)		(21,375)
Machinery & Equipment	(2,504)	(1,036)		(3,540)
Acquisition costs	(142,548)	(41,208)		(183,756)
Infrastructure	<u>(462,446)</u>	<u>(143,121)</u>		<u>(605,567)</u>
 Total Accumulated Depreciation	 <u>(624,123)</u>	 <u>(190,115)</u>		 <u>(814,238)</u>
 Net Depreciable Capital Assets	 <u>1,815,914</u>	 <u>(190,115)</u>		 <u>1,625,799</u>
 Net Water Utility Capital Assets	 <u>\$ 6,986,494</u>	 <u>\$ 516,704</u>	 <u>\$ -</u>	 <u>\$ 7,503,198</u>

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

Water	\$ 190,115
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**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**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, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2010	Due Within One Year
Governmental Activities:					
1999 Refunding Certificates of Participation	\$ 3,655,000	\$ -	\$ (3,655,000)	\$ -	\$ -
2004 Refunding Tax Allocation Bonds	7,010,000		(130,000)	6,880,000	140,000
2008 Certificates of Participation	8,230,000		(135,000)	8,095,000	140,000
2011 Lease Financing Agreement		3,495,000		3,495,000	280,000
Section 108 Loan	5,828,000		(273,000)	5,555,000	286,000
Notes Payable	956,747		(231,778)	724,969	208,174
Compensated Absences	1,407,703	917,830	(892,327)	1,433,206	892,327
	<u>\$ 27,087,450</u>	<u>\$ 4,412,830</u>	<u>\$ (5,317,105)</u>	<u>\$ 26,183,175</u>	<u>\$ 1,946,501</u>

**B. Refunding Certificates of Participation**

The 1999 Refunding Certificates of Participation (COPS) issued by the Bellflower Public Facilities Corporation (Corporation) and outstanding at June 30, 2011 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 City made a principal payment of \$290,000 and the defeased balance of \$3,365,000 was refinanced with the 2011 Lease Financing Agreement during the fiscal year 2010-11.

**C. Tax Allocation Bonds**

**2004 Refunding Tax Allocation Bonds**

The 2004 Tax Allocation Bonds issued by the Bellflower Redevelopment Agency and outstanding at June 30, 2011 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's 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 of the bonds as of June 30, 2011 was \$6,880,000.

**D. Certificates of Participation**

The 2008 Certificates of Participation (COPS) issued by the Bellflower Financing Authority and outstanding at June 30, 2010 bear interest at 4.50% to 5.25% a year and mature serially in increasing amounts on each October 1, through 2039. The Certificates represent undivided proportionate interests of the owners in certain lease payments, to be

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 10 – LONG-TERM DEBT (Continued)**

**D. Certificates of Participation (Continued)**

made by the City to the Financing Authority. The City subleases from the Authority a leasehold interest in the Civic Center Property and Thompson Park. The COPS balance outstanding as of June 30, 2011 was \$8,095,000.

**E. Lease Financing Agreement**

On February 1, 2011, the Corporation and the City entered into a termination agreement stating that the 1999 Lease Agreement shall be of no force and effect. A new lease agreement dated as of February 1, 2011 was entered into. The City and the Corporation have determined to refinance the 1999 Lease payments and to repay the 1999 Certificates and, in order to accomplish such refinancing, the City has agreed to lease the real property consisting of the land and building comprising the City's public works maintenance yard and Simms Park to the Corporation by entering into a site lease dated as of February 1, 2011. The Corporation has agreed to assist the City with such refinancing by entering into this lease, to which the Corporation will sublease the leased property back to the City and the City will be obligated to make lease payments to the Corporation. In order to raise the funds needed for the refinancing, the Corporation has assigned certain of its rights under this lease and the site lease, including the right to receive and enforce payment of the lease payments that are payable by the City to Bank of America under an assignment agreement dated as of February 1, 2011. The City and the Corporation have received (and the City has approved) a proposal from the Bank of America to provide funds required to refinance the 1999 Lease Payments and the 1999 Certificates.

The amount paid by the Bank to the City in exchange for the Lease payments to be made by the City is \$3,495,000. \$15,000 will be retained by the Bank as its fee, \$17,500 will be retained by the Bank to pay additional costs of issuance, \$3,458,403 will be applied to prepay the 1999 Notes, and \$4,097 will be released to the City to pay other costs of issuance or applied to the interest due with respect to the Lease on April 1, 2011. Under the refinancing, payments are due on 4/1 and 10/1 and the debt matures on October 1, 2019. The interest rate yield on the debt is 3.655%.

As a result of the advance refunding, the City reduced its total debt service requirements by \$129,560, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$126,918. The outstanding balance of the agreement payable as of June 30, 2011 was \$3,495,000.

**F. 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, 2011 was \$5,555,000.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 10 – LONG-TERM DEBT (Continued)**

**G. 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, 2011 was \$163,780.

**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, 2011 was \$368,275.

**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, 2011 was \$192,914.

**H. 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 \$823,351 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, 2011, total \$1,433,206.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 10 – LONG-TERM DEBT (Continued)**

**H. Long-Term Debt Amortization**

The annual requirements to amortize long-term debt outstanding at June 30, 2011 (other than compensated absences) are as follows:

2004 Refunding Tax Allocation Bond

<u>Fiscal years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 140,000	\$ 450,252	\$ 590,252
2013	150,000	442,356	592,356
2014	155,000	433,896	588,896
2015	165,000	425,154	590,154
2016	175,000	414,231	589,231
2017-2021	1,060,000	1,881,823	2,941,823
2022-2026	1,460,000	1,481,375	2,941,375
2027-2031	2,015,000	930,600	2,945,600
2032-2034	1,560,000	210,540	1,770,540
	<u>\$ 6,880,000</u>	<u>\$ 6,670,227</u>	<u>\$ 13,550,227</u>

2008 Certificate of Participation

<u>Fiscal years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 140,000	\$ 394,419	\$ 534,419
2013	145,000	388,719	533,719
2014	150,000	382,819	532,819
2015	160,000	376,619	536,619
2016	165,000	370,119	535,119
2017-2021	925,000	1,740,509	2,665,509
2022-2026	1,155,000	1,504,419	2,659,419
2027-2031	1,475,000	1,180,591	2,655,591
2032-2036	1,885,000	752,497	2,637,497
2037-2040	1,895,000	205,144	2,100,144
	<u>\$ 8,095,000</u>	<u>\$ 7,295,855</u>	<u>\$ 15,390,855</u>

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 10 – LONG-TERM DEBT (Continued)**

**H. Long-Term Debt Amortization (Continued)**

<u>2011 Lease Purchasing Agreement Payable</u>			
Fiscal years Ending June 30,	Principal	Interest	Total
2012	\$ 280,000	\$ 122,625	\$ 402,625
2013	350,000	111,112	461,112
2014	365,000	98,045	463,045
2015	380,000	84,431	464,431
2016	390,000	70,359	460,359
2017-2021	<u>1,730,000</u>	<u>129,204</u>	<u>1,859,204</u>
	<u>\$ 3,495,000</u>	<u>\$ 615,776</u>	<u>\$ 4,110,776</u>

<u>Section 108 Loan</u>			
Fiscal years Ending June 30,	Principal	Interest	Total
2012	\$ 286,000	\$ 304,451	\$ 590,451
2013	300,000	290,161	590,161
2014	314,000	274,745	588,745
2015	330,000	258,206	588,206
2016	346,000	240,370	586,370
2017-2021	1,999,000	886,097	2,885,097
2022-2025	<u>1,980,000</u>	<u>243,608</u>	<u>2,223,608</u>
	<u>\$ 5,555,000</u>	<u>\$ 2,497,638</u>	<u>\$ 8,052,638</u>

<u>Loan Payable - Kathleen L. Dietz</u>			
Fiscal years Ending June 30,	Principal	Interest	Total
2012	\$ 8,954	\$ 6,551	\$ 15,505
2013	9,312	6,193	15,505
2014	9,684	5,821	15,505
2015	10,072	5,433	15,505
2016	10,474	5,030	15,504
2017-2021	59,003	18,522	77,525
2022-2025	<u>56,281</u>	<u>5,739</u>	<u>62,020</u>
	<u>\$ 163,780</u>	<u>\$ 53,289</u>	<u>\$ 217,069</u>

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 10 – LONG-TERM DEBT (Continued)**

**H. Long-Term Debt Amortization (Continued)**

Loan Payable - Goslins/Cleveland

Fiscal years Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 6,306	\$ 18,414	\$ 24,720
2013	6,621	18,099	24,720
2014	6,952	17,768	24,720
2015	7,300	17,420	24,720
2016	7,665	17,055	24,720
2017-2021	44,470	79,128	123,598
2022-2026	56,757	66,841	123,598
2027-2031	72,437	51,161	123,598
2032-2036	92,450	31,148	123,598
2037-2039	67,317	3,841	71,158
	<u>\$ 368,275</u>	<u>\$ 320,875</u>	<u>\$ 689,150</u>

Loan Payable - Nathan/Slavens

Fiscal years Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 192,914	\$ 6,244	\$ 199,158
	<u>\$ 192,914</u>	<u>\$ 6,244</u>	<u>\$ 199,158</u>

Total Governmental Activities

Fiscal Years Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,054,174	\$ 1,302,956	\$ 2,357,130
2012	960,933	1,256,640	2,217,573
2013	1,000,636	1,213,095	2,213,731
2014	1,052,372	1,167,263	2,219,635
2016	1,094,139	1,117,164	2,211,303
2017-2021	5,817,473	4,735,284	10,552,757
2022-2026	4,708,038	3,301,982	8,010,020
2027-2031	3,562,437	2,162,352	5,724,789
2032-2036	3,537,450	994,185	4,531,635
2037-2040	1,962,317	208,985	2,171,302
	<u>\$ 24,749,969</u>	<u>\$ 17,459,906</u>	<u>\$ 42,209,875</u>

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**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), a cost sharing multiple-employer 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**

Participants are required to contribute 7% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined combined rate of 10.340% for miscellaneous employees. The contribution requirements of plan members and the City are established and may be amended by PERS. The City's total contributions to PERS for the fiscal years ending June 30, 2011, 2010, and 2009 were \$981,452, \$938,786, and \$976,793. The employer paid employee contributions are \$437,440, \$400,116 and \$389,763, and the employer contributions are respectively, and equal 100% of the required contributions 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.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)**

*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 City's actuary on a biennial basis. For fiscal year 2010-11, the City contributed \$644,471 to the plan, including \$ 398,378 for current premium and plan expenses, and an additional \$246,093 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 fiscal year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	\$ 618,481
Interest on net OPEB obligation	(2,443)
Adjustment to annual required contribution	1,852
Annual OPEB cost (expense)	617,890
Contributions made	644,471
Change in OPEB obligation	(26,581)
Net OPEB obligation (assets) - beginning of fiscal year	(31,524)
Net OPEB obligation (assets) - end of fiscal year	\$ (58,105)

The City 's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the three preceding fiscal years were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contribution</u>	<u>Net of OPEB</u> <u>Obligation</u> <u>(Asset)</u>
6/30/2008	\$ 611,037	105%	\$ (33,338)
6/30/2009	610,176	104%	(59,241)
6/30/2010	610,176	95%	(31,524)
6/30/2011	617,890	104%	(58,105)

*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

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)**

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 include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce 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**

In the liability program, claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5,000,000 are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims for \$5,000,000 to \$10,000,000 are paid under a reinsurance contract subject to a \$2,500,000 annual aggregate deductible. Costs of covered claims from \$10,000,000 to \$15,000,000 are paid under tow

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

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

**General Liability (Continued)**

reinsurance contracts subject to a combined \$3,000,000 annual aggregate deductible. On a cumulative basis for all 2010-11 reinsurance contracts, the annual aggregate deductible is \$5,500,000. (6) Cost of covered claims from \$15,000,000 up to \$50,000,000 are covered through excess insurance policies. The overall coverage 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 reinsurance and excess insurance with a pooled sub-limit of \$35,000,000 per occurrence. This \$35,000,000 subsidence sub-limit is composed of (a) \$5,000,000 retained within the pool's SIR, (b) \$10,000,000 in reinsurance and (c) \$20,000,000 in excess insurance. The excess insurance layer has a \$20,000,000 annual aggregate.

**Workers' Compensation Coverage**

The City of Bellflower also participates in the workers' compensation pool administered by the Authority. In the worker's compensation program, claims are pooled separately between public safety (police and fire) and non public-safety exposures. (1) the payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weigh applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2,000,000 are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2,000,000 up to statutory limits are paid under a reinsurance 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 a reinsurance policy, and Employer's Liability 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 \$28,545,733. 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.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

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

**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 \$20,981,161. 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 City 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 were no significant reductions in pooled or insured liability coverage in the fiscal year 2010-11.

**NOTE 15 - NET ASSETS AND FUND BALANCES – GOVERNMENTAL ACTIVITIES**

A. Net Assets

Net assets are the excess of all the City's assets over all its liabilities, regardless of fund. Net assets are divided into three captions under GASB Statement No. 34. These captions apply only to net assets, which is determined only at the government-wide level, proprietary funds, and fiduciary funds and are described below.

*Invested in capital assets, net of related debt* describe the portion of net assets which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describe the portion of net assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, redevelopment funds restricted for low-and-moderate income purposes, and gas tax funds for street construction.

*Unrestricted* describes the portion of net assets which is not restricted as to use.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 15 – NET ASSETS AND FUND BALANCES – GOVERNMENTAL ACTIVITIES**  
**(CONTINUED)**

A. Net Assets (Continued)

Details of the three categories are as follows:

NET ASSETS

	Governmental Activities	Business-type Activities
Invested in capital assets, net of related debt:		
Total capital assets, net of accumulated depreciation	\$ 54,679,358	\$ 7,503,198
Less: total capital related debt	(15,680,058)	
Invested in capital assets, net of related debt	38,999,300	7,503,198
Restricted for:		
Construction of capital assets	1,060,429	
Debt service	8,231,720	
Streets, highways, bikeways, public transit, and other related purposes	2,900,198	
Housing	4,249,379	
Public safety	66,097	
Total restricted net assets	16,507,823	
Unrestricted	15,408,558	(7,885,342)
Total net assets (deficit)	\$ 70,915,681	\$ (382,144)

\$8,153,674 of the restricted net assets in the government-wide statement of net assets is restricted by enabling legislation.

B. Fund Balances

As of June 30, 2011, fund balances of the governmental funds are classified as follows:

**Nonspendable** – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** – amounts that can be used only for specific purposes determined by a formal action of the governing board is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the governing board.

**Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City’s adopted policy, only the governing board or director may assign amounts for specific purposes.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 15 – NET ASSETS AND FUND BALANCES – GOVERNMENTAL ACTIVITIES**  
**(CONTINUED)**

**B. Fund Balances**

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

	General Fund	Financing Authority Debt Service Fund	Redevelopment Agency Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable					
Prepaid expenditures	\$ 2,600	\$ -	\$ -	\$ -	\$ 2,600
Advances, net of deferred interest	12,359,890	7,555,181			19,915,071
Restricted					
Debt service		566,675		604,511	1,171,186
Low and moderate income housing				204,987	204,987
Streets and roads				2,900,198	2,900,198
Community development				430,144	430,144
Drug forfeiture				8,863	8,863
State COPs				57,234	57,234
Capital projects fund				122,429	122,429
Assigned					
Economic development				938,000	938,000
Unassigned	15,735,669		(19,924,910)	(51,578)	(4,240,819)
Total fund balances	<u>\$ 28,098,159</u>	<u>\$ 8,121,856</u>	<u>\$ (19,924,910)</u>	<u>\$ 5,214,788</u>	<u>\$ 21,509,893</u>

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

The Redevelopment Agency Capital Projects fund has a deficit fund balance of \$19,924,910 at June 30, 2011. 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 Public Arts fund also has deficit fund balances of \$51,578 at June 30, 2010. The deficit is expected to be remedied in the near future as revenues are collected in excess of anticipated expenditures.

The water fund has deficit net assets of \$570,779 at June 30, 2011 which should be alleviated as future revenues are expected to increase and costs are expected to decrease with a new high capacity well.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**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 and the City 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 are 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 Agency is pledged to the repayment of the bonds. Accordingly, no liability has been recorded in the Statement of Net Assets. As of June 30, 2011, the amounts of principal outstanding on the bonds were \$7,780,000 for Series 2002A and \$310,000 for Series 2002B, for a total of \$8,180,000.

**NOTE 18 - COMMITMENTS**

**Construction Commitments**

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

Vendor	Project	Spec. No.	Project Authorization	Invoiced as of June 30, 2011	Committed
DMA Greencare	Landscape/W.Branch Greenway Pavement	09/10-16	\$ 623,090	\$ 7,969	\$ 615,121
All American Asphalt	Rehab/Bellflower, Woodruff	10/11-06	523,795		523,795
Freeway Electric/Brian Mendoza	Traffic Signal/Flower & Flora Vista	09/10-13	117,882	66,089	51,793
Doug Martin	Placing of Slurry Seal	10/11-14	244,067		244,067
Cora Constructors, Inc.	Contractor/High Capacity Well #1 Construction/Walnut St.	10/11-11	1,519,597		1,519,597
Unique Performance Const.	Improvements	09/10-07	326,729		326,729

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**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 must 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 City and the Agency 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 must bear interest at the rate at which the Agency actually earns interest on that money (either through a separate or pooled account(s)) and the interest on that money must be credited to the BUSD Trust Fund. Interest must begin to accrue on the day after the deposit of money into the BUSD Trust Fund and must continue to accrue on that money only so long as it remains in the BUSD Trust Fund. Monies from the BUSD Trust Fund must be disbursed only to or on behalf of the District and only for the projects listed on the agreement.

**SERAF Contingency**

During the fiscal year 2008-2009, the State of California experienced a severe budgetary crisis. Various "budget trailer bills" were passed by the state legislature to balance the state's budget, including bills that required California redevelopment agencies to transfer funds to the Educational Revenue Augmentation Fund (ERAF) and Supplemental Educational Revenue Augmentation Fund (SERAF) administered by the various county auditor-controllers. Noted below is a general explanation of the SERAF legislation, together with the effect of this legislation on the City of Bellflower and its Community Redevelopment Agency (the Agency).

Pursuant to AB 26 4x, a budget trailer bill, California redevelopment agencies were required to make SERAF contributions totaling \$1.7 billion for the fiscal year 2009-2010 and \$350 million for the fiscal year 2010-2011. Under AB 26 4x, agencies may borrow a portions of the required contributions from their low and moderate income housing fund.

Alternatively, sponsoring governmental agencies (the cities or counties) may elect to pay the SERAF contributions on behalf of their redevelopment agencies. On October 20, 2009, the (CRA) filed a class action lawsuit on behalf of all California redevelopment agencies challenging the SERAF obligations as unconstitutional.

The Agency's SERAF contributions are \$816,422 for the fiscal year 2009-2010 and \$168,087 for 2010-2011. It is the position of Agency officials that the SERAF contributions required by AB 26 4x are unconstitutional, and that the Agency is not obligated to make these contributions, however, the Agency has made the contribution for 2009-2010 and 2010-2011.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 19 – CONTINGENT LIABILITY (CONTINUED)**

**Recent Changes in Legislature Affecting California Redevelopment Agency**

The Redevelopment Agency operates pursuant to the provisions of California Redevelopment Law (Health & Safety Code Section 33000 et seq.). On June 28, 2011, the California Legislature adopted Assembly Bill XI 26 (Dissolution Act) and Assembly Bill XI 27 (Continuation Act). The express purpose of the Dissolution Act was to provide for the elimination of redevelopment agencies, and to direct the orderly distribution of a former redevelopment agency's assets and liabilities. The purpose of the Continuation Act was to provide a voluntary alternative for local governments to continue redevelopment activities. Taken together, these Acts require the Agency and its sponsoring community (the City) to take several legislative actions to implement their various provisions.

If the City, as the Agency's sponsoring community, does not elect to continue the Agency under the provisions of the Continuation Act, the Agency will be deemed dissolved effective October 1, 2011. Under the provisions of the Dissolution Act, an "Enforceable Payment Obligation Schedule" (EOPS) will be adopted by the Agency and presented to the County Auditor-Controller for certification. The last official act of the Agency will be to provide a draft "Recognized Obligation Payment Schedule" (ROPS) to a successor agency. The ROPS is subject to an independent audit and a review by an independent oversight board. Once audited and accepted by the oversight board, the County Auditor & Controller is directed to retain an amount of tax increment sufficient to meet the ongoing cost of enforceable obligations, and then distribute the remainder of revenues to the affected taxing agencies.

If the City elects to continue the Agency, the City Council must enact a non-binding resolution of its intent to continue the Agency no later than October 1, 2011, and it must also enact an ordinance agreeing to comply with the Continuation Act no later than November 1, 2011. Pursuant to the Continuation Act, the City must then make an annual payment, which may be reimbursed by the Agency. The required payment, which was calculated by the State Department of Finance and released to the City on August 1, 2011, will be \$129,569 for FY 2011-12. Subsequent remittance payments will be calculated using a statutory ratio that will be applied to the FY 2011-12 payment and adjusted for inflation and other items. The Agency estimates that the payment for FY 2012-13 will be \$30,487.

The City has not recorded any liability related to these Acts in these financial statements. At the close of FY 2010-11 the amount of the required payment was not yet known. The California Redevelopment Association, the League of California Cities, and two cities have sued to prevent enforcement of the Acts. On August 11, 2011, the Supreme Court of California (Supreme Court) agreed to hear the lawsuit and committed to issuing a decision by January 15, 2012. The Supreme Court also issued a stay of many elements of the Acts, including dissolution, County actions required for continuation, and the required payment, until the Supreme Court rules on the merits of the case. The deadlines imposed by the Acts with respect to affirmation of continuation are expected to be re-set by the Supreme Court at that time, depending on its decision. If the Supreme Court upholds these Acts, the realization of any costs related to the Continuation Act is subject to an action by the City Council taken subsequent to the issuance of this report. If the City Council elects to discontinue the Agency, it would then be dissolved and its rights, obligations and responsibilities would be assigned to a successor agency. If the Supreme Court upholds these Acts, the City Council will consider the ordinance required for continuation of the Agency subsequent to the issuance of this report.

**CITY OF BELLFLOWER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 19 – CONTINGENT LIABILITY (CONTINUED)**

On July 18, 2011, the City adopted the resolution of non-binding intent to make payments as required by ABX1 27 to avoid dissolution of the Agency of the City of Bellflower. On August 22, 2011, the City also adopted Ordinance No. 1216 stating its determination to comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Bellflower.

**Pending Litigation**

**Los Angeles Superior Court Case No. BC462270**

Many cities in California, including the City of Bellflower, impose a utility users tax (UUT) on various utilities, including cell phones. The tax is collected by utilities from its customers and paid to the cities. In determining the amount of the UUT not only to charges for cell phone service but also to charges for internet access from handheld devices. AT&T and its affiliates were named as defendants in a series of lawsuits in various federal courts nationwide alleging the application of the UUT to charges for internet service violates the federal Internet Tax Freedom Act (ITFA). These cases were consolidated into a proceeding before the Northern District of Illinois and were settled without notice to the City. The settlement provides for AT&T to refund the UUT collected on internet service. On May 27, 2011, AT&T filed the above-referenced case to collect from the cities the amount of UUT to be refunded to its customers in 135 cities in California. AT&T has conceded recovery of a portion of the amount of UUT collected from customers in the City is barred by the statute of limitations. In addition, AT&T offered to reduce its settlement demand by 10% and return to the City and funds paid in settlement that are not claimed by AT&T's customers by a date certain. Thus, AT&T has reduced its initial demand of \$49,820 to \$44,838. The City has authorized settlement with AT&T for \$44,838, however, the settlement has not been finalized.

**Pending Claim**

The City was notified by the Department of Housing and Urban Development (HUD) via a letter dated January 5, 2011 that the 9815 Walnut Street Live/Work Project (Project) is considered ineligible to use HOME funds as an affordable housing project. The HUD requested the City to refund a total of \$1.6 million of HOME funds to the U.S. Treasury. The City sent a letter to dispute the issue and disallowed costs to the HUD in April 2011. The City has not received an official response to the letter as of June 30, 2011.

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.

**CITY OF BELLFLOWER  
REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2011**

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**  
**REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment earnings	\$ 43,477	\$ 40,903	\$ (2,574)
Other revenue	<u>1,000</u>	<u>5,000</u>	<u>4,000</u>
Total revenues	<u>44,477</u>	<u>45,903</u>	<u>1,426</u>
<b>EXPENDITURES</b>			
Current:			
Community development	1,149,388	965,739	183,649
Capital outlay	<u>2,131,100</u>	<u>135,245</u>	<u>1,995,855</u>
Total expenditures	<u>3,280,488</u>	<u>1,100,984</u>	<u>2,179,504</u>
Excess of revenues over (under) expenditures	<u>(3,236,011)</u>	<u>(1,055,081)</u>	<u>2,180,930</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(2,419,741)</u>	<u>(1,376,444)</u>	<u>1,043,297</u>
Total other financing sources (uses)	<u>(2,419,741)</u>	<u>(1,376,444)</u>	<u>1,043,297</u>
Net change in fund balance	(5,655,752)	(2,431,525)	3,224,227
Fund balance (Deficit) - July 1, 2010	<u>(17,493,385)</u>	<u>(17,493,385)</u>	
Fund balance (Deficit) - June 30, 2011	<u>\$ (23,149,137)</u>	<u>\$ (19,924,910)</u>	<u>\$ 3,224,227</u>

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Investment earnings	\$ 11,000	\$ 4,331	\$ (6,669)
Total revenues	<u>11,000</u>	<u>4,331</u>	<u>(6,669)</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	135,000	135,000	
Interest and other charges	<u>402,919</u>	<u>401,619</u>	<u>1,300</u>
Total expenditures	<u>537,919</u>	<u>536,619</u>	<u>1,300</u>
Excess of revenues over (under) expenditures	<u>(526,919)</u>	<u>(532,288)</u>	<u>(5,369)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>399,919</u>	<u>397,649</u>	<u>(2,270)</u>
Total other financing sources	<u>399,919</u>	<u>397,649</u>	<u>(2,270)</u>
Net change in fund balance	(127,000)	(134,639)	(7,639)
Fund balance - July 1, 2010	<u>8,256,495</u>	<u>8,256,495</u>	
Fund balance - June 30, 2011	<u>\$ 8,129,495</u>	<u>\$ 8,121,856</u>	<u>\$ (7,639)</u>

**COMBINING AND INDIVIDUAL NONMAJOR GOVERNMENTAL  
FUND STATEMENTS AND SCHEDULES**

**CITY OF BELLFLOWER  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2011**

**Special Revenue Funds:**

**Drug Forfeiture Fund** – This fund is used to account for assets seizures and forfeitures related to drug offenses that are disbursed by the county. Expenditures of these revenues are restricted to law enforcement.

**Transportation Fund** – This fund is used to account for revenues and expenditures related to a half-cent sales tax under Proposition A approved by Los Angeles County voters in 1980. A portion of Proposition A funds is allocated to cities and these funds must be used exclusively to benefit public transit. Expenditures related to fixed route and paratransit services, transportation demand management, transportation systems management and fare subsidy programs that exclusively benefit transit are all eligible uses of Proposition A funds.

**Proposition C Fund** – This fund is used to account for revenues and expenditures related to a half-cent sales tax under Proposition C approved by Los Angeles County voters in 1990. A portion of Proposition C funds is allocated to cities and these funds must be used to benefit public transit, congestion management programs, bikeways and bike lanes, street improvements supporting public transit service, and pavement management system projects.

**Gas Tax Fund** – This fund is used to account for revenues and expenditures under California Streets and Highways Code Sections 2105, 2106, 2107 and 2107.5. A portion of the excise tax collected on gasoline is allocated to cities and these funds are expended for street improvement and maintenance programs.

**AQMD Fund (AB 2766)** – This fund is used to account for revenues and expenditures under California Assembly Bill 2766 signed into law in 1990, California Health and Safety Code Sections 44220-44247. AB 2766 provides for the collection of an additional fee in motor vehicle registration fees, a portion of which is allocated to cities to fund various air pollution reduction programs.

**Sewer Reconstruction Fund** – This fund is used to account for the City's developer fees collected and expended to reconstruct and increase the existing capacity of the sewer system required due to new developments.

**TDA Article 3 Fund** – This fund is used to account for revenues and expenditures related to a quarter-cent of the sales tax that is collected statewide and then returned to its county of origin under the Transportation Development Act. A portion of the revenues is allocated to cities and these funds may be used for design and construction of pedestrian and bicycle facilities and amenities including wheelchair ramps.

**Proposition 1B Fund** – This fund is used to account for revenues and expenditures related to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006. A portion of the bond funds is allocated to cities and these funds are expended for street and road improvements, congestion relief, enhanced mobility, and improved traffic safety.

**CITY OF BELLFLOWER  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2011**

**Special Revenue Funds (Continued):**

**Parking District No. 1 Fund** – This fund is used to account for the City's special assessment collected and expended pursuant to California Streets and Highways Code Sections 31822 and 31823 to maintain Parking District No. 1 that benefit properties along the west side of Bellflower Boulevard between Mayne Street and Flower Street,.

**Building and Safety Fund** – This fund is used to account for the City's buildings and safety operations. 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** – This fund is used to account for revenues and expenditures related to the City's public arts fees on 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.

**CA-COPS Grant Fund** – This fund is used to account for revenues and expenditures related to the Citizens Option for Public Safety funds allocated by the State to supplement front line municipal law enforcement services.

**COG Position Fund** – This fund is used to account for the City's expenditures and related reimbursements 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 is used to account for revenues and expenditures under California Assembly Bill 2928. In part, the bill provides funding directly to cities for preservation, maintenance and rehabilitation of the local streets and road system.

**Public Facilities Fund** – This fund is used to account for revenues and expenditures related to the City's developer fees on 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** – This fund is used to account for revenues and expenditures related to the City's developer fees on certain capital improvement and development projects to pay for the cost of increased parkland needs from these projects.

**PEG Fund** – This fund is used to account for revenues and expenditures related to a 1% fee on cable television 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.

**CITY OF BELLFLOWER  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2011**

**Special Revenue Funds (Continued):**

**Justice Assistance Grant (JAG) - Recovery Act Fund** – This fund is used to account for revenues and expenditures related to the Justice Assistance Grant under the Recovery Act. As part of the American Recovery and Reinvestment Act of 2009, additional funding was provided by the U.S. Department of Justice (DOJ) to assist state, local, and tribal law enforcement (including support for hiring), to combat violence against women, to fight internet crimes against children, to improve the functioning of the criminal justice system, to assist victims of crime, and to support youth mentoring.

**Measure R Fund** – This fund is used to account for revenues and expenditures related to a half-cent sales tax under Measure R approved by Los Angeles County voters in November 2008. A portion of Measure R funds is allocated to cities and these funds must be used for streets and roads, traffic control measures, bikeways and pedestrian improvements, public transit services and capital improvements, transportation marketing, and congestion management program.

**HUTA RTC 7360 Fund** – This fund is used to account for revenues and expenditures under California Streets and Highways Code Section 2103. A portion of the excise tax collected on gasoline is allocated to cities and these funds are expended for street improvement and maintenance programs.

**Debt Service Funds:**

**Public Facilities Corporation Debt Service Fund** – This fund is used to account for the payment of interest and principal on the debt issued by the Bellflower Public Facilities Corporation. The funds necessary to make the debt service payments are received from the General Fund.

**Redevelopment Agency Debt Service Fund** – This fund is used to account for the payment of interest and principal on the debt incurred by the Bellflower Redevelopment Agency as well as pass through payments to other taxing entities and other transfers and costs. The sources of the fund are 80% of the property tax increment and other resources.

**Capital Projects Funds:**

**Community Development Block Grant Fund** – This fund is used to account for revenues and expenditures under the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program. CDBG funding is made available to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

**Grant Projects Fund** – This fund is used to account for capital projects funded with Federal, State and other grants and restricted funds.

**CITY OF BELLFLOWER  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2011**

**Capital Projects Funds (Continued):**

**Redevelopment Agency Housing Fund** – This fund accounts for revenues and expenditures related to low- and moderate-income housing activities funded with 20% of property tax increment and other resources.

**HOME Fund** – This fund is used to account for revenues and expenditures under the U.S. Department of Housing and Urban Development's HOME Investment Partnerships Program. HOME funds are used, often in partnership with local nonprofit groups, to fund a wide range of activities that build, buy, and rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.

**Capital Projects/Economic Development Fund** – This fund is used to account for capital, infrastructure, and economic development projects with resources that can be expended at City Council's sole discretion.

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**CITY OF BELLFLOWER  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2011**

	Special Revenue Funds			
	Drug Forfeiture Fund	Transportation Fund	Proposition C Fund	Gas Tax Fund
<b>ASSETS</b>				
Cash and investments	\$ 13,375	\$ 427,232	\$ 651,081	\$ -
Cash and investments with fiscal agents				
Accounts receivable - net				113,347
Interest receivable	58	1,390	2,432	
Notes receivable				
<b>Total assets</b>	<b><u>\$ 13,433</u></b>	<b><u>\$ 428,622</u></b>	<b><u>\$ 653,513</u></b>	<b><u>\$ 113,347</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 4,570	\$ 43,800	\$ 29,500	\$ -
Accrued expenditures				
Retention payable			5,125	
Deposit payable				
Due to other funds				113,347
Deferred revenue				
Advances payable				
<b>Total Liabilities</b>	<b><u>4,570</u></b>	<b><u>43,800</u></b>	<b><u>34,625</u></b>	<b><u>113,347</u></b>
Fund Balances:				
Restricted	8,863	384,822	618,888	
Assigned				
Unassigned				
<b>Total fund balances (deficits)</b>	<b><u>8,863</u></b>	<b><u>384,822</u></b>	<b><u>618,888</u></b>	
<b>Total liabilities and fund balances</b>	<b><u>\$ 13,433</u></b>	<b><u>\$ 428,622</u></b>	<b><u>\$ 653,513</u></b>	<b><u>\$ 113,347</u></b>

Special Revenue Funds

AQMD Fund	Sewer Reconstruction Fund	TDA Article 3 Fund	Proposition 1B Fund	Parking District No. 1 Fund	Building and Safety Fund
\$ 50,089	\$ 90,849	\$ -	\$ 394,294	\$ -	\$ 8,882
18,610		1,368		698	
113	330		601		
<u>\$ 68,812</u>	<u>\$ 91,179</u>	<u>\$ 1,368</u>	<u>\$ 394,895</u>	<u>\$ 698</u>	<u>\$ 8,882</u>
\$ -	\$ -	\$ -	\$ 133,820	\$ 551	\$ 2,869
					6,013
		1,368		147	
		<u>1,368</u>	<u>133,820</u>	<u>698</u>	<u>8,882</u>
68,812	91,179		261,075		
<u>68,812</u>	<u>91,179</u>		<u>261,075</u>		
<u>\$ 68,812</u>	<u>\$ 91,179</u>	<u>\$ 1,368</u>	<u>\$ 394,895</u>	<u>\$ 698</u>	<u>\$ 8,882</u>

(Continued)

**CITY OF BELLFLOWER  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2011  
(Continued)**

	Special Revenue Funds			
	Public Arts Fund	CA-COPS Grant Fund	COG Position Fund	Traffic Relief Fund
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 50,949	\$ -	\$ -
Cash and investments with fiscal agents				
Accounts receivable - net		19,344	56,819	
Interest receivable		209		
Notes receivable				
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 70,502</b>	<b>\$ 56,819</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 13,268	\$ -	\$ -
Accrued expenditures			5,071	
Deposit payable				
Retention payable				
Due to other funds	51,578		51,748	
Deferred revenue				
Advances payable				
<b>Total Liabilities</b>	<b>51,578</b>	<b>13,268</b>	<b>56,819</b>	
Fund Balances:				
Restricted		57,234		
Assigned				
Unassigned	(51,578)			
<b>Total fund balances (deficits)</b>	<b>(51,578)</b>	<b>57,234</b>		
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 70,502</b>	<b>\$ 56,819</b>	<b>\$ -</b>

Special Revenue Funds

Public Facilities Fund	Park Facilities Fund	PEG Fund	JAG Fund	Measure R Fund	HUTA RTC 7360 Fund
\$ 56,824	\$ 175,698	\$ 181,329	\$ -	\$ 995,635	\$ 482,827
204	649	24,085		3,384	114,079 1,639
<u>\$ 57,028</u>	<u>\$ 176,347</u>	<u>\$ 205,414</u>	<u>\$ -</u>	<u>\$ 999,019</u>	<u>\$ 598,545</u>
\$ -	\$ -	\$ 8,645	\$ -	\$ 3,662 721	\$ 14,701 4,536
		8,645		7,343 11,726	19,237
57,028	176,347	196,769		987,293	579,308
<u>57,028</u>	<u>176,347</u>	<u>\$ 196,769</u>		<u>987,293</u>	<u>579,308</u>
<u>\$ 57,028</u>	<u>\$ 176,347</u>	<u>\$ 205,414</u>	<u>\$ -</u>	<u>\$ 999,019</u>	<u>\$ 598,545</u>

(Continued)

**CITY OF BELLFLOWER  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2011  
(Continued)**

	Debt Service Funds		Capital Projects Funds	
	Public Facilities Corporation Fund	Redevelopment Debt Service Fund	CDBG Fund	Grant Projects Fund
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 37,846	\$ 3,555	\$ 814,267
Cash and investments with fiscal agents		603,753		
Accounts receivable - net		206,192	69,460	643,686
Interest receivable		806		
Notes receivable			677,003	
Total assets	\$ -	\$ 848,597	\$ 750,018	\$ 1,457,953
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 6,745	\$ 63,613	\$ 246,854
Accrued expenditures			9,402	
Retention payable				885
Deposit payable				6,000
Due to other funds		237,341		
Deferred revenue			677,003	1,172,964
Total Liabilities		244,086	750,018	1,426,703
Fund Balances:				
Restricted		604,511		31,250
Assigned				
Unassigned				
Total fund balances (deficits)		604,511		31,250
Total liabilities and fund balances	\$ -	\$ 848,597	\$ 750,018	\$ 1,457,953

Capital Projects Funds

Redevelopment Agency Housing Fund	HOME Fund	Capital Projects/ Economic Development Fund	Totals
\$ 32,113	\$ 4,740	\$ 938,000	\$ 5,409,585
			603,753
189,644	14,696		1,472,028
1			11,816
<u>2,842,878</u>	<u>4,044,392</u>		<u>7,564,273</u>
<u>\$ 3,064,636</u>	<u>\$ 4,063,828</u>	<u>\$ 938,000</u>	<u>\$ 15,061,455</u>
\$ 5,579	\$ 18,087	\$ -	\$ 596,264
709	877		27,329
	472		6,482
			13,343
10,483			466,012
<u>2,842,878</u>	<u>4,044,392</u>		<u>8,737,237</u>
<u>2,859,649</u>	<u>4,063,828</u>		<u>9,846,667</u>
204,987			4,328,366
		938,000	938,000
			<u>(51,578)</u>
<u>204,987</u>		<u>938,000</u>	<u>5,214,788</u>
<u>\$ 3,064,636</u>	<u>\$ 4,063,828</u>	<u>\$ 938,000</u>	<u>\$ 15,061,455</u>

**CITY OF BELLFLOWER**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2011**

	Special Revenue Funds			
	Drug Forfeiture Fund	Transportation Fund	Proposition C Fund	Gas Tax Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits				
Investment earnings	153	2,065	5,240	
Charges for current services				
Intergovernmental revenue	29,373	1,044,029	867,873	1,173,933
Other revenues				
<b>Total revenues</b>	<u>29,526</u>	<u>1,046,094</u>	<u>873,113</u>	<u>1,173,933</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Public safety				
Public works		664,403	619,676	
Community development				
Capital outlay	38,082		81,819	
Debt service:				
Principal retirement				
Interest and other charges				
<b>Total expenditures</b>	<u>38,082</u>	<u>664,403</u>	<u>701,495</u>	
Excess of revenues over (under) expenditures	<u>(8,556)</u>	<u>381,691</u>	<u>171,618</u>	<u>1,173,933</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from refunding long term debt				
Payment to refunded debt escrow				
Transfers in				
Transfers out				(1,173,933)
<b>Total other financing sources (uses)</b>				<u>(1,173,933)</u>
<b>Net change in fund balances</b>	(8,556)	381,691	171,618	
Fund balances (deficits) - July 1, 2010	<u>17,419</u>	<u>3,131</u>	<u>447,270</u>	
Fund balances (deficits) - June 30, 2011	<u>\$ 8,863</u>	<u>\$ 384,822</u>	<u>\$ 618,888</u>	<u>\$ -</u>

Special Revenue Funds

AQMD Fund	Sewer Reconstruction Fund	TDA Article 3 Fund	Proposition 1B Fund	Parking District No. 1 Fund	Building and Safety Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
124	859		6,306		520,967
84,949		1,368		8,639	
	378				
<u>85,073</u>	<u>1,237</u>	<u>1,368</u>	<u>6,306</u>	<u>8,639</u>	<u>520,967</u>
				8,639	
30,489	14,575	1,368	646,458		687,955
<u>30,489</u>	<u>14,575</u>	<u>1,368</u>	<u>646,458</u>	<u>8,639</u>	<u>687,955</u>
54,584	(13,338)		(640,152)		(166,988)
					166,988
					<u>166,988</u>
54,584	(13,338)		(640,152)		
<u>14,228</u>	<u>104,517</u>		<u>901,227</u>		
<u>\$ 68,812</u>	<u>\$ 91,179</u>	<u>\$ -</u>	<u>\$ 261,075</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**CITY OF BELLFLOWER**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2011**  
**(Continued)**

	Special Revenue Funds			
	Public Arts Fund	CA-COPS Grant Fund	COG Position Fund	Traffic Relief Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits				
Investment earnings		356		1,810
Charges for current services	11,000			
Intergovernmental revenue		106,639		-
Other revenues	2,000		186,424	
<b>Total revenues</b>	<b>13,000</b>	<b>106,995</b>	<b>186,424</b>	<b>1,810</b>
<b>EXPENDITURES</b>				
Current:				
General government			186,424	
Public safety		64,930		
Public works				477,577
Community development				
Capital outlay	2,000			55,534
Debt service:				
Principal retirement				
Interest and other charges				
<b>Total expenditures</b>	<b>2,000</b>	<b>64,930</b>	<b>186,424</b>	<b>533,111</b>
Excess of revenues over (under) expenditures	11,000	42,065		(531,301)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from refunding long term debt				
Payment to refunded debt escrow				
Transfers in				
Transfers out				
<b>Total other financing sources (uses)</b>				
<b>Net change in fund balances</b>	<b>11,000</b>	<b>42,065</b>		<b>(531,301)</b>
Fund balances (deficits) - July 1, 2010	(62,578)	15,169		531,301
Fund balances (deficits) - June 30, 2011	<u>\$ (51,578)</u>	<u>\$ 57,234</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

Public Facilities Fund	Park Facilities Fund	PEG Fund	JAG Fund	Measure R Fund	HUTA RTC 7360 Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
479	1,527		161	6,529	1,767
6,889	25,533				
		91,767		647,307	733,882
<u>7,368</u>	<u>27,060</u>	<u>91,767</u>	<u>161</u>	<u>653,836</u>	<u>735,649</u>
				57,127	150,726
	6,868	14,544	37,749	100,843	5,615
	<u>6,868</u>	<u>14,544</u>	<u>37,749</u>	<u>157,970</u>	<u>156,341</u>
<u>7,368</u>	<u>20,192</u>	<u>77,223</u>	<u>(37,588)</u>	<u>495,866</u>	<u>579,308</u>
7,368	20,192	77,223	(37,588)	495,866	579,308
<u>49,660</u>	<u>156,155</u>	<u>119,546</u>	<u>37,588</u>	<u>491,427</u>	
<u>\$ 57,028</u>	<u>\$ 176,347</u>	<u>\$ 196,769</u>	<u>\$ -</u>	<u>\$ 987,293</u>	<u>\$ 579,308</u>

(Continued)

**CITY OF BELLFLOWER**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2011**  
**(Continued)**

	Debt Service Funds		Capital Projects Funds	
	Public Facilities Corporation Fund	Redevelopment Debt Service Fund	CDBG Fund	Grant Projects Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ 2,293,024	\$ -	\$ -
Licenses and permits		6,084		
Investment earnings				
Charges for current services				
Intergovernmental revenue			1,290,077	1,435,936
Other revenues			33,781	1,984
<b>Total revenues</b>	<u>-</u>	<u>2,299,108</u>	<u>1,323,858</u>	<u>1,437,920</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Public safety				
Public works				131,575
Community development		43,564	854,430	
Capital outlay			1,190	1,300,682
Debt service:				
Principal retirement	290,000	361,778	273,000	
Interest and other charges	109,643	2,791,312	317,538	
Debt issuance costs	58,326			
Pass-through payment		636,591		
<b>Total expenditures</b>	<u>457,969</u>	<u>3,833,245</u>	<u>1,446,158</u>	<u>1,432,257</u>
Excess of revenues over (under) expenditures	<u>(457,969)</u>	<u>(1,534,137)</u>	<u>(122,300)</u>	<u>5,663</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from refunding long term debt	3,495,000			
Payment to refunded debt escrow	(3,458,403)			
Transfers in	421,372	1,519,191	122,300	
Transfers out				
<b>Total other financing sources (uses)</b>	<u>457,969</u>	<u>1,519,191</u>	<u>122,300</u>	
<b>Net change in fund balances</b>		(14,946)		5,663
Fund balances (deficits) - July 1, 2010		619,457		25,587
Fund balances (deficits) - June 30, 2011	<u>\$ -</u>	<u>\$ 604,511</u>	<u>\$ -</u>	<u>\$ 31,250</u>

Capital Projects Funds

Redevelopment Agency Housing Fund	Home Fund	Capital Projects/ Economic Development Fund	Totals
\$ 573,256	\$ -	\$ -	\$ 2,866,280
138,096			520,967
			171,556
	980,922		52,061
11,250	34,979		8,488,055
<u>722,602</u>	<u>1,015,901</u>		<u>270,796</u>
			12,369,715
			186,424
			64,930
67,778	1,015,901		2,109,723
			2,669,628
			2,337,816
			924,778
			3,218,493
			58,326
			636,591
<u>67,778</u>	<u>1,015,901</u>		<u>12,206,709</u>
<u>654,824</u>			<u>163,006</u>
			3,495,000
			(3,458,403)
(142,747)		938,000	3,167,851
			(1,316,680)
<u>(142,747)</u>		<u>938,000</u>	<u>1,887,768</u>
512,077		938,000	2,050,774
<u>(307,090)</u>			<u>3,164,014</u>
<u>\$ 204,987</u>	<u>\$ -</u>	<u>\$ 938,000</u>	<u>\$ 5,214,788</u>

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Investment earnings	\$ 100	\$ 153	\$ 53
Intergovernmental revenue	1,000	29,373	28,373
Total revenues	<u>1,100</u>	<u>29,526</u>	<u>28,426</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>40,000</u>	<u>38,082</u>	<u>1,918</u>
Total expenditures	<u>40,000</u>	<u>38,082</u>	<u>1,918</u>
Net change in fund balance	(38,900)	(8,556)	30,344
Fund balance - July 1, 2010	<u>17,419</u>	<u>17,419</u>	
Fund balance - June 30, 2011	<u>\$ (21,481)</u>	<u>\$ 8,863</u>	<u>\$ 30,344</u>

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Investment earnings	\$ 500	\$ 2,065	\$ 1,565
Intergovernmental revenue	962,000	1,044,029	82,029
Total revenues	<u>962,500</u>	<u>1,046,094</u>	<u>83,594</u>
<b>EXPENDITURES</b>			
Current:			
Public works	791,208	664,403	126,805
Capital outlay			
Total expenditures	<u>791,208</u>	<u>664,403</u>	<u>126,805</u>
Net change in fund balance	171,292	381,691	210,399
Fund balance - July 1, 2010	<u>3,131</u>	<u>3,131</u>	
Fund balance - June 30, 2011	<u>\$ 174,423</u>	<u>\$ 384,822</u>	<u>\$ 210,399</u>

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Investment earnings	\$ 5,000	\$ 5,240	\$ 240
Intergovernmental revenue	798,000	867,873	69,873
Total revenues	<u>803,000</u>	<u>873,113</u>	<u>70,113</u>
<b>EXPENDITURES</b>			
Current:			
Public works	764,812	619,676	145,136
Capital outlay	432,500	81,819	350,681
Total expenditures	<u>1,197,312</u>	<u>701,495</u>	<u>495,817</u>
Net change in fund balance	(394,312)	171,618	565,930
Fund balance - July 1, 2010	<u>447,270</u>	<u>447,270</u>	
Fund balance - June 30, 2011	<u>\$ 52,958</u>	<u>\$ 618,888</u>	<u>\$ 565,930</u>

**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, 2011**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Intergovernmental revenue	\$ 1,184,700	\$ 1,173,933	\$ (10,767)
Total revenues	<u>1,184,700</u>	<u>1,173,933</u>	<u>(10,767)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(1,184,700)</u>	<u>(1,173,933)</u>	<u>10,767</u>
Total other financing sources (uses)	<u>(1,184,700)</u>	<u>(1,173,933)</u>	<u>10,767</u>
Net change in fund balance			
Fund balance - July 1, 2010	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund balance - June 30, 2011	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	\$ 500	\$ 124	\$ (376)
Intergovernmental revenue	89,700	84,949	(4,751)
Total revenues	<u>90,200</u>	<u>85,073</u>	<u>(5,127)</u>
EXPENDITURES			
Capital outlay	<u>78,500</u>	<u>30,489</u>	<u>48,011</u>
Total expenditures	<u>78,500</u>	<u>30,489</u>	<u>48,011</u>
Net change in fund balance	11,700	54,584	42,884
Fund balance - July 1, 2010	<u>14,228</u>	<u>14,228</u>	
Fund balance - June 30, 2011	<u>\$ 25,928</u>	<u>\$ 68,812</u>	<u>\$ 42,884</u>

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Investment earnings	\$ 100	\$ 859	\$ 759
Other revenues	300	378	78
Total revenues	400	1,237	837
<b>EXPENDITURES</b>			
Capital outlay	62,978	14,575	48,403
Total expenditures	62,978	14,575	48,403
Net change in fund balance	(62,578)	(13,338)	49,240
Fund balance - July 1, 2010	104,517	104,517	
Fund balance - June 30, 2011	\$ 41,939	\$ 91,179	\$ 49,240

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenue	\$ 97,096	\$ 1,368	\$ (95,728)
Total revenues	<u>97,096</u>	<u>1,368</u>	<u>(95,728)</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>97,096</u>	<u>1,368</u>	<u>95,728</u>
Total expenditures	<u>97,096</u>	<u>1,368</u>	<u>95,728</u>
Net change in fund balance			
Fund balance - July 1, 2010	<u>          </u>	<u>          </u>	<u>          </u>
Fund balance - June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	\$ -	\$ 6,306	\$ 6,306
Total revenues	<u>                    </u>	<u>6,306</u>	<u>6,306</u>
EXPENDITURES			
Capital outlay	<u>854,645</u>	<u>646,458</u>	<u>208,187</u>
Total expenditures	<u>854,645</u>	<u>646,458</u>	<u>208,187</u>
Net change in fund balance	(854,645)	(640,152)	214,493
Fund balance - July 1, 2010	<u>901,227</u>	<u>901,227</u>	<u>                    </u>
Fund balance - June 30, 2011	<u>\$ 46,582</u>	<u>\$ 261,075</u>	<u>\$ 214,493</u>

**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, 2011**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Charges for current services	\$ 8,000	\$ 8,639	\$ 639
Total revenues	<u>8,000</u>	<u>8,639</u>	<u>639</u>
<b>EXPENDITURES</b>			
Current:			
Public works	<u>15,590</u>	<u>8,639</u>	<u>6,951</u>
Total expenditures	<u>15,590</u>	<u>8,639</u>	<u>6,951</u>
Excess of revenues over (under) expenditures	<u>(7,590)</u>	<u></u>	<u>7,590</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>7,590</u>	<u></u>	<u>(7,590)</u>
Total other financing sources	<u>7,590</u>	<u></u>	<u>(7,590)</u>
Net change in fund balance			
Fund balance - July 1, 2010	<u></u>	<u></u>	<u></u>
Fund balance - June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2011**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Licenses and permits	\$ 377,800	\$ 520,967	\$ 143,167
Total revenues	<u>377,800</u>	<u>520,967</u>	<u>143,167</u>
<b>EXPENDITURES</b>			
Current:			
Community development	<u>650,144</u>	<u>687,955</u>	<u>(37,811)</u>
Total expenditures	<u>650,144</u>	<u>687,955</u>	<u>(37,811)</u>
Excess of revenues over (under) expenditures	<u>(272,344)</u>	<u>(166,988)</u>	<u>105,356</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>225,344</u>	<u>166,988</u>	<u>(58,356)</u>
Total other financing sources	<u>225,344</u>	<u>166,988</u>	<u>(58,356)</u>
Net change in fund balance	(47,000)		47,000
Fund balance - July 1, 2010	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund balance - June 30, 2011	<u>\$ (47,000)</u>	<u>\$ -</u>	<u>\$ 47,000</u>

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Investment earnings	\$ 2,000	\$ -	\$ (2,000)
Charges for current services	20,000	11,000	(9,000)
Other revenues	2,000	2,000	2,000
Total revenues	<u>22,000</u>	<u>13,000</u>	<u>(9,000)</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>2,000</u>	<u>2,000</u>	
Total expenditures	<u>2,000</u>	<u>2,000</u>	
Net change in fund balance	20,000	11,000	(9,000)
Fund balance (deficit) - July 1, 2010	<u>(62,578)</u>	<u>(62,578)</u>	
Fund balance (deficit) - June 30, 2011	<u><u>\$ (42,578)</u></u>	<u><u>\$ (51,578)</u></u>	<u><u>\$ (9,000)</u></u>

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Investment earnings	\$ 100	\$ 356	\$ 256
Intergovernmental revenue	100,000	106,639	6,639
Total revenues	<u>100,100</u>	<u>106,995</u>	<u>6,895</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	<u>88,500</u>	<u>64,930</u>	<u>23,570</u>
Total expenditures	<u>88,500</u>	<u>64,930</u>	<u>23,570</u>
Net change in fund balance	11,600	42,065	30,465
Fund balance - July 1, 2010	<u>15,169</u>	<u>15,169</u>	
Fund balance - June 30, 2011	<u><u>\$ 26,769</u></u>	<u><u>\$ 57,234</u></u>	<u><u>\$ 30,465</u></u>

**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, 2011**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Other revenues	\$ 190,720	\$ 186,424	\$ (4,296)
Total revenues	<u>190,720</u>	<u>186,424</u>	<u>(4,296)</u>
EXPENDITURES			
Current:			
General government	<u>186,424</u>	<u>186,424</u>	
Total expenditures	<u>186,424</u>	<u>186,424</u>	
Net change in fund balance	4,296		(4,296)
Fund balance - July 1, 2010			
Fund balance - June 30, 2011	<u>\$ 4,296</u>	<u>\$ -</u>	<u>\$ (4,296)</u>

**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, 2011**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Investment earnings	\$ 5,000	\$ 1,810	\$ (3,190)
Total revenues	<u>5,000</u>	<u>1,810</u>	<u>(3,190)</u>
EXPENDITURES			
Current:			
Public works	300,000	477,577	(177,577)
Capital outlay	<u>236,300</u>	<u>55,534</u>	<u>180,766</u>
Total expenditures	<u>536,300</u>	<u>533,111</u>	<u>3,189</u>
Net change in fund balance	(531,300)	(531,301)	(1)
Fund balance - July 1, 2010	<u>531,301</u>	<u>531,301</u>	<u></u>
Fund balance - June 30, 2011	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Investment earnings	\$ 600	\$ 479	\$ (121)
Charges for current services	6,500	6,889	389
Total revenues	7,100	7,368	268
Net change in fund balance	7,100	7,368	268
Fund balance - July 1, 2010	49,660	49,660	
Fund balance - June 30, 2011	\$ 56,760	\$ 57,028	\$ 268

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Investment earnings	\$ 3,400	\$ 1,527	\$ (1,873)
Charges for current services	40,000	25,533	(14,467)
Total revenues	43,400	27,060	(16,340)
<b>EXPENDITURES</b>			
Capital outlay	134,198	6,868	127,330
Total expenditures	134,198	6,868	127,330
Net change in fund balance	(90,798)	20,192	110,990
Fund balance - July 1, 2010	156,155	156,155	
Fund balance - June 30, 2011	\$ 65,357	\$ 176,347	\$ 110,990

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenue	\$ 77,200	\$ 91,767	\$ 14,567
Total revenues	<u>77,200</u>	<u>91,767</u>	<u>14,567</u>
EXPENDITURES			
Capital outlay	<u>36,188</u>	<u>14,544</u>	<u>21,644</u>
Net change in fund balance	41,012	77,223	36,211
Fund balance - July 1, 2010	<u>119,546</u>	<u>119,546</u>	
Fund balance - June 30, 2011	<u>\$ 160,558</u>	<u>\$ 196,769</u>	<u>\$ 36,211</u>

**CITY OF BELLFLOWER**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**JAG RECOVERY SPECIAL REVENUE FUND**  
**For the Fiscal Year Ended June 30, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 161	\$ 161
Total revenues	<u>                    </u>	<u>                    161</u>	<u>                    161</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	15,000		15,000
Capital outlay	<u>50,000</u>	<u>37,749</u>	<u>12,251</u>
Total expenditures	<u>65,000</u>	<u>37,749</u>	<u>27,251</u>
Net change in fund balance	(65,000)	(37,588)	27,412
Fund balance - July 1, 2010	<u>37,588</u>	<u>37,588</u>	<u>                    </u>
Fund balance - June 30, 2011	<u>\$ (27,412)</u>	<u>\$ -</u>	<u>\$ 27,412</u>

**CITY OF BELLFLOWER**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**MEASURE R SPECIAL REVENUE FUND**  
**For the Fiscal Year Ended June 30, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Investment earnings	\$ 5,000	\$ 6,529	\$ 1,529
Intergovernmental revenue	<u>677,000</u>	<u>647,307</u>	<u>(29,693)</u>
Total revenues	<u>682,000</u>	<u>653,836</u>	<u>(28,164)</u>
<b>EXPENDITURES</b>			
Current:			
Public works	136,875	57,127	79,748
Capital outlay	<u>349,657</u>	<u>100,843</u>	<u>248,814</u>
Total expenditures	<u>486,532</u>	<u>157,970</u>	<u>328,562</u>
Excess of revenues over (under) expenditures	<u>195,468</u>	<u>495,866</u>	<u>300,398</u>
Net change in fund balance	195,468	495,866	300,398
Fund balance - July 1, 2010	<u>491,427</u>	<u>491,427</u>	
Fund balance - June 30, 2011	<u>\$ 686,895</u>	<u>\$ 987,293</u>	<u>\$ 300,398</u>

**CITY OF BELLFLOWER**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**HUTA RTC 7360 SPECIAL REVENUE FUND**  
**For the Fiscal Year Ended June 30, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 1,767	\$ 1,767
Intergovernmental revenue	772,000	733,882	(38,118)
Total revenues	<u>772,000</u>	<u>735,649</u>	<u>(36,351)</u>
<b>EXPENDITURES</b>			
Current:			
Public works	217,000	150,726	66,274
Capital outlay	373,000	5,615	367,385
Total expenditures	<u>590,000</u>	<u>156,341</u>	<u>433,659</u>
Excess of revenues over (under) expenditures	<u>182,000</u>	<u>579,308</u>	<u>397,308</u>
Net change in fund balance	182,000	579,308	397,308
Fund balance - July 1, 2010	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund balance - June 30, 2011	<u>\$ 182,000</u>	<u>\$ 579,308</u>	<u>\$ 397,308</u>

**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, 2011**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment earnings	\$ 10	\$ -	\$ (10)
Total revenues	<u>10</u>	<u></u>	<u>(10)</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	290,000	290,000	
Interest and other charges	109,643	109,643	
Debt issuance costs	<u>58,326</u>	<u>58,326</u>	
Total expenditures	<u>457,969</u>	<u>457,969</u>	
Excess of revenues over (under) expenditures	<u>(457,959)</u>	<u>(457,969)</u>	<u>(10)</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from refunding long-term debt	3,495,000	3,495,000	
Payments to refunded debt escrow agent	(3,458,403)	(3,458,403)	
Transfers in	<u>421,372</u>	<u>421,372</u>	
Total other financing sources	<u>457,969</u>	<u>457,969</u>	
Net change in fund balance	10		(10)
Fund balance - July 1, 2010	<u></u>	<u></u>	<u></u>
Fund balance - June 30, 2011	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ (10)</u>

**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, 2011**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ 1,980,000	\$ 2,293,024	\$ 313,024
Investment earnings	<u>12,000</u>	<u>6,084</u>	<u>(5,916)</u>
Total revenues	<u>1,992,000</u>	<u>2,299,108</u>	<u>307,108</u>
<b>EXPENDITURES</b>			
Current:			
Community development	34,000	43,564	(9,564)
Debt service:			
Principal retirement	361,778	361,778	
Interest and other charges	3,507,520	2,791,312	716,208
Pass-through payments	<u>625,960</u>	<u>636,591</u>	<u>(10,631)</u>
Total expenditures	<u>4,529,258</u>	<u>3,833,245</u>	<u>696,013</u>
Excess of revenues over (under) expenditures	<u>(2,537,258)</u>	<u>(1,534,137)</u>	<u>1,003,121</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>2,537,258</u>	<u>1,519,191</u>	<u>(1,018,067)</u>
Total other financing sources	<u>2,537,258</u>	<u>1,519,191</u>	<u>(1,018,067)</u>
Net change in fund balance		(14,946)	(14,946)
Fund balance - July 1, 2010	<u>619,457</u>	<u>619,457</u>	
Fund balance - June 30, 2011	<u>\$ 619,457</u>	<u>\$ 604,511</u>	<u>\$ (14,946)</u>

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenue	\$ 1,298,007	\$ 1,290,077	\$ (7,930)
Other revenues	3,300	33,781	30,481
Total revenues	1,301,307	1,323,858	22,551
<b>EXPENDITURES</b>			
Current:			
Community development	807,535	854,430	(46,895)
Capital outlay	9,120	1,190	7,930
Debt service:			
Principal retirement	273,000	273,000	
Interest and other charges	317,539	317,538	1
Total expenditures	1,407,194	1,446,158	(38,964)
Excess of revenues over (under) expenditures	(105,887)	(122,300)	(16,413)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	105,887	122,300	16,413
Total other financing sources	105,887	122,300	16,413
Net change in fund balance			
Fund balance - July 1, 2010			
Fund balance - June 30, 2011	\$ -	\$ -	\$ -

**CITY OF BELLFLOWER**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GRANT PROJECTS FUND**  
**For the Fiscal Year Ended June 30, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenue	\$ 9,535,756	\$ 1,435,936	\$ (8,099,820)
Other revenues	1,984	1,984	
Total revenues	9,537,740	1,437,920	(8,099,820)
<b>EXPENDITURES</b>			
Current:			
Public works	131,575	131,575	
Capital outlay	9,404,181	1,300,682	8,103,499
Total expenditures	9,535,756	1,432,257	8,103,499
Net change in fund balance	1,984	5,663	3,679
Fund balance - July 1, 2010	25,587	25,587	
Fund balance - June 30, 2011	\$ 27,571	\$ 31,250	\$ 3,679

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 500,000	\$ 573,256	\$ 73,256
Investment earnings	20,000	138,096	118,096
Other revenues	11,250	11,250	
Total revenues	<u>531,250</u>	<u>722,602</u>	<u>191,352</u>
<b>EXPENDITURES</b>			
Current:			
Community development	<u>82,704</u>	<u>67,778</u>	<u>14,926</u>
Total expenditures	<u>82,704</u>	<u>67,778</u>	<u>14,926</u>
Excess of revenues over (under) expenditures	<u>448,546</u>	<u>654,824</u>	<u>206,278</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>117,517</u>	<u>(142,747)</u>	<u>(260,264)</u>
Total other financing sources (uses)	<u>117,517</u>	<u>(142,747)</u>	<u>(260,264)</u>
Net change in fund balance	566,063	512,077	(53,986)
Fund balance (deficit) - July 1, 2010	<u>(307,090)</u>	<u>(307,090)</u>	
Fund balance - June 30, 2011	<u>\$ 258,973</u>	<u>\$ 204,987</u>	<u>\$ (53,986)</u>

**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, 2011**

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenue	\$ 1,692,470	\$ 980,922	\$ (711,548)
Other revenues	100	34,979	34,879
Total revenues	<u>1,692,570</u>	<u>1,015,901</u>	<u>(676,669)</u>
<b>EXPENDITURES</b>			
Current:			
Community development	<u>1,692,570</u>	<u>1,015,901</u>	<u>676,669</u>
Total expenditures	<u>1,692,570</u>	<u>1,015,901</u>	<u>676,669</u>
Net change in fund balance			
Fund balance - July 1, 2010	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund balance - June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF BELLFLOWER**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS/ECONOMIC DEVELOPMENT CAPITAL PROJECTS FUND**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 938,000	\$ 938,000	\$ -
Total other financing sources (uses)	<u>938,000</u>	<u>938,000</u>	
Net change in fund balance	938,000	938,000	
Fund balance - July 1, 2010	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund balance - June 30, 2011	<u>\$ 938,000</u>	<u>\$ 938,000</u>	<u>\$ -</u>

**CITY OF BELLFLOWER  
 FIDUCIARY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 For the Fiscal Year Ended June 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<b><u>Agency Fund</u></b>				
Assets:				
Cash and investments	\$ 661,511	\$ 91,450	\$ -	\$ 752,961
Liabilities:				
Deposits payable	\$ 661,511	\$ 91,450	\$ -	\$ 752,961



**STATISTICAL SECTION  
(UNAUDITED)**



## STATISTICAL SECTION

	<u>Pages</u>
<i>Financial Trends</i> – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	130 - 139
<i>Revenue Capacity</i> – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	140 - 143
<i>Debt Capacity</i> – 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.	144 - 149
<i>Demographic and Economic Information</i> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	150 - 151
<i>Operating Information</i> – 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.	152 - 156

# CITY OF BELLFLOWER

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

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>
Governmental activities:			
Invested in capital assets, net of related debt	\$ 38,999,300	\$ 36,578,312	\$ 33,770,883
Restricted	16,507,823	13,405,884	13,727,607
Unrestricted	<u>15,408,558</u>	<u>15,789,002</u>	<u>14,313,070</u>
Total governmental activities net assets	<u>\$ 70,915,681</u>	<u>\$ 65,773,198</u>	<u>\$ 61,811,560</u>
Business-type activities:			
Invested in capital assets, net of related debt	\$ 7,503,198	\$ 6,986,494	\$ 6,305,692
Restricted		991,719	-
Unrestricted	<u>(7,885,342)</u>	<u>(8,548,992)</u>	<u>(7,020,762)</u>
Total business-type activities net assets	<u>\$ (382,144)</u>	<u>\$ (570,779)</u>	<u>\$ (715,070)</u>
Primary government:			
Invested in capital assets, net of related debt	\$ 46,502,498	\$ 43,564,806	\$ 40,076,575
Restricted	16,507,823	14,397,603	13,727,607
Unrestricted	<u>7,523,216</u>	<u>7,240,010</u>	<u>7,292,308</u>
Total primary government net assets	<u>\$ 70,533,537</u>	<u>\$ 65,202,419</u>	<u>\$ 61,096,490</u>

*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.*

Note: Amounts for governmental activities for FY 2008-09 restated.

Source: City Finance Department

<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>
\$ 34,454,767	\$ 28,032,957	\$ 22,594,651	\$ 14,706,513	\$ 10,751,912	\$ 18,597,924
5,144,724	5,797,645	7,890,144	10,033,611	14,510,268	4,758,956
<u>23,197,638</u>	<u>23,640,310</u>	<u>20,901,096</u>	<u>21,643,482</u>	<u>17,575,155</u>	<u>17,225,057</u>
<u>\$ 62,797,129</u>	<u>\$ 57,470,912</u>	<u>\$ 51,385,891</u>	<u>\$ 46,383,606</u>	<u>\$ 42,837,335</u>	<u>\$ 40,581,937</u>
\$ 6,115,154	\$ 6,171,974	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>(6,699,586)</u>	<u>(6,453,055)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (584,432)</u>	<u>\$ (281,081)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 40,569,921	\$ 34,204,931	\$ 22,594,651	\$ 14,706,513	\$ 10,751,912	\$ 18,597,924
5,144,724	5,797,645	7,890,144	10,033,611	14,510,268	4,758,956
<u>16,498,052</u>	<u>17,187,255</u>	<u>20,901,096</u>	<u>21,643,482</u>	<u>17,575,155</u>	<u>17,225,057</u>
<u>\$ 62,212,697</u>	<u>\$ 57,189,831</u>	<u>\$ 51,385,891</u>	<u>\$ 46,383,606</u>	<u>\$ 42,837,335</u>	<u>\$ 40,581,937</u>

# CITY OF BELLFLOWER

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

	2010-11	2009-10	2008-09
<b>Expenses:</b>			
Governmental activities:			
General government	\$ 3,719,558	\$ 3,651,270	\$ 4,016,741
Public safety	10,325,791	10,303,163	10,465,437
Public works	8,151,419	8,720,389	8,534,387
Community development	4,876,131	3,761,972	7,795,755
Parks and recreation	1,938,080	2,187,622	2,880,923
Interest on long-term debt	3,644,737	3,617,692	1,370,074
Total governmental activities expenses	<u>32,655,716</u>	<u>32,242,108</u>	<u>35,063,317</u>
Business-type activities:			
Water	1,290,882	1,317,455	1,423,016
Interest on long-term debt	-	412,027	-
Total business-type activities expenses	<u>1,290,882</u>	<u>1,729,482</u>	<u>1,423,016</u>
Total primary government expenses	<u>\$ 33,946,598</u>	<u>\$ 33,971,590</u>	<u>\$ 36,486,333</u>
<b>Program revenues:</b>			
Governmental activities:			
Charges for services:			
Public safety	1,813,859	2,082,459	1,792,240
Public works	154,069	119,975	378,031
Community development	915,134	665,881	533,292
Parks and recreation	294,005	305,658	578,768
Operating contributions and grants	6,719,028	6,116,197	5,124,970
Capital contributions and grants	1,995,701	2,276,280	1,866,525
Total governmental activities program revenues	<u>11,891,796</u>	<u>11,566,450</u>	<u>10,273,826</u>
Business-type activities:			
Charges for services:			
Water	1,463,718	1,441,351	1,471,959
Operating contributions and grants	-	-	-
Capital contributions and grants	376,485	392,093	2,222
Total business-type activities program revenues	<u>1,840,203</u>	<u>1,833,444</u>	<u>1,474,181</u>
Total primary government program revenues	<u>\$ 13,731,999</u>	<u>\$ 13,399,894</u>	<u>\$ 11,748,007</u>
<b>Net revenues (expenses):</b>			
Governmental activities	\$ (20,763,920)	\$ (20,675,658)	\$ (24,789,491)
Business-type activities	549,321	103,962	51,165
Total Primary government net expenses	<u>\$ (20,214,599)</u>	<u>\$ (20,571,696)</u>	<u>\$ (24,738,326)</u>

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

Note: Community development expenses for FY 2008-09 restated.

Source: City Finance Department

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
\$	4,673,647	\$ 4,684,334	\$ 4,190,022	\$ 4,251,643	\$ 3,314,466	\$ 3,842,068
	9,830,279	9,466,438	8,931,846	8,505,491	8,329,356	8,392,745
	8,561,074	7,955,725	8,134,862	7,655,727	6,967,996	6,017,861
	4,737,554	4,154,709	4,666,591	3,763,743	4,307,424	3,879,185
	3,422,450	2,888,491	2,690,337	2,644,966	2,599,166	2,629,115
	1,082,459	1,106,344	1,130,336	1,149,420	460,854	460,005
	<u>32,307,463</u>	<u>30,256,041</u>	<u>29,743,994</u>	<u>27,970,990</u>	<u>25,979,262</u>	<u>25,220,979</u>
	1,886,301	722,246	-	-	-	-
	-	-	-	-	-	-
	<u>1,886,301</u>	<u>722,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>\$ 34,193,764</u>	<u>\$ 30,978,287</u>	<u>\$ 29,743,994</u>	<u>\$ 27,970,990</u>	<u>\$ 25,979,262</u>	<u>\$ 25,220,979</u>
	1,696,289	1,748,090	1,734,648	1,506,526	1,588,548	1,014,482
	634,813	575,015	176,980	286,347	111,191	80,880
	561,831	888,645	936,430	741,302	559,775	481,466
	711,744	617,406	504,394	497,670	445,630	455,731
	7,787,002	6,026,064	7,242,195	5,647,748	6,326,966	5,025,451
	2,013,500	1,211,344	1,269,027	969,623	705,282	1,705,501
	<u>13,405,179</u>	<u>11,066,564</u>	<u>11,863,674</u>	<u>9,649,216</u>	<u>9,737,392</u>	<u>8,763,511</u>
	1,489,421	422,677	-	-	-	-
	-	-	-	-	-	-
	35,548	-	-	-	-	-
	<u>1,524,969</u>	<u>422,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>\$ 14,930,148</u>	<u>\$ 11,489,241</u>	<u>\$ 11,863,674</u>	<u>\$ 9,649,216</u>	<u>\$ 9,737,392</u>	<u>\$ 8,763,511</u>
\$	(18,902,284)	\$ (19,189,477)	\$ (17,880,320)	\$ (18,321,774)	\$ (16,241,870)	\$ (16,457,468)
	(361,332)	(299,569)	-	-	-	-
\$	<u>\$ (19,263,616)</u>	<u>\$ (19,489,046)</u>	<u>\$ (17,880,320)</u>	<u>\$ (18,321,774)</u>	<u>\$ (16,241,870)</u>	<u>\$ (16,457,468)</u>

Continued

# CITY OF BELLFLOWER

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

	2010-11	2009-10	2008-09
General revenues and other changes in net assets:			
Governmental activities:			
Taxes:			
Sales taxes	\$ 4,323,155	\$ 4,491,686	\$ 4,074,112
Property taxes	4,647,638	3,784,401	4,259,838
Property taxes in lieu of VLF	6,130,178	6,099,840	6,408,704
Franchise taxes	1,447,478	1,410,399	1,517,568
Utility users taxes	3,856,436	4,037,569	4,118,981
Transient occupancy taxes	443,966	450,715	514,825
Business license taxes	588,495	659,970	601,787
Property transfer taxes	112,740	114,075	101,339
Intergovernmental - unrestricted:			
Motor vehicle in lieu	354,854	227,345	263,401
State Mandated Cost	42,374	-	-
Earnings on investments	2,907,072	2,943,647	1,151,930
Miscellaneous	669,986	425,759	506,782
Gain on sale of property	-	1,229	-
Transfers	382,031	(9,339)	284,655
Total governmental activities	<u>\$ 25,906,403</u>	<u>\$ 24,637,296</u>	<u>23,803,922</u>
Business-type activities			
Earnings on investments	1,490	11,500	102,852
Miscellaneous	19,855	19,490	-
Transfers	(382,031)	9,339	(284,655)
Total business-type activities	<u>(360,686)</u>	<u>40,329</u>	<u>(181,803)</u>
Total primary government	<u>\$ 25,545,717</u>	<u>\$ 24,677,625</u>	<u>\$ 23,622,119</u>
Changes in net assets			
Governmental activities	\$ 5,142,483	\$ 3,961,638	\$ (985,569)
Business-type activities	188,635	144,291	(130,638)
Total primary government	<u>5,331,118</u>	<u>4,105,929</u>	<u>(1,116,207)</u>
Net assets- July 1	\$ 65,202,419	\$ 61,096,490	62,212,697
Prior period adjustments	-	-	-
	<u>\$ 65,202,419</u>	<u>\$ 61,096,490</u>	<u>62,212,697</u>
Net assets- June 30	<u>\$ 70,533,537</u>	<u>\$ 65,202,419</u>	<u>\$ 61,096,490</u>

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

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
\$	4,864,723	\$ 5,492,016	\$ 5,623,126	\$ 5,126,776	\$ 5,366,684	\$ 5,367,504
	4,630,983	4,378,690	4,092,921	3,408,915	2,918,170	2,586,027
	6,089,921	5,568,084	4,551,129	3,786,400	-	-
	1,536,573	1,355,987	1,403,431	1,318,757	1,298,670	1,254,579
	4,057,482	4,029,961	3,935,990	3,748,243	3,358,180	3,239,040
	579,635	603,016	584,975	520,290	518,838	499,837
	515,903	591,004	518,358	501,369	503,318	481,278
	127,741	223,963	239,878	252,189	213,839	153,101
	343,552	418,679	534,255	2,264,037	3,476,915	4,516,754
	-	-	-	-	-	-
	1,027,148	830,394	556,572	352,426	219,649	317,933
	457,785	1,752,791	841,970	588,643	623,005	484,302
	-	-	-	-	-	-
	(2,944)	-	-	-	-	-
	24,228,502	25,244,585	22,882,605	21,868,045	18,497,268	18,900,355
	63,741	18,486	-	-	-	-
	(8,704)	2	-	-	-	-
	2,944	-	-	-	-	-
	57,981	18,488	-	-	-	-
\$	24,286,483	\$ 25,263,073	\$ 22,882,605	\$ 21,868,045	\$ 18,497,268	\$ 18,900,355
\$	5,326,218	\$ 6,055,108	\$ 5,002,285	\$ 3,546,271	\$ 2,255,398	\$ 2,442,887
	(303,351)	(281,081)	-	-	-	-
	5,022,867	5,774,027	5,002,285	3,546,271	2,255,398	2,442,887
	57,189,830	51,385,891	46,383,606	42,837,335	40,581,937	38,139,050
	-	29,912	-	-	-	-
	57,189,830	51,415,803	46,383,606	42,837,335	40,581,937	38,139,050
\$	62,212,697	\$ 57,189,830	\$ 51,385,891	\$ 46,383,606	\$ 42,837,335	\$ 40,581,937

# CITY OF BELLFLOWER

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

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>
General fund:			
Reserved	\$ -	\$ 12,383,616	\$ 10,468,690
Unreserved	-	15,085,456	15,232,621
Nonspendable	12,362,490	-	-
Unassigned	15,735,669	-	-
Total general fund	<u>\$ 28,098,159</u>	<u>\$ 27,469,072</u>	<u>\$ 25,701,311</u>
All other governmental funds:			
Reserved	\$ -	\$ 8,875,952	\$ 8,855,703
Unreserved, reported in:			
Special revenue funds	-	2,888,638	3,327,694
Capital projects funds	-	(17,837,466)	(14,885,202)
Nonspendable	7,555,181	-	-
Restricted	4,895,041	-	-
Assigned	938,000	-	-
Unassigned	(19,976,488)	-	-
Total all other governmental funds	<u>\$ (6,588,266)</u>	<u>\$ (6,072,876)</u>	<u>\$ (2,701,805)</u>
Total general and other governmental funds	<u>\$ 21,509,893</u>	<u>\$ 21,396,196</u>	<u>\$ 22,999,506</u>

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

In fiscal year 2010-11, City of Bellflower classified fund balances in compliance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Source: City Finance Department

<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>
\$ 14,987,982	\$ 14,514,961	\$ 10,284,180	\$ 5,808,367	\$ 2,970,580	\$ 1,897,237
11,198,992	11,537,788	12,106,940	14,728,727	13,816,303	13,662,445
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 26,186,974</u>	<u>\$ 26,052,749</u>	<u>\$ 22,391,120</u>	<u>\$ 20,537,094</u>	<u>\$ 16,786,883</u>	<u>\$ 15,559,682</u>
\$ 1,366,764	\$ 1,721,800	\$ 1,498,046	\$ 1,379,715	\$ 1,781,629	\$ 216,111
3,254,679	2,446,988	1,892,825	1,672,152	1,649,405	2,242,222
(12,246,593)	(9,091,439)	(3,765,274)	2,481,605	6,812,177	(1,841,764)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (7,625,150)</u>	<u>\$ (4,922,651)</u>	<u>\$ (374,403)</u>	<u>\$ 5,533,472</u>	<u>\$ 10,243,211</u>	<u>\$ 616,569</u>
<u>\$ 18,561,824</u>	<u>\$ 21,130,098</u>	<u>\$ 22,016,717</u>	<u>\$ 26,070,566</u>	<u>\$ 27,030,094</u>	<u>\$ 16,176,251</u>

# CITY OF BELLFLOWER

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

	2010-11	2009-10	2008-09
<b>Revenues:</b>			
Taxes	\$ 22,390,173	\$ 22,136,199	\$ 22,101,270
Licenses and permits	572,062	452,082	464,381
Fines, forfeitures and penalties	1,686,089	1,911,150	1,666,020
Investment income	590,299	906,481	930,809
Charges for current services	927,555	818,787	1,012,328
Intergovernmental	9,100,956	8,608,657	7,334,737
Other	760,494	531,220	675,210
Total revenues	<u>36,027,628</u>	<u>35,364,576</u>	<u>34,184,755</u>
<b>Expenditures</b>			
<b>Current:</b>			
General government	3,479,042	3,375,676	4,011,397
Public safety	10,236,155	10,209,735	10,449,205
Public works	7,592,448	8,100,735	8,151,096
Community development	4,937,757	4,324,935	6,518,256
Parks and recreation	1,633,907	1,804,542	2,576,285
Capital outlay	3,078,443	3,562,332	3,513,599
<b>Debt service:</b>			
Principal retirement	1,059,778	881,520	673,361
Interest and fiscal charges	3,620,112	3,448,658	2,944,340
Debt issuance costs	58,326	-	-
Pass-through payments	636,591	1,257,353	450,973
Total expenditures	<u>36,332,559</u>	<u>36,965,486</u>	<u>39,288,512</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(304,931)</u>	<u>(1,600,910)</u>	<u>(5,103,757)</u>
<b>Other financing sources (uses):</b>			
Proceeds from issuance of long term debt	3,495,000	-	9,255,000
Payment to refunded debt escrow	(3,458,403)	-	-
Proceeds on sale of property	-	6,939	1,784
Original issuance discount	-	-	-
Transfers in	4,739,433	4,018,221	4,221,886
Transfers out	(4,357,402)	(4,027,560)	(3,937,231)
Total other financing sources (uses)	<u>418,628</u>	<u>(2,400)</u>	<u>9,541,439</u>
Net change in fund balances	<u>\$ 113,697</u>	<u>\$ (1,603,310)</u>	<u>\$ 4,437,682</u>
Debt service as a percentage of noncapital expenditures	14.25%	12.96%	10.11%

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

Source: City Finance Department

2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
\$ 22,016,119	\$ 21,686,876	\$ 20,932,778	\$ 18,695,357	\$ 14,386,007	\$ 13,434,204
987,878	1,374,588	717,457	666,283	525,931	454,720
1,601,565	1,652,801	1,627,310	1,450,200	1,526,371	953,120
1,122,760	1,442,451	1,237,932	1,963,553	1,060,975	1,160,279
1,667,612	1,517,594	994,934	896,682	637,601	610,335
9,227,030	7,060,444	8,424,480	8,341,439	10,376,260	10,704,674
775,340	1,227,621	1,927,505	373,128	600,214	727,449
<u>37,398,304</u>	<u>35,962,375</u>	<u>35,862,396</u>	<u>32,386,642</u>	<u>29,113,359</u>	<u>28,044,781</u>
4,465,318	4,417,204	4,000,618	3,776,426	2,844,794	2,994,450
9,628,337	9,391,867	8,890,397	8,505,120	8,298,283	8,361,304
8,090,059	7,252,435	6,988,181	6,744,422	6,304,721	5,598,487
4,373,346	3,724,641	4,320,677	4,101,851	4,391,298	3,784,808
2,913,410	2,659,799	2,455,222	2,497,559	2,409,121	2,446,395
7,384,859	6,553,988	10,801,152	5,642,889	5,078,293	4,048,727
618,654	607,013	598,519	487,315	278,090	275,000
2,438,881	2,194,586	1,820,663	1,766,409	448,609	452,960
-	-	-	2,478	536,803	-
50,770	47,461	40,816	32,418	28,548	23,802
<u>39,963,634</u>	<u>36,848,994</u>	<u>39,916,245</u>	<u>33,556,887</u>	<u>30,618,560</u>	<u>27,985,933</u>
<u>(2,565,330)</u>	<u>(886,619)</u>	<u>(4,053,849)</u>	<u>(1,170,245)</u>	<u>(1,505,201)</u>	<u>58,848</u>
-	-	-	210,717	14,815,000	128,502
-	-	-	-	(2,380,002)	-
-	-	-	-	-	-
-	-	-	-	(75,954)	-
3,055,912	2,190,297	2,087,090	3,047,142	7,129,525	2,564,493
<u>(3,058,856)</u>	<u>(2,190,297)</u>	<u>(2,087,090)</u>	<u>(3,047,142)</u>	<u>(7,129,525)</u>	<u>(2,564,493)</u>
<u>(2,944)</u>	<u>-</u>	<u>-</u>	<u>210,717</u>	<u>12,359,044</u>	<u>128,502</u>
<u>\$ (2,568,274)</u>	<u>\$ (886,619)</u>	<u>\$ (4,053,849)</u>	<u>\$ (959,528)</u>	<u>\$ 10,853,843</u>	<u>\$ 187,350</u>
9.39%	9.18%	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	
2011	\$3,590,280	\$ 33,465	\$ (72,991)	\$3,550,753	\$ 527,509	\$ 67,341	\$ (48,249)	\$ 546,601	0.13940%
2010	3,627,039	35,053	(72,874)	3,589,218	541,500	64,838	(118,480)	487,858	0.12631%
2009	3,839,378	37,165	(69,946)	3,806,597	531,946	61,700	(116,725)	476,921	0.12209%
2008	3,643,542	32,468	(58,355)	3,617,655	515,140	58,000	(120,349)	452,791	0.11940%
2007	3,326,750	28,653	(61,577)	3,293,826	478,641	58,848	(109,660)	427,829	0.11797%
2006	3,006,912	30,005	(57,193)	2,979,724	441,229	56,079	(98,508)	398,799	0.11514%
2005	2,707,953	30,703	(50,155)	2,688,502	420,607	50,211	(89,074)	381,745	0.11479%
2004	2,495,033	33,315	(36,014)	2,492,334	388,580	58,757	(82,702)	364,635	0.11276%
2003	2,305,258	35,649	(40,153)	2,300,754	398,123	58,146	(108,183)	348,086	0.11053%
2002	2,159,284	35,065	(35,120)	2,159,229	383,976	54,428	(106,222)	332,183	0.10429%

Note:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based 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

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Basic Levy <sup>1</sup>	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
LA Co. Flood Control Storm Dr. DS #4	-	-	-	-	0.00005	0.00002	0.00021	0.00043	0.00062	0.00066
Flood Control Ref. Bonds 1993 DS	-	-	-	-	-	0.00003	0.00003	0.00004	0.00026	0.00041
Cerritos CC DS 2004 Ser 2004A	0.00093	0.00221	0.00172	0.00407	0.00251	0.01279	0.01908	-	-	-
Cerritos CC DS 2005 Refunding Bonds	0.00607	0.00533	0.00510	0.00412	0.00429	0.01144	-	-	-	-
Cerritos CCD DS 2004 Series 2006	0.00426	0.00433	0.00312	0.00253	0.01713	-	-	-	-	-
Cerritos CC DS 2004 Ser 2009C	0.01551	0.00667	-	-	-	-	-	-	-	-
Central Basin MWD 1114	0.00370	0.00430	0.00430	0.00450	0.00470	0.00520	0.00580	0.00610	0.00670	0.00770
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<b>1.03047</b>	<b>1.02284</b>	<b>1.01424</b>	<b>1.01522</b>	<b>1.02934</b>	<b>1.03028</b>	<b>1.02604</b>	<b>1.00756</b>	<b>1.00861</b>	<b>1.00990</b>
City's Share of 1% Levy per Prop 13 <sup>3</sup>	0.06662	0.06662	0.06662	0.06662	0.06662	0.06662	0.06662	0.06662	0.06662	0.06662
Redevelopment Rate <sup>4</sup>	1.00370	1.00430	1.00430	1.00450	1.00541	1.00604	1.00697	1.00755	1.00861	1.00990
<b>Total Direct Rate<sup>5</sup></b>	<b>0.13940</b>	<b>0.12631</b>	<b>0.12209</b>	<b>0.11940</b>	<b>0.11797</b>	<b>0.11514</b>	<b>0.11479</b>	<b>0.11276</b>	<b>0.11053</b>	<b>0.10429</b>

### Notes:

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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 figures.

<sup>4</sup> 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.

<sup>5</sup> 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	2010-11		2001-02	
	Taxable Assessed Value	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Percent of Total Taxable Assessed Value
Kaiser Foundation Health Plan Inc	\$ 64,318,950	1.57%	\$ -	0.00%
Advanced Group	31,138,531	0.76%	14,004,231	0.56%
Kmart Plaza Bellflower	15,813,825	0.39%	13,546,687	0.54%
Lakewood Plaza SC LP	14,576,038	0.36%	-	0.00%
Bellflower Park LP	13,300,000	0.32%	-	0.00%
AG BPG Rosewood Center Inc	12,489,713	0.30%	-	0.00%
Belmont Place Bellflower Associates	11,576,753	0.28%	8,768,100	0.35%
Time Warner NY Cable LLC	11,186,590	0.27%	-	0.00%
Bellflower-Somerset Mutual Water Co	11,006,315	0.27%	-	0.00%
Iron Mountain	10,479,582	0.26%	-	0.00%
Media One of Los Angeles Inc.	-	0.00%	28,180,178	1.13%
Haagen GDH Partnership	-	0.00%	12,486,353	0.50%
Union Development Company Inc	-	0.00%	8,997,586	0.36%
Kenneth W. and Phyllis L. Duke Trust	-	0.00%	8,783,580	0.35%
Pierce Leahy Corporation	-	0.00%	8,237,400	0.33%
James A. and Sharon Carter	-	0.00%	8,122,529	0.33%
Alta Bellwood Hospitals Inc	-	0.00%	8,074,870	0.32%
	<u>\$ 195,886,297</u>	<u>4.78%</u>	<u>\$ 119,201,514</u>	<u>4.78%</u>

Note:

The amounts shown above include assessed values for both the City and the Redevelopment Agency.

Sources: HdL Coren & Cone

# CITY OF BELLFLOWER

## PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of Levy		Other Collections <sup>2</sup>	Total Collections to Date	
		Amount <sup>2</sup>	Percent of Levy		Amount <sup>2</sup>	Percent of Levy
2011	\$ 5,797,038	\$ 5,581,329	96.3%	\$ 367,545	\$ 5,948,874	102.6%
2010	5,725,077	5,421,175	94.7%	258,132	5,679,308	99.2%
2009	5,204,777	4,851,441	93.2%	455,705	5,307,146	102.0%
2008	4,976,597	4,606,673	92.6%	659,410	5,266,083	105.8%
2007	4,463,573	4,233,517	94.8%	737,306	4,970,825	111.4%
2006	4,035,721	3,908,444	96.8%	751,308	4,659,753	115.5%
2005	3,527,392	3,459,803	98.1%	478,189	3,937,993	111.6%
2004	3,232,445	3,140,053	97.1%	235,966	3,376,018	104.4%
2003	2,925,750	2,843,727	97.2%	128,478	2,972,205	101.6%
2002	2,720,571	2,632,464	96.8%	187,639	2,820,104	103.7%

Notes:

- Taxes levied for the City is original levy and for the Redevelopment Agency is current levy. L.A. County does not publish current levy data for cities.
- Other collections may include items such as supplemental assessments, prior year taxes, taxpayer refunds and homeowner's exemptions (paid by the State). Other collections do not include penalties, interest and L.A. County administrative fees. Due to the supplemental assessments and prior year taxes, total collections can exceed 100% of original/current levy in certain fiscal years.
- The unsecured portion of the amount collected is estimated for fiscal year 2002.
- Levy and collections include Health and Safety Code Section 33676 deductions for other taxing agencies that are not recognized as revenues by the City.

Sources: <sup>1</sup>HdL Coren & Cone and Los Angeles County Auditor-Controller

<sup>2</sup>City Finance Department

# CITY OF BELLFLOWER

## RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities								Total Governmental Activities	Percentage of Personal Income <sup>3</sup>	Debt Per Capita <sup>4</sup>
	2004 Refunding Tax Allocation Bonds <sup>1</sup>	California Energy Commission Loan	Notes Payable	2011 Lease Financing Agreement <sup>2</sup>	1999 Refunding Certificates of Participation	2008 Water System Certificates of Participation	2004 Section 108 Loan				
2011	\$ 6,880,000	\$ -	\$ 724,969	\$ 3,495,000	\$ -	\$ 8,095,000	\$ 5,555,000	\$ 24,749,969	n/a	\$ 322	
2010	7,010,000	-	956,747	-	3,655,000	8,230,000	5,828,000	25,679,747	n/a	332	
2009	7,135,000	-	1,173,267	-	3,935,000	8,230,000	6,088,000	26,561,267	0.80%	344	
2008	7,255,000	-	188,628	-	4,200,000	-	6,336,000	17,979,628	0.52%	233	
2007	7,370,000	-	196,281	-	4,460,000	-	6,572,000	18,598,281	0.55%	241	
2006	7,480,000	19,654	203,641	-	4,705,000	-	6,797,000	19,205,295	0.59%	249	
2005	7,590,000	58,097	210,717	-	4,945,000	-	7,000,000	19,803,814	0.66%	257	
2004	7,815,000	95,412	-	-	5,170,000	-	7,000,000	20,080,412	0.71%	261	
2003	2,000,000	128,502	-	-	5,390,000	-	-	7,518,502	0.28%	98	
2002	2,025,000	-	-	-	5,640,000	-	-	7,665,000	0.30%	102	

<sup>1</sup> Tax Allocation Bonds were refunded in April 2004.

<sup>2</sup> 2011 Lease Financing Agreement refunded the 1999 Refunding Certificates of Participation.

<sup>3</sup> Per Capita Personal Income data was not available for calendar years 2010 and 2011.

<sup>4</sup> 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			Per Capita <sup>3</sup>
	2004 Refunding Tax Allocation Bonds <sup>1</sup>	Total	Percent of Assessed Value <sup>2</sup>	
2011	\$ 6,880,000	\$ 6,880,000	0.168%	\$ 90
2010	7,010,000	7,010,000	0.172%	91
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

<sup>1</sup> Tax Allocation Bonds were refunded in April 2004.

<sup>2</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

<sup>3</sup> 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 Fiscal Years  
(in thousands of dollars)

	2011	2010	2009	2008
Assessed valuation <sup>1</sup>	3,550,753	3,589,218	\$ 3,806,597	\$ 3,617,655
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	887,688	897,305	951,649	904,414
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	133,153	134,596	142,747	135,662
Total net debt applicable to limit:				
General obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 133,153</u>	<u>\$ 134,596</u>	<u>\$ 142,747</u>	<u>\$ 135,662</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

<sup>1</sup> 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

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 3,293,826	\$ 2,979,724	\$ 2,688,502	\$ 2,492,334	\$ 2,300,754	\$ 2,159,229
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
823,457	744,931	672,125	623,083	575,189	539,807
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
123,518	111,740	100,819	93,463	86,278	80,971
-	-	-	-	-	-
<u>\$ 123,518</u>	<u>\$ 111,740</u>	<u>\$ 100,819</u>	<u>\$ 93,463</u>	<u>\$ 86,278</u>	<u>\$ 80,971</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

# CITY OF BELLFLOWER

## DIRECT AND OVERLAPPING DEBT

Fiscal Year Ended June 30, 2011

2010-11 Assessed Valuation:	\$ 4,097,354,175
Redevelopment Incremental Valuation:	321,557,509
Adjusted Assessed Valuation:	<u>\$ 3,775,796,666</u>

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2011	% Applicable (1)	City's Share of Debt 6/30/11
Los Angeles County Flood Control District	\$ 53,795,000	0.422 %	\$ 227,015
Metropolitan Water District	227,670,000	0.212	482,660
Cerritos Community College District	129,568,703	12.717	16,477,252
Compton Community College District	49,855,000	2.680	1,336,114
Downey Unified School District	78,035,256	3.747	2,923,981
Norwalk-La Mirada Unified School District	149,001,165	0.023	34,270
Paramount Unified School District	56,499,976	10.406	5,879,388
Los Angeles County Regional Park and Open Space Assessment District	197,285,000	0.413	814,787
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 28,175,467</u>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$ 1,496,977,755	0.413 %	\$ 6,182,518
Los Angeles County Superintendent of Schools Certificates of Participation	12,204,890	0.413	50,406
Los Angeles County Sanitation District No. 2 Authority	33,034,224	10.115	3,341,412
Los Angeles County Sanitation District No. 3 Authority	25,100,808	0.235	58,987
Los Angeles County Sanitation District No. 18 Authority	18,467,952	0.006	1,108
Bellflower Unified School District Certificates of Participation	9,245,000	68.362	6,320,067
Norwalk-La Mirada Unified School District Certificates of Participation	2,770,165	0.023	637
Paramount Unified School District Certificates of Participation	26,590,000	10.406	2,766,955
City of Bellflower Certificates of Participation	11,460,000	100.000	11,460,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 30,182,090</u>
Less: Los Angeles County General Fund Obligation supported by landfill revenues			73,536
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 30,108,554</u>
 DIRECT DEBT			 \$ 11,460,000
GROSS OVERLAPPING DEBT			\$ 46,897,557
NET OVERLAPPING DEBT			\$ 46,824,021
GROSS COMBINED DIRECT AND OVERLAPPING DEBT			\$ 58,357,557 (2)
NET COMBINED DIRECT AND OVERLAPPING DEBT			\$ 58,284,021

(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 2010-11 Assessed Valuation:

Total Overlapping Tax and Assessment Debt..... 0.69%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$11,460,000)..... 0.30%

Gross Combined Total Debt..... 1.55%

Net Combined Total Debt..... 1.54%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: \$0

Source: California Municipal Statistics, Inc.

# CITY OF BELLFLOWER

## PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

2004 Refunding Tax Allocation Bonds									
Fiscal Year Ended June 30	Property Tax Increment	Los Angeles County Admin Fees	Pass Through Payments to Other Taxing Agencies <sup>1</sup>	SERAF/ ERAF <sup>2</sup>	Net Property Tax Increment	Debt Service			Coverage
						Principal	Interest	Total	
2011	\$ 2,866,280	\$ 54,455	\$ 68,503	\$168,087	\$ 2,575,235	\$ 130,000	\$ 457,584	\$ 587,584	4.38
2010	2,613,979	41,900	40,931	816,422	1,714,726	125,000	464,634	589,634	2.91
2009	1,974,985	38,379	50,973	-	1,885,633	120,000	469,818	589,818	3.20
2008	1,968,309	39,942	50,771	-	1,877,596	115,000	474,177	589,177	3.19
2007	1,839,456	36,499	47,461	-	1,755,496	110,000	477,697	587,697	2.99
2006	1,723,502	27,251	40,816	115,567	1,539,868	110,000	480,491	590,491	2.61
2005	1,391,817	27,625	32,418	106,860	1,224,914	225,000	367,017	592,017	2.07
2004	1,189,460	27,424	28,548	63,435	1,070,053	25,000	189,045	214,045	5.00
2003	964,186	25,124	23,803	29,643	885,616	25,000	191,220	216,220	4.10
2002	949,675	21,945	30,561	-	897,169	20,000	193,177	213,177	4.21

<sup>1</sup> Does not include pass through payments to Bellflower Unified School District that are subordinate to the bonded indebtedness.

<sup>2</sup> State mandated transfers to the Supplemental Educational Revenue Augmentation Fund (SERAF) and Educational Revenue Augmentation Fund (ERAF).

**Note:**

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City Finance Department

# CITY OF BELLFLOWER

## DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Fiscal Years

Calendar Year	Population <sup>1</sup>	Personal Income	Per Capita Personal Income <sup>2</sup>	Unemployment Rate <sup>3</sup>
2011	76,840	n/a	n/a	12.7%
2010	77,312	n/a	n/a	12.4%
2009	77,194	\$ 3,302,668,096	\$ 42,784	9.9%
2008	77,110	3,428,464,820	44,462	5.9%
2007	77,189	3,367,987,637	43,633	4.8%
2006	77,039	3,249,890,215	42,185	5.1%
2005	77,052	2,998,478,580	38,915	6.1%
2004	76,888	2,822,174,040	36,705	7.0%
2003	76,434	2,672,667,678	34,967	6.9%
2002	75,092	2,539,911,808	33,824	6.7%

### Sources:

<sup>1</sup> California Department of Finance

<http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/ReportsPapers.asp>

Official estimate as of January 1st of each calendar year.

<sup>2</sup> Bureau of Economic Analysis; Los Angeles-Long Beach-Santa Ana 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 2010 and 2011.

<sup>3</sup> California Employment Development Department Labor Market Information

<http://www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/AreaSelection.asp?tableName=Labforce>

Unemployment rates are average monthly rates for the fiscal years.

# CITY OF BELLFLOWER

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2010-11		2001-02	
	Number of Employees <sup>1</sup>	Percent of Total Employment <sup>2</sup>	Number of Employees <sup>1</sup>	Percent of Total Employment <sup>2</sup>
Bellflower Medical Center	530	1.662%	294	0.880%
Kaiser Permanente Medical Group	271	0.850%	899	2.692%
Time Warner Cable (Comcast of L.A.)	186	0.583%	183	0.548%
Hollywood Sports Park	167	0.524%	-	-
City of Bellflower	163	0.511%	240	0.719%
K-Mart Corporation	132	0.414%	132	0.395%
Bel Tooren Villa Convalescent	120	0.376%	-	-
Estrella, Inc.	117	0.367%	-	-
Peter Wylan DDS	106	0.332%	131	0.392%
Stater Brothers Market	95	0.298%	105	0.314%
Bellwood General Hospital	-	-	279	0.836%
Ford West	-	-	170	0.509%
Qualex, Inc	-	-	102	0.305%
	<u>1,887</u>	<u>5.919%</u>	<u>2,535</u>	<u>7.592%</u>

Sources: <sup>1</sup> City Finance Department

<sup>2</sup> 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 (12-Month Ave.)	Calendar Year	Total Employment
2010-11	31,883	2010	31,800
2009-10	31,867	2009	32,400
2008-09	33,533	2008	34,100
2007-08	34,489	2007	34,500
2006-07	34,750	2006	34,100
2005-06	34,150	2005	33,700
2004-05	33,675	2004	33,200
2003-04	33,292	2003	33,000
2002-03	33,033	2002	33,200
2001-02	33,392	2001	33,500

# CITY OF BELLFLOWER

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

Function	Full-time and Part-time Employees as of June 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government										
Full-time	17	17	18	21	21	21	20	18	18	16
Part-time	3	4	6	9	10	7	7	13	16	12
Total	<u>20</u>	<u>21</u>	<u>24</u>	<u>30</u>	<u>31</u>	<u>28</u>	<u>27</u>	<u>31</u>	<u>34</u>	<u>28</u>
Public safety										
Full-time	10	10	12	11	11	10	11	11	11	10
Part-time	7	6	7	8	8	11	11	9	10	12
Total	<u>17</u>	<u>16</u>	<u>19</u>	<u>19</u>	<u>19</u>	<u>21</u>	<u>22</u>	<u>20</u>	<u>21</u>	<u>22</u>
Public works										
Full-time	34	34	35	31	31	31	31	28	28	28
Part-time	3	2	14	16	14	11	13	17	15	8
Total	<u>37</u>	<u>36</u>	<u>49</u>	<u>47</u>	<u>45</u>	<u>42</u>	<u>44</u>	<u>45</u>	<u>43</u>	<u>36</u>
Community development										
Full-time	18	18	19	24	24	24	21	19	19	19
Part-time	1	1	2	3	5	4	3	9	10	4
Total	<u>19</u>	<u>19</u>	<u>21</u>	<u>27</u>	<u>29</u>	<u>28</u>	<u>24</u>	<u>28</u>	<u>29</u>	<u>23</u>
Parks and recreation										
Full-time	7	7	8	10	10	10	10	10	10	10
Part-time	63	59	72	134	146	118	114	105	105	121
Total	<u>70</u>	<u>66</u>	<u>80</u>	<u>144</u>	<u>156</u>	<u>128</u>	<u>124</u>	<u>115</u>	<u>115</u>	<u>131</u>
Total										
Full-time total	86	86	92	97	97	96	93	86	86	83
Part-time total	77	72	101	170	183	151	148	153	156	157
Total	<u>163</u>	<u>158</u>	<u>193</u>	<u>267</u>	<u>280</u>	<u>247</u>	<u>241</u>	<u>239</u>	<u>242</u>	<u>240</u>

Note:

Excludes frozen positions.

Source: City Finance Department

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# CITY OF BELLFLOWER

## OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2010-11	2009-10	2008-09	2007-08
Police:				
Arrests <sup>1</sup>	-	2,660	2,563	2,258
Parking citations issued	25,139	29,410	30,017	25,290
Public Works:				
Street resurfacing (miles)	2.55	2.30	-	-
Parks and Recreation:				
Number of recreation classes	171	188	158	131
Number of facility rentals	272	257	268	299
Programs and Facilities Attendance	1,060,863	1,275,595	1,159,691	1,207,835
Water Services:				
Customer accounts	1,824	1,823	1,823	1,818
Annual Supply (acre feet)	673	683	712	763
Average Daily Consumption (thousands of gallons)	612	610	636	681

<sup>1</sup> Reported on a calendar year basis by the Sheriff's Department.

### Notes:

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

Source: City of Bellflower

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2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
2,413	2,214	2,133	2,084	2,151	1,885
24,941	28,318	29,870	33,028	27,242	21,191
-	2.65	0.77	1.14	4.73	6.00
156	159	164	151	154	136
264	282	286	291	271	263
1,163,802	1,189,803	1,256,536	1,356,420	1,351,491	1,424,251
1,815	-	-	-	-	-
818	-	-	-	-	-
730	-	-	-	-	-

# CITY OF BELLFLOWER

## CAPITAL ASSET STATISTICS BY FUNCTION Last Six Fiscal Years

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	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
Police:						
Substation	1	1	1	1	1	1
Public Works:						
Streets (miles)	96.41	96.41	96.41	96.41	96.41	96.41
Streetlights	147	147	147	147	147	147
Streetlights (Bike Trail)	138	-	-	-	-	-
Traffic signals	64	49	49	49	49	49
Parks and Recreation:						
Parks	5	5	5	5	5	5
Community centers	2	2	2	2	2	2
Wastewater:						
Sanitary sewers (miles)	98.65	98.65	98.65	98.65	98.65	98.65
Storm drains (miles)	6.25	6.25	6.25	6.25	6.25	6.25

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

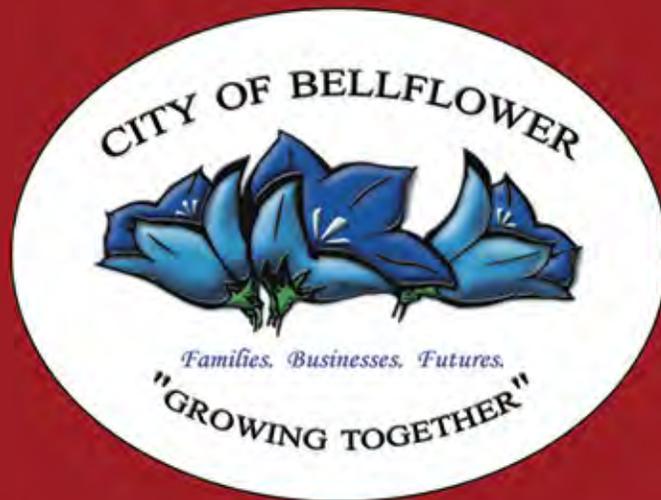
Source: City of Bellflower

CITY OF BELLFLOWER



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