

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CITY OF SIGNAL HILL**

**FISCAL YEAR ENDED JUNE 30, 2001**

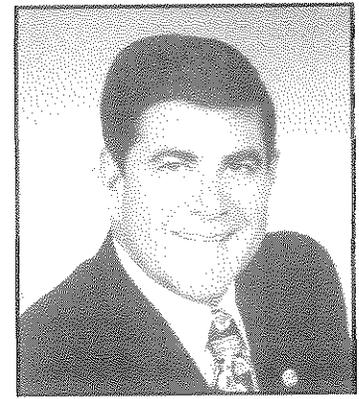


**Prepared by  
Department of Finance**

**Dennis MacArthur  
Director of Finance**



Tina Hansen  
Vice Mayor



Michael J. Noll  
Councilmember



Larry Forester  
Mayor



Edward H. J. Wilson  
Councilmember



Ellen Ward  
Councilmember

Kathleen Pacheco  
City Clerk

Robert Magid  
City Treasurer

### ADMINISTRATIVE PERSONNEL

City Manager  
Assistant City Manager  
City Attorney  
Director of Community Services  
Director of Community Development  
Director of Finance  
Chief of Police  
Director of Public Works  
Director of Redevelopment

Kenneth Farfsing  
Genise Homan  
David Aleshire  
Kathy Sorensen  
Gary Jones  
Dennis MacArthur  
Donald Pedersen  
Eduard Schroder  
Deborah Rich

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Signal Hill  
Signal Hill, California

We have audited the general purpose financial statements of the City of Signal Hill, California as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 general purpose 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Signal Hill as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 18, 2001 on our consideration of the City of Signal Hill's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Signal Hill. The information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole. We did not audit or apply limited procedures to the statistical information listed in the table of contents, and we do not express any assurance on such information.

*Diehl, Evans and Company, LLP*

September 18, 2001 (except for information in Note 27, as to which the date is December 4, 2001).

CITY OF SIGNAL HILL

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2001

With comparative totals for June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
Cash and investments (Notes 1E and 3)	\$ 9,919,550	\$ 6,200,641	\$ 2,687,769	\$ 4,184,636
Accounts receivable	1,726,739	53,815	-	-
Property taxes receivable (Notes 1K and 12)	-	19,100	76,400	-
Accrued interest receivable	176,075	96,146	27,462	71,402
Due from other governments	-	144,012	-	74,470
Rehabilitation loans receivable	-	15,799	-	-
Due from other funds (Note 22)	130,302	-	-	-
Advances to other fund (Note 23)	1,010,888	-	-	-
Inventory (Note 1F)	-	-	-	-
Restricted cash and investments (Notes 1E, 3 and 20)	370,447	-	1,135,574	-
Proprietary fixed assets (Notes 1I and 13)	-	-	-	-
Less allowance for depreciation	-	-	-	-
General fixed assets (Notes 1H and 14)	-	-	-	-
Land and improvements held for resale or lease (Notes 1G and 24)	-	3,756,651	-	927,177
Deposits (Note 8)	596,501	-	-	1,665,387
Deferred charge	-	-	-	-
Amount available for payment of long - term debt in general and debt service funds	-	-	-	-
Amount to be provided for payment of long - term debt	-	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 13,930,502</b>	<b>\$ 10,286,164</b>	<b>\$ 3,927,205</b>	<b>\$ 6,923,072</b>

See independent auditors' report and notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Agency	General Fixed Assets	General Long - Term Debt	June 30, 2001	June 30, 2000
\$ 1,858,748	\$ 838,444	\$ 682,277	\$ -	\$ -	\$ 26,372,065	\$ 24,828,278
508,391	-	-	-	-	2,288,945	1,959,108
-	-	-	-	-	95,500	287,058
46,730	13,227	-	-	-	431,042	439,252
-	-	-	-	-	218,482	122,265
-	-	-	-	-	15,799	15,799
-	-	-	-	-	130,302	140,154
118,000	-	-	-	-	1,128,888	132,750
38,956	13,805	-	-	-	52,761	47,648
1,898,668	-	12,176	-	-	3,416,865	3,208,719
29,240,355	2,035,455	-	-	-	31,275,810	31,305,592
(5,430,409)	(1,312,955)	-	-	-	(6,743,364)	(6,375,209)
-	-	-	10,524,261	-	10,524,261	10,072,433
-	-	-	-	-	4,683,828	2,075,394
-	-	-	-	-	2,261,888	2,341,356
249,422	-	-	-	-	249,422	259,259
-	-	-	-	702,536	702,536	1,555,922
-	-	-	-	68,391,468	68,391,468	68,025,199
<u>\$ 28,528,861</u>	<u>\$ 1,587,976</u>	<u>\$ 694,453</u>	<u>\$ 10,524,261</u>	<u>\$ 69,094,004</u>	<u>\$ 145,496,498</u>	<u>\$ 140,440,977</u>

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SIB 477,536

DIFF. 225,000 Sect 108  
loan

CITY OF SIGNAL HILL

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
(Continued)

June 30, 2001

With comparative totals for June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 482,781	\$ 71,462	\$ -	\$ 76,780
Accrued liabilities	246,112	18,093	-	122
Accrued interest payable	-	-	-	-
Due to other governments (Note 19)	-	-	2,449,411	-
Due to other funds (Note 22)	-	130,302	-	-
Advances from other fund (Note 23)	-	136,180	992,708	-
Refundable deposits (Note 17)	-	-	7,550	-
Deferred revenue	92,766	56,265	-	-
Certificates payable (net of unamortized discount) (Note 9)	-	-	-	-
Tax allocation bonds payable (Notes 10A, 10B and 10C)	-	-	-	-
Note payable (Note 10D)	-	-	-	-
Loan payable (Note 10E)	-	-	-	-
Section 108 loan payable (Note 10F)	-	-	-	-
Capital lease obligations (Note 10G)	-	-	-	-
Compensated absences (Notes 1L and 10H)	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>821,659</b>	<b>412,302</b>	<b>3,449,669</b>	<b>76,902</b>
<b>EQUITY AND OTHER CREDITS:</b>				
Investment in general fixed assets (Note 14)	-	-	-	-
Contributed capital (Note 16)	-	-	-	-
Retained earnings	-	-	-	-
Fund balances (Note 11):				
Reserved	821,501	3,756,651	1,135,574	2,592,564
Unreserved - designated	12,287,342	6,117,211	-	4,253,606
Unreserved - undesignated	-	-	(658,038)	-
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>13,108,843</b>	<b>9,873,862</b>	<b>477,536</b>	<b>6,846,170</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 13,930,502</b>	<b>\$ 10,286,164</b>	<b>\$ 3,927,205</b>	<b>\$ 6,923,072</b>

See independent auditors' report and notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Agency	General Fixed Assets	General Long - Term Debt	June 30, 2001	June 30, 2000
\$ 86,837	\$ 25,357	\$ -	\$ -	\$ -	\$ 743,217	\$ 376,810
22,265	5,190	-	-	-	291,782	385,802
86,660	-	-	-	-	86,660	88,019
-	-	-	-	-	2,449,411	1,384,978
-	-	-	-	-	130,302	140,154
-	-	-	-	-	1,128,888	132,750
283,663	-	694,453	-	-	985,666	930,587
-	-	-	-	-	149,031	144,591
9,383,233	-	-	-	-	9,383,233	9,548,233
-	-	-	-	61,815,000	61,815,000	63,130,000
-	-	-	-	5,335,235	5,335,235	5,446,288
-	-	-	-	1,000,000	1,000,000	-
-	-	-	-	225,000	225,000	280,000
-	-	-	-	103,240	103,240	150,159
28,603	7,565	-	-	615,529	651,697	615,372
<u>9,891,261</u>	<u>38,112</u>	<u>694,453</u>	<u>-</u>	<u>69,094,004</u>	<u>84,478,362</u>	<u>82,753,743</u>
-	-	-	10,524,261	-	10,524,261	10,072,433
16,120,678	1,236,703	-	-	-	17,357,381	16,957,381
2,516,922	313,161	-	-	-	2,830,083	2,760,369
-	-	-	-	-	8,306,290	5,467,414
-	-	-	-	-	22,658,159	22,429,637
-	-	-	-	-	(658,038)	-
<u>18,637,600</u>	<u>1,549,864</u>	<u>-</u>	<u>10,524,261</u>	<u>-</u>	<u>61,018,136</u>	<u>57,687,234</u>
<u>\$ 28,528,861</u>	<u>\$ 1,587,976</u>	<u>\$ 694,453</u>	<u>\$ 10,524,261</u>	<u>\$ 69,094,004</u>	<u>\$ 145,496,498</u>	<u>\$ 140,440,977</u>

CITY OF SIGNAL HILL

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the year ended June 30, 2001  
With comparative totals for the year ended June 30, 2000

	<u>General</u>	<u>Special Revenue</u>
REVENUES:		
Property taxes (Note 12)	\$ 246,023	\$ 1,170,522
Sales and use tax	9,897,206	-
Other taxes	1,175,943	250,743
Licenses and permits	407,317	-
Intergovernmental revenues	1,002,541	887,516
Charges for services	960,753	1,508
Fines and forfeitures	158,631	104,846
Revenue from use of money and property	817,644	472,987
Developer fees	-	548,915
Other revenue	140,027	105,331
TOTAL REVENUES	<u>14,806,085</u>	<u>3,542,368</u>
EXPENDITURES:		
Current:		
General government	1,928,263	376,492
Community services	900,326	2,997
Police	4,351,784	291,433
Community development	730,216	121,027
Public works	2,734,372	81,013
Capital outlay	142,041	973,807
Debt service (Notes 10 and 19):		
Owner participation agreement	-	-
Principal retirement	46,918	55,000
Interest	9,818	10,526
Fiscal agent fees	-	-
TOTAL EXPENDITURES	<u>10,843,738</u>	<u>1,912,295</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,962,347</u>	<u>1,630,073</u>
OTHER FINANCING SOURCES (USES):		
Proceeds from loan	-	1,000,000
Operating transfers in	722,847	43,428
Operating transfers out	(1,065,684)	(1,805,089)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(342,837)</u>	<u>(761,661)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	3,619,510	868,412
FUND BALANCES AT BEGINNING OF YEAR	<u>9,489,333</u>	<u>9,005,450</u>
FUND BALANCES AT END OF YEAR	<u>\$ 13,108,843</u>	<u>\$ 9,873,862</u>

See independent auditors' report and notes to financial statements.

Debt Service	Capital Projects	Totals (Memorandum Only)	
		June 30, 2001	June 30, 2000
\$ 4,743,303	\$ -	\$ 6,159,848	\$ 5,747,443
-	-	9,897,206	8,080,866
-	-	1,426,686	1,165,301
-	-	407,317	369,620
-	73,350	1,963,407	1,204,532
-	-	962,261	748,340
-	-	263,477	248,455
187,877	1,054,921	2,533,429	1,538,532
-	-	548,915	341,325
24,266	112,006	381,630	396,915
<u>4,955,446</u>	<u>1,240,277</u>	<u>24,544,176</u>	<u>19,841,329</u>
87,800	335,604	2,728,159	2,296,278
-	-	903,323	917,112
-	-	4,643,217	4,579,256
-	-	851,243	861,668
-	-	2,815,385	2,449,971
-	3,590,131	4,705,979	9,906,527
1,064,433	-	1,064,433	322,364
1,426,053	-	1,527,971	1,451,648
3,855,893	-	3,876,237	4,227,456
20,569	-	20,569	20,732
<u>6,454,748</u>	<u>3,925,735</u>	<u>23,136,516</u>	<u>27,033,012</u>
<u>(1,499,302)</u>	<u>(2,685,458)</u>	<u>1,407,660</u>	<u>(7,191,683)</u>
-	-	1,000,000	279,950
1,005,916	1,434,496	3,206,687	1,915,243
(305,000)	(29,214)	(3,204,987)	(1,915,243)
<u>700,916</u>	<u>1,405,282</u>	<u>1,001,700</u>	<u>279,950</u>
(798,386)	(1,280,176)	2,409,360	(6,911,733)
<u>1,275,922</u>	<u>8,126,346</u>	<u>27,897,051</u>	<u>34,808,784</u>
<u>\$ 477,536</u>	<u>\$ 6,846,170</u>	<u>\$ 30,306,411</u>	<u>\$ 27,897,051</u>

CITY OF SIGNAL HILL

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
ALL GOVERNMENTAL FUND TYPES

For the year ended June 30, 2001

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES:			
Property taxes	\$ 250,400	\$ 246,023	\$ (4,377)
Sales and use tax	8,450,000	9,897,206	1,447,206
Other taxes	942,000	1,175,943	233,943
Licenses and permits	405,400	407,317	1,917
Intergovernmental revenues	927,998	1,002,541	74,543
Charges for services	798,450	960,753	162,303
Fines and forfeitures	137,600	158,631	21,031
Revenue from use of money and property	405,000	817,644	412,644
Developer fees	-	-	-
Other revenue	46,050	140,027	93,977
TOTAL REVENUES	<u>12,362,898</u>	<u>14,806,085</u>	<u>2,443,187</u>
EXPENDITURES:			
Current:			
General government	2,073,300	1,928,263	145,037
Community services	1,077,800	900,326	177,474
Police	4,653,550	4,351,784	301,766
Community development	898,600	730,216	168,384
Public works	2,972,100	2,734,372	237,728
Capital outlay	173,350	142,041	31,309
Debt service:			
Owner participation agreement	-	-	-
Principal retirement	46,918	46,918	-
Interest	9,832	9,818	14
Fiscal agent fees	-	-	-
TOTAL EXPENDITURES	<u>11,905,450</u>	<u>10,843,738</u>	<u>1,061,712</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>457,448</u>	<u>3,962,347</u>	<u>3,504,899</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from loan	-	-	-
Operating transfers in	436,750	722,847	286,097
Operating transfers out	(1,684,550)	(1,065,684)	618,866
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,247,800)</u>	<u>(342,837)</u>	<u>904,963</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(790,352)</u>	<u>3,619,510</u>	<u>4,409,862</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>9,489,333</u>	<u>9,489,333</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 8,698,981</u>	<u>\$ 13,108,843</u>	<u>\$ 4,409,862</u>

See independent auditors' report and notes to financial statements.

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,137,200	\$ 1,170,522	\$ 33,322
-	-	-
226,900	250,743	23,843
-	-	-
729,314	887,516	158,202
1,400	1,508	108
88,000	104,846	16,846
250,000	472,987	222,987
560,900	548,915	(11,985)
-	105,331	105,331
<u>2,993,714</u>	<u>3,542,368</u>	<u>548,654</u>
289,350	376,492	(87,142)
-	2,997	(2,997)
300,440	291,433	9,007
139,348	121,027	18,321
119,890	81,013	38,877
3,389,408	973,807	2,415,601
-	-	-
55,000	55,000	-
12,335	10,526	1,809
-	-	-
<u>4,305,771</u>	<u>1,912,295</u>	<u>2,393,476</u>
<u>(1,312,057)</u>	<u>1,630,073</u>	<u>2,942,130</u>
-	1,000,000	1,000,000
47,461	43,428	(4,033)
(2,361,161)	(1,805,089)	556,072
<u>(2,313,700)</u>	<u>(761,661)</u>	<u>1,552,039</u>
(3,625,757)	868,412	4,494,169
9,005,450	9,005,450	-
<u>\$ 5,379,693</u>	<u>\$ 9,873,862</u>	<u>\$ 4,494,169</u>

Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 4,568,300	\$ 4,743,303	\$ 175,003
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
67,800	187,877	120,077
-	-	-
-	24,266	24,266
<u>4,636,100</u>	<u>4,955,446</u>	<u>319,346</u>
96,000	87,800	8,200
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
400,000	1,064,433	(664,433)
1,542,247	1,426,053	116,194
4,120,253	3,855,893	264,360
25,000	20,569	4,431
<u>6,183,500</u>	<u>6,454,748</u>	<u>(271,248)</u>
<u>(1,547,400)</u>	<u>(1,499,302)</u>	<u>48,098</u>
-	-	-
976,700	1,005,916	29,216
-	(305,000)	(305,000)
<u>976,700</u>	<u>700,916</u>	<u>(275,784)</u>
(570,700)	(798,386)	(227,686)
1,275,922	1,275,922	-
<u>\$ 705,222</u>	<u>\$ 477,536</u>	<u>\$ (227,686)</u>

(Continued)

CITY OF SIGNAL HILL

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
ALL GOVERNMENTAL FUND TYPES  
(Continued)

For the year ended June 30, 2001

	Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Property taxes	\$ -	\$ -	\$ -
Sales and use tax	-	-	-
Other taxes	-	-	-
Licenses and permits	-	-	-
Intergovernmental revenues	1,235,400	73,350	(1,162,050)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Revenue from use of money and property	373,850	1,054,921	681,071
Developer fees	-	-	-
Other revenue	426,200	112,006	(314,194)
TOTAL REVENUES	<u>2,035,450</u>	<u>1,240,277</u>	<u>(795,173)</u>
EXPENDITURES:			
Current:			
General government	236,100	335,604	(99,504)
Community services	-	-	-
Police	-	-	-
Community development	-	-	-
Public works	-	-	-
Capital outlay	8,077,600	3,590,131	4,487,469
Debt service:			
Owner participation agreement	-	-	-
Principal retirement	-	-	-
Interest	-	-	-
Fiscal agent fees	-	-	-
TOTAL EXPENDITURES	<u>8,313,700</u>	<u>3,925,735</u>	<u>4,387,965</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,278,250)</u>	<u>(2,685,458)</u>	<u>3,592,792</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from loan	-	-	-
Operating transfers in	2,162,850	1,434,496	(728,354)
Operating transfers out	-	(29,214)	(29,214)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,162,850</u>	<u>1,405,282</u>	<u>(757,568)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(4,115,400)</u>	<u>(1,280,176)</u>	<u>2,835,224</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>8,126,346</u>	<u>8,126,346</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 4,010,946</u>	<u>\$ 6,846,170</u>	<u>\$ 2,835,224</u>

See independent auditors' report and notes to financial statements.

Totals (Memorandum Only)

Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,955,900	\$ 6,159,848	\$ 203,948
8,450,000	9,897,206	1,447,206
1,168,900	1,426,686	257,786
405,400	407,317	1,917
2,892,712	1,963,407	(929,305)
799,850	962,261	162,411
225,600	263,477	37,877
1,096,650	2,533,429	1,436,779
560,900	548,915	(11,985)
472,250	381,630	(90,620)
<u>22,028,162</u>	<u>24,544,176</u>	<u>2,516,014</u>
2,694,750	2,728,159	(33,409)
1,077,800	903,323	174,477
4,953,990	4,643,217	310,773
1,037,948	851,243	186,705
3,091,990	2,815,385	276,605
11,640,358	4,705,979	6,934,379
400,000	1,064,433	(664,433)
1,644,165	1,527,971	116,194
4,142,420	3,876,237	266,183
25,000	20,569	4,431
<u>30,708,421</u>	<u>23,136,516</u>	<u>7,571,905</u>
<u>(8,680,259)</u>	<u>1,407,660</u>	<u>10,087,919</u>
-	1,000,000	1,000,000
3,623,761	3,206,687	(417,074)
<u>(4,045,711)</u>	<u>(3,204,987)</u>	<u>840,724</u>
<u>(421,950)</u>	<u>1,001,700</u>	<u>1,423,650</u>
(9,102,209)	2,409,360	11,511,569
<u>27,897,051</u>	<u>27,897,051</u>	<u>-</u>
<u>\$ 18,794,842</u>	<u>\$ 30,306,411</u>	<u>\$ 11,511,569</u>

CITY OF SIGNAL HILL

COMBINED STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES

For the year ended June 30, 2001  
With comparative totals for the year ended June 30, 2000

	Enterprise (Water Fund)	Internal Service (Vehicle and Equipment Fund)	Totals (Memorandum Only)	
			June 30, 2001	June 30, 2000
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 2,909,647	\$ 388,104	\$ 3,297,751	\$ 3,237,572
<b>OPERATING EXPENSES:</b>				
Personnel services	678,794	153,680	832,474	850,665
Contractual services	35,146	346	35,492	29,375
Supplies	595,007	4,004	599,011	495,429
Materials and repairs	233,874	94,720	328,594	207,005
Utilities	226,759	1,200	227,959	184,944
Depreciation and amortization	549,940	177,570	727,510	562,544
Other	89,072	3,987	93,059	91,406
<b>TOTAL OPERATING EXPENSES</b>	<b>2,408,592</b>	<b>435,507</b>	<b>2,844,099</b>	<b>2,421,368</b>
<b>OPERATING INCOME (LOSS)</b>	<b>501,055</b>	<b>(47,403)</b>	<b>453,652</b>	<b>816,204</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest revenue	279,282	62,291	341,573	211,092
Rental revenue	500	-	500	28,971
Other revenue	-	5,141	5,141	8,338
Interest expense	(538,039)	-	(538,039)	(546,119)
Fiscal agent fees	(4,275)	-	(4,275)	(4,825)
Gain (loss) on disposal of fixed assets	(214,556)	27,418	(187,138)	(121,458)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(477,088)</b>	<b>94,850</b>	<b>(382,238)</b>	<b>(424,001)</b>
<b>NET INCOME BEFORE OPERATING TRANSFERS</b>	<b>23,967</b>	<b>47,447</b>	<b>71,414</b>	<b>392,203</b>
<b>OPERATING TRANSFERS OUT</b>	<b>-</b>	<b>(1,700)</b>	<b>(1,700)</b>	<b>-</b>
<b>NET INCOME</b>	<b>23,967</b>	<b>45,747</b>	<b>69,714</b>	<b>392,203</b>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<b>2,492,955</b>	<b>267,414</b>	<b>2,760,369</b>	<b>2,368,166</b>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<b>\$ 2,516,922</b>	<b>\$ 313,161</b>	<b>\$ 2,830,083</b>	<b>\$ 2,760,369</b>

See independent auditors' report and notes to financial statements.

CITY OF SIGNAL HILL  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES

For the year ended June 30, 2001  
 With comparative totals for the year ended June 30, 2000

	Enterprise (Water Fund)	Internal Service (Vehicle and Equipment Fund)	Totals (Memorandum Only)	
			June 30, 2001	June 30, 2000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 501,055	\$ (47,403)	\$ 453,652	\$ 816,204
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	549,940	177,570	727,510	562,544
Change in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(46,298)	1,700	(44,598)	(53,248)
(Increase) in inventory	(2,308)	(2,805)	(5,113)	1,203
(Increase) decrease in deposits	45,760	-	45,760	(267)
Increase (decrease) in accounts payable	25,409	20,067	45,476	(24,070)
Increase (decrease) in accrued liabilities	(9,310)	5,190	(4,120)	11,522
Increase in refundable deposits	6,556	-	6,556	7,348
Increase in compensated absences	(6,011)	1,481	(4,530)	3,988
Total adjustments	563,738	203,203	766,941	509,020
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 \$ 1,064,793	 \$ 155,800	 \$ 1,220,593	 \$ 1,325,224

(Continued)

See independent auditors' report and notes to financial statements.

CITY OF SIGNAL HILL

COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
(Continued)

For the year ended June 30, 2001  
With comparative totals for the year ended June 30, 2000

	Enterprise (Water Fund)	Internal Service (Vehicle and Equipment Fund)	Totals (Memorandum Only)	
			June 30, 2001	June 30, 2000
NET CASH PROVIDED BY OPERATING ACTIVITIES (CARRYFORWARD)	\$ 1,064,793	\$ 155,800	\$ 1,220,593	\$ 1,325,224
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Advance repayments from other funds	14,750	-	14,750	14,750
Operating transfers out	-	(1,700)	(1,700)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	14,750	(1,700)	13,050	14,750
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Rental receipts	500	-	500	28,971
Proceeds from sale of fixed assets	-	45,734	45,734	8,027
Acquisition of property, plant and equipment	(234,565)	(327,880)	(562,445)	(1,000,361)
Principal paid	(170,000)	-	(170,000)	(165,000)
Interest paid	(524,561)	-	(524,561)	(532,599)
Fiscal agent fees	(4,275)	-	(4,275)	(4,825)
Contributed capital	400,000	-	400,000	-
Miscellaneous receipts	-	5,141	5,141	8,338
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(532,901)	(277,005)	(809,906)	(1,657,449)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	270,045	64,361	334,406	209,511
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	816,687	(58,544)	758,143	(107,964)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,940,729	896,988	3,837,717	3,945,681
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 1M)	\$ 3,757,416	\$ 838,444	\$ 4,595,860	\$ 3,837,717
NONCASH CAPITAL AND FINANCING ACTIVITIES:				
Deferred charge and bond discount amortization charged to interest expense	\$ 14,837	\$ -	\$ 14,837	\$ 14,838

See independent auditors' report and notes to financial statements.



# DIEHL, EVANS & COMPANY, LLP

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Signal Hill  
Signal Hill, California

We have audited the general purpose financial statements of the City of Signal Hill, California as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 general purpose 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Signal Hill as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 18, 2001 on our consideration of the City of Signal Hill's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Signal Hill. The information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole. We did not audit or apply limited procedures to the statistical information listed in the table of contents, and we do not express any assurance on such information.

*Diehl, Evans and Company, LLP*

September 18, 2001 (except for information in Note 27, as to which the date is December 4, 2001).

CITY OF SIGNAL HILL

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2001  
 With comparative totals for June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
Cash and investments (Notes 1E and 3)	\$ 9,919,550	\$ 6,200,641	\$ 2,687,769	\$ 4,184,636
Accounts receivable	1,726,739	53,815	-	-
Property taxes receivable (Notes 1K and 12)	-	19,100	76,400	-
Accrued interest receivable	176,075	96,146	27,462	71,402
Due from other governments	-	144,012	-	74,470
Rehabilitation loans receivable	-	15,799	-	-
Due from other funds (Note 22)	130,302	-	-	-
Advances to other fund (Note 23)	1,010,888	-	-	-
Inventory (Note 1F)	-	-	-	-
Restricted cash and investments (Notes 1E, 3 and 20)	370,447	-	1,135,574	-
Proprietary fixed assets (Notes 1I and 13)	-	-	-	-
Less allowance for depreciation	-	-	-	-
General fixed assets (Notes 1H and 14)	-	-	-	-
Land and improvements held for resale or lease (Notes 1G and 24)	-	3,756,651	-	927,177
Deposits (Note 8)	596,501	-	-	1,665,387
Deferred charge	-	-	-	-
Amount available for payment of long - term debt in general and debt service funds	-	-	-	-
Amount to be provided for payment of long - term debt	-	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 13,930,502</b>	<b>\$ 10,286,164</b>	<b>\$ 3,927,205</b>	<b>\$ 6,923,072</b>

See independent auditors' report and notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Agency	General Fixed Assets	General Long - Term Debt	June 30, 2001	June 30, 2000
\$ 1,858,748	\$ 838,444	\$ 682,277	\$ -	\$ -	\$ 26,372,065	\$ 24,828,278
508,391	-	-	-	-	2,288,945	1,959,108
-	-	-	-	-	95,500	287,058
46,730	13,227	-	-	-	431,042	439,252
-	-	-	-	-	218,482	122,265
-	-	-	-	-	15,799	15,799
-	-	-	-	-	130,302	140,154
118,000	-	-	-	-	1,128,888	132,750
38,956	13,805	-	-	-	52,761	47,648
1,898,668	-	12,176	-	-	3,416,865	3,208,719
29,240,355	2,035,455	-	-	-	31,275,810	31,305,592
(5,430,409)	(1,312,955)	-	-	-	(6,743,364)	(6,375,209)
-	-	-	10,524,261	-	10,524,261	10,072,433
-	-	-	-	-	4,683,828	2,075,394
-	-	-	-	-	2,261,888	2,341,356
249,422	-	-	-	-	249,422	259,259
-	-	-	-	702,536	702,536	1,555,922
-	-	-	-	68,391,468	68,391,468	68,025,199
<u>\$ 28,528,861</u>	<u>\$ 1,587,976</u>	<u>\$ 694,453</u>	<u>\$ 10,524,261</u>	<u>\$ 69,094,004</u>	<u>\$ 145,496,498</u>	<u>\$ 140,440,977</u>

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CITY OF SIGNAL HILL

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
(Continued)

June 30, 2001

With comparative totals for June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 482,781	\$ 71,462	\$ -	\$ 76,780
Accrued liabilities	246,112	18,093	-	122
Accrued interest payable	-	-	-	-
Due to other governments (Note 19)	-	-	2,449,411	-
Due to other funds (Note 22)	-	130,302	-	-
Advances from other fund (Note 23)	-	136,180	992,708	-
Refundable deposits (Note 17)	-	-	7,550	-
Deferred revenue	92,766	56,265	-	-
Certificates payable (net of unamortized discount) (Note 9)	-	-	-	-
Tax allocation bonds payable (Notes 10A, 10B and 10C)	-	-	-	-
Note payable (Note 10D)	-	-	-	-
Loan payable (Note 10E)	-	-	-	-
Section 108 loan payable (Note 10F)	-	-	-	-
Capital lease obligations (Note 10G)	-	-	-	-
Compensated absences (Notes 1L and 10H)	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>821,659</b>	<b>412,302</b>	<b>3,449,669</b>	<b>76,902</b>
<b>EQUITY AND OTHER CREDITS:</b>				
Investment in general fixed assets (Note 14)	-	-	-	-
Contributed capital (Note 16)	-	-	-	-
Retained earnings	-	-	-	-
Fund balances (Note 11):				
Reserved	821,501	3,756,651	1,135,574	2,592,564
Unreserved - designated	12,287,342	6,117,211	-	4,253,606
Unreserved - undesignated	-	-	(658,038)	-
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>13,108,843</b>	<b>9,873,862</b>	<b>477,536</b>	<b>6,846,170</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 13,930,502</b>	<b>\$ 10,286,164</b>	<b>\$ 3,927,205</b>	<b>\$ 6,923,072</b>

See independent auditors' report and notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Agency	General Fixed Assets	General Long - Term Debt	June 30, 2001	June 30, 2000
\$ 86,837	\$ 25,357	\$ -	\$ -	\$ -	\$ 743,217	\$ 376,810
22,265	5,190	-	-	-	291,782	385,802
86,660	-	-	-	-	86,660	88,019
-	-	-	-	-	2,449,411	1,384,978
-	-	-	-	-	130,302	140,154
-	-	-	-	-	1,128,888	132,750
283,663	-	694,453	-	-	985,666	930,587
-	-	-	-	-	149,031	144,591
9,383,233	-	-	-	-	9,383,233	9,548,233
-	-	-	-	61,815,000	61,815,000	63,130,000
-	-	-	-	5,335,235	5,335,235	5,446,288
-	-	-	-	1,000,000	1,000,000	-
-	-	-	-	225,000	225,000	280,000
-	-	-	-	103,240	103,240	150,159
28,603	7,565	-	-	615,529	651,697	615,372
<u>9,891,261</u>	<u>38,112</u>	<u>694,453</u>	<u>-</u>	<u>69,094,004</u>	<u>84,478,362</u>	<u>82,753,743</u>
-	-	-	10,524,261	-	10,524,261	10,072,433
16,120,678	1,236,703	-	-	-	17,357,381	16,957,381
2,516,922	313,161	-	-	-	2,830,083	2,760,369
-	-	-	-	-	8,306,290	5,467,414
-	-	-	-	-	22,658,159	22,429,637
-	-	-	-	-	(658,038)	-
<u>18,637,600</u>	<u>1,549,864</u>	<u>-</u>	<u>10,524,261</u>	<u>-</u>	<u>61,018,136</u>	<u>57,687,234</u>
<u>\$ 28,528,861</u>	<u>\$ 1,587,976</u>	<u>\$ 694,453</u>	<u>\$ 10,524,261</u>	<u>\$ 69,094,004</u>	<u>\$ 145,496,498</u>	<u>\$ 140,440,977</u>

CITY OF SIGNAL HILL

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the year ended June 30, 2001  
With comparative totals for the year ended June 30, 2000

	<u>General</u>	<u>Special Revenue</u>
REVENUES:		
Property taxes (Note 12)	\$ 246,023	\$ 1,170,522
Sales and use tax	9,897,206	-
Other taxes	1,175,943	250,743
Licenses and permits	407,317	-
Intergovernmental revenues	1,002,541	887,516
Charges for services	960,753	1,508
Fines and forfeitures	158,631	104,846
Revenue from use of money and property	817,644	472,987
Developer fees	-	548,915
Other revenue	140,027	105,331
TOTAL REVENUES	<u>14,806,085</u>	<u>3,542,368</u>
EXPENDITURES:		
Current:		
General government	1,928,263	376,492
Community services	900,326	2,997
Police	4,351,784	291,433
Community development	730,216	121,027
Public works	2,734,372	81,013
Capital outlay	142,041	973,807
Debt service (Notes 10 and 19):		
Owner participation agreement	-	-
Principal retirement	46,918	55,000
Interest	9,818	10,526
Fiscal agent fees	-	-
TOTAL EXPENDITURES	<u>10,843,738</u>	<u>1,912,295</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,962,347</u>	<u>1,630,073</u>
OTHER FINANCING SOURCES (USES):		
Proceeds from loan	-	1,000,000
Operating transfers in	722,847	43,428
Operating transfers out	(1,065,684)	(1,805,089)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(342,837)</u>	<u>(761,661)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	3,619,510	868,412
FUND BALANCES AT BEGINNING OF YEAR	<u>9,489,333</u>	<u>9,005,450</u>
FUND BALANCES AT END OF YEAR	<u>\$ 13,108,843</u>	<u>\$ 9,873,862</u>

See independent auditors' report and notes to financial statements.

Debt Service	Capital Projects	Totals (Memorandum Only)	
		June 30, 2001	June 30, 2000
\$ 4,743,303	\$ -	\$ 6,159,848	\$ 5,747,443
-	-	9,897,206	8,080,866
-	-	1,426,686	1,165,301
-	-	407,317	369,620
-	73,350	1,963,407	1,204,532
-	-	962,261	748,340
-	-	263,477	248,455
187,877	1,054,921	2,533,429	1,538,532
-	-	548,915	341,325
24,266	112,006	381,630	396,915
<u>4,955,446</u>	<u>1,240,277</u>	<u>24,544,176</u>	<u>19,841,329</u>
87,800	335,604	2,728,159	2,296,278
-	-	903,323	917,112
-	-	4,643,217	4,579,256
-	-	851,243	861,668
-	-	2,815,385	2,449,971
-	3,590,131	4,705,979	9,906,527
1,064,433	-	1,064,433	322,364
1,426,053	-	1,527,971	1,451,648
3,855,893	-	3,876,237	4,227,456
20,569	-	20,569	20,732
<u>6,454,748</u>	<u>3,925,735</u>	<u>23,136,516</u>	<u>27,033,012</u>
<u>(1,499,302)</u>	<u>(2,685,458)</u>	<u>1,407,660</u>	<u>(7,191,683)</u>
-	-	1,000,000	279,950
1,005,916	1,434,496	3,206,687	1,915,243
(305,000)	(29,214)	(3,204,987)	(1,915,243)
<u>700,916</u>	<u>1,405,282</u>	<u>1,001,700</u>	<u>279,950</u>
(798,386)	(1,280,176)	2,409,360	(6,911,733)
<u>1,275,922</u>	<u>8,126,346</u>	<u>27,897,051</u>	<u>34,808,784</u>
<u>\$ 477,536</u>	<u>\$ 6,846,170</u>	<u>\$ 30,306,411</u>	<u>\$ 27,897,051</u>

CITY OF SIGNAL HILL

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
ALL GOVERNMENTAL FUND TYPES

For the year ended June 30, 2001

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES:			
Property taxes	\$ 250,400	\$ 246,023	\$ (4,377)
Sales and use tax	8,450,000	9,897,206	1,447,206
Other taxes	942,000	1,175,943	233,943
Licenses and permits	405,400	407,317	1,917
Intergovernmental revenues	927,998	1,002,541	74,543
Charges for services	798,450	960,753	162,303
Fines and forfeitures	137,600	158,631	21,031
Revenue from use of money and property	405,000	817,644	412,644
Developer fees	-	-	-
Other revenue	46,050	140,027	93,977
TOTAL REVENUES	<u>12,362,898</u>	<u>14,806,085</u>	<u>2,443,187</u>
EXPENDITURES:			
Current:			
General government	2,073,300	1,928,263	145,037
Community services	1,077,800	900,326	177,474
Police	4,653,550	4,351,784	301,766
Community development	898,600	730,216	168,384
Public works	2,972,100	2,734,372	237,728
Capital outlay	173,350	142,041	31,309
Debt service:			
Owner participation agreement	-	-	-
Principal retirement	46,918	46,918	-
Interest	9,832	9,818	14
Fiscal agent fees	-	-	-
TOTAL EXPENDITURES	<u>11,905,450</u>	<u>10,843,738</u>	<u>1,061,712</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>457,448</u>	<u>3,962,347</u>	<u>3,504,899</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from loan	-	-	-
Operating transfers in	436,750	722,847	286,097
Operating transfers out	(1,684,550)	(1,065,684)	618,866
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,247,800)</u>	<u>(342,837)</u>	<u>904,963</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(790,352)</u>	<u>3,619,510</u>	<u>4,409,862</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>9,489,333</u>	<u>9,489,333</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 8,698,981</u>	<u>\$ 13,108,843</u>	<u>\$ 4,409,862</u>

See independent auditors' report and notes to financial statements.

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,137,200	\$ 1,170,522	\$ 33,322
-	-	-
226,900	250,743	23,843
-	-	-
729,314	887,516	158,202
1,400	1,508	108
88,000	104,846	16,846
250,000	472,987	222,987
560,900	548,915	(11,985)
-	105,331	105,331
<u>2,993,714</u>	<u>3,542,368</u>	<u>548,654</u>
289,350	376,492	(87,142)
-	2,997	(2,997)
300,440	291,433	9,007
139,348	121,027	18,321
119,890	81,013	38,877
3,389,408	973,807	2,415,601
-	-	-
55,000	55,000	-
12,335	10,526	1,809
-	-	-
<u>4,305,771</u>	<u>1,912,295</u>	<u>2,393,476</u>
<u>(1,312,057)</u>	<u>1,630,073</u>	<u>2,942,130</u>
-	1,000,000	1,000,000
47,461	43,428	(4,033)
(2,361,161)	(1,805,089)	556,072
<u>(2,313,700)</u>	<u>(761,661)</u>	<u>1,552,039</u>
(3,625,757)	868,412	4,494,169
9,005,450	9,005,450	-
<u>\$ 5,379,693</u>	<u>\$ 9,873,862</u>	<u>\$ 4,494,169</u>

Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 4,568,300	\$ 4,743,303	\$ 175,003
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
67,800	187,877	120,077
-	-	-
-	24,266	24,266
<u>4,636,100</u>	<u>4,955,446</u>	<u>319,346</u>
96,000	87,800	8,200
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
400,000	1,064,433	(664,433)
1,542,247	1,426,053	116,194
4,120,253	3,855,893	264,360
25,000	20,569	4,431
<u>6,183,500</u>	<u>6,454,748</u>	<u>(271,248)</u>
<u>(1,547,400)</u>	<u>(1,499,302)</u>	<u>48,098</u>
-	-	-
976,700	1,005,916	29,216
-	(305,000)	(305,000)
<u>976,700</u>	<u>700,916</u>	<u>(275,784)</u>
(570,700)	(798,386)	(227,686)
1,275,922	1,275,922	-
<u>\$ 705,222</u>	<u>\$ 477,536</u>	<u>\$ (227,686)</u>

(Continued)

CITY OF SIGNAL HILL

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
ALL GOVERNMENTAL FUND TYPES  
(Continued)

For the year ended June 30, 2001

	Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Property taxes	\$ -	\$ -	\$ -
Sales and use tax	-	-	-
Other taxes	-	-	-
Licenses and permits	-	-	-
Intergovernmental revenues	1,235,400	73,350	(1,162,050)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Revenue from use of money and property	373,850	1,054,921	681,071
Developer fees	-	-	-
Other revenue	426,200	112,006	(314,194)
TOTAL REVENUES	<u>2,035,450</u>	<u>1,240,277</u>	<u>(795,173)</u>
EXPENDITURES:			
Current:			
General government	236,100	335,604	(99,504)
Community services	-	-	-
Police	-	-	-
Community development	-	-	-
Public works	-	-	-
Capital outlay	8,077,600	3,590,131	4,487,469
Debt service:			
Owner participation agreement	-	-	-
Principal retirement	-	-	-
Interest	-	-	-
Fiscal agent fees	-	-	-
TOTAL EXPENDITURES	<u>8,313,700</u>	<u>3,925,735</u>	<u>4,387,965</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,278,250)</u>	<u>(2,685,458)</u>	<u>3,592,792</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from loan	-	-	-
Operating transfers in	2,162,850	1,434,496	(728,354)
Operating transfers out	-	(29,214)	(29,214)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,162,850</u>	<u>1,405,282</u>	<u>(757,568)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(4,115,400)</u>	<u>(1,280,176)</u>	<u>2,835,224</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>8,126,346</u>	<u>8,126,346</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 4,010,946</u>	<u>\$ 6,846,170</u>	<u>\$ 2,835,224</u>

See independent auditors' report and notes to financial statements.

Totals (Memorandum Only)

Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,955,900	\$ 6,159,848	\$ 203,948
8,450,000	9,897,206	1,447,206
1,168,900	1,426,686	257,786
405,400	407,317	1,917
2,892,712	1,963,407	(929,305)
799,850	962,261	162,411
225,600	263,477	37,877
1,096,650	2,533,429	1,436,779
560,900	548,915	(11,985)
472,250	381,630	(90,620)
<u>22,028,162</u>	<u>24,544,176</u>	<u>2,516,014</u>
2,694,750	2,728,159	(33,409)
1,077,800	903,323	174,477
4,953,990	4,643,217	310,773
1,037,948	851,243	186,705
3,091,990	2,815,385	276,605
11,640,358	4,705,979	6,934,379
400,000	1,064,433	(664,433)
1,644,165	1,527,971	116,194
4,142,420	3,876,237	266,183
25,000	20,569	4,431
<u>30,708,421</u>	<u>23,136,516</u>	<u>7,571,905</u>
<u>(8,680,259)</u>	<u>1,407,660</u>	<u>10,087,919</u>
-	1,000,000	1,000,000
3,623,761	3,206,687	(417,074)
<u>(4,045,711)</u>	<u>(3,204,987)</u>	<u>840,724</u>
<u>(421,950)</u>	<u>1,001,700</u>	<u>1,423,650</u>
(9,102,209)	2,409,360	11,511,569
<u>27,897,051</u>	<u>27,897,051</u>	<u>-</u>
<u>\$ 18,794,842</u>	<u>\$ 30,306,411</u>	<u>\$ 11,511,569</u>

CITY OF SIGNAL HILL

COMBINED STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES

For the year ended June 30, 2001  
With comparative totals for the year ended June 30, 2000

	Enterprise (Water Fund)	Internal Service (Vehicle and Equipment Fund)	Totals (Memorandum Only)	
			June 30, 2001	June 30, 2000
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 2,909,647	\$ 388,104	\$ 3,297,751	\$ 3,237,572
<b>OPERATING EXPENSES:</b>				
Personnel services	678,794	153,680	832,474	850,665
Contractual services	35,146	346	35,492	29,375
Supplies	595,007	4,004	599,011	495,429
Materials and repairs	233,874	94,720	328,594	207,005
Utilities	226,759	1,200	227,959	184,944
Depreciation and amortization	549,940	177,570	727,510	562,544
Other	89,072	3,987	93,059	91,406
<b>TOTAL OPERATING EXPENSES</b>	<b>2,408,592</b>	<b>435,507</b>	<b>2,844,099</b>	<b>2,421,368</b>
<b>OPERATING INCOME (LOSS)</b>	<b>501,055</b>	<b>(47,403)</b>	<b>453,652</b>	<b>816,204</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest revenue	279,282	62,291	341,573	211,092
Rental revenue	500	-	500	28,971
Other revenue	-	5,141	5,141	8,338
Interest expense	(538,039)	-	(538,039)	(546,119)
Fiscal agent fees	(4,275)	-	(4,275)	(4,825)
Gain (loss) on disposal of fixed assets	(214,556)	27,418	(187,138)	(121,458)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(477,088)</b>	<b>94,850</b>	<b>(382,238)</b>	<b>(424,001)</b>
<b>NET INCOME BEFORE OPERATING TRANSFERS</b>	<b>23,967</b>	<b>47,447</b>	<b>71,414</b>	<b>392,203</b>
<b>OPERATING TRANSFERS OUT</b>	<b>-</b>	<b>(1,700)</b>	<b>(1,700)</b>	<b>-</b>
<b>NET INCOME</b>	<b>23,967</b>	<b>45,747</b>	<b>69,714</b>	<b>392,203</b>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<b>2,492,955</b>	<b>267,414</b>	<b>2,760,369</b>	<b>2,368,166</b>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<b>\$ 2,516,922</b>	<b>\$ 313,161</b>	<b>\$ 2,830,083</b>	<b>\$ 2,760,369</b>

See independent auditors' report and notes to financial statements.

CITY OF SIGNAL HILL  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES

For the year ended June 30, 2001  
 With comparative totals for the year ended June 30, 2000

	Enterprise (Water Fund)	Internal Service (Vehicle and Equipment Fund)	Totals (Memorandum Only)	
			June 30, 2001	June 30, 2000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 501,055	\$ (47,403)	\$ 453,652	\$ 816,204
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	549,940	177,570	727,510	562,544
Change in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(46,298)	1,700	(44,598)	(53,248)
(Increase) in inventory	(2,308)	(2,805)	(5,113)	1,203
(Increase) decrease in deposits	45,760	-	45,760	(267)
Increase (decrease) in accounts payable	25,409	20,067	45,476	(24,070)
Increase (decrease) in accrued liabilities	(9,310)	5,190	(4,120)	11,522
Increase in refundable deposits	6,556	-	6,556	7,348
Increase in compensated absences	(6,011)	1,481	(4,530)	3,988
Total adjustments	563,738	203,203	766,941	509,020
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 1,064,793</u>	<u>\$ 155,800</u>	<u>\$ 1,220,593</u>	<u>\$ 1,325,224</u>

(Continued)

See independent auditors' report and notes to financial statements.

CITY OF SIGNAL HILL

COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
(Continued)

For the year ended June 30, 2001  
With comparative totals for the year ended June 30, 2000

	Enterprise (Water Fund)	Internal Service (Vehicle and Equipment Fund)	Totals (Memorandum Only)	
			June 30, 2001	June 30, 2000
NET CASH PROVIDED BY OPERATING ACTIVITIES (CARRYFORWARD)	\$ 1,064,793	\$ 155,800	\$ 1,220,593	\$ 1,325,224
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Advance repayments from other funds	14,750	-	14,750	14,750
Operating transfers out	-	(1,700)	(1,700)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	14,750	(1,700)	13,050	14,750
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Rental receipts	500	-	500	28,971
Proceeds from sale of fixed assets	-	45,734	45,734	8,027
Acquisition of property, plant and equipment	(234,565)	(327,880)	(562,445)	(1,000,361)
Principal paid	(170,000)	-	(170,000)	(165,000)
Interest paid	(524,561)	-	(524,561)	(532,599)
Fiscal agent fees	(4,275)	-	(4,275)	(4,825)
Contributed capital	400,000	-	400,000	-
Miscellaneous receipts	-	5,141	5,141	8,338
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(532,901)	(277,005)	(809,906)	(1,657,449)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	270,045	64,361	334,406	209,511
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	816,687	(58,544)	758,143	(107,964)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,940,729	896,988	3,837,717	3,945,681
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 1M)	\$ 3,757,416	\$ 838,444	\$ 4,595,860	\$ 3,837,717
NONCASH CAPITAL AND FINANCING ACTIVITIES:				
Deferred charge and bond discount amortization charged to interest expense	\$ 14,837	\$ -	\$ 14,837	\$ 14,838

See independent auditors' report and notes to financial statements.

CITY OF SIGNAL HILL  
NOTES TO FINANCIAL STATEMENTS

June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Description of Funds and Account Groups:

The accounts of the City of Signal Hill are organized on the basis of funds and account groups, each of which is considered a separate accounting entity with a self-balancing set of accounts.

The following are the types of funds and account groups used:

GOVERNMENTAL FUND TYPES:

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for specified purposes.

Debt Service Fund

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

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

A. Description of Funds and Account Groups (Continued):

PROPRIETARY FUNDS:

Enterprise Fund

The Water Fund accounts for operations that are financed and operated in a manner similar to private business enterprises - where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges - or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund

The Vehicle and Equipment Fund is used to account for the furnishing of goods and rendering of services to departments within the City. Costs of materials and services used are accumulated in this fund and charged to the user departments as such goods are delivered or services rendered.

FIDUCIARY FUND:

Agency Fund

The Agency Fund is used to account for funds received by the City as an agent for individuals, private organizations or other governmental units.

ACCOUNT GROUPS:

General Fixed Assets Account Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for and controlled in the General Fixed Asset Account Group, rather than in governmental funds. Proprietary fund fixed assets are accounted for in the proprietary funds.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

A. Description of Funds and Account Groups (Continued):

ACCOUNT GROUPS (CONTINUED):

General Long-Term Debt Account Group

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. The long-term debt accounted for in this account group is for community redevelopment project debt, capital lease obligations, notes, loans and compensated absences.

B. Basis of Accounting:

Governmental fund types are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available to finance expenditures of the current period. Accrued revenues include property taxes, taxpayer-assessed taxes, such as sales taxes, gas taxes, transient occupancy taxes and oil production taxes, and earnings on investments received within 60 days after year end. Grant funds earned but not received are recorded as a receivable, and grant funds received before the revenue recognition criteria have been met are reported as deferred revenues. Expenditures are recorded when the liabilities are incurred, except that principal and interest payments on general long-term debt are recognized as expenditures when due.

The accrual basis of accounting is followed by the proprietary funds. Revenues are recognized when they are earned and expenses are recognized when the liability is incurred. Unbilled water revenue is accrued at year end.

For proprietary 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.

Fiduciary fund types are accounted for according to the nature of the fund. The City has only Agency Funds which are purely custodial in nature (assets equal liabilities) and thus does not involve measurement of results of operation. The Agency Funds are accounted for on the modified accrual basis.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus:

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that generally only current assets and current liabilities are included on their balance sheets, with the exception that the noncurrent portion of long-term receivables due to governmental funds are reported on their balance sheets, offset by fund balance reserve accounts. Statements of revenue, expenditures and changes in fund balances for governmental funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included on the balance sheets. Their reported fund equity presents total net assets. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in total net assets.

D. Budgets and Budgetary Accounting:

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) The annual budget is adopted by the City Council after the holding of a public hearing and provides for the general operation of the City. The operating budget includes proposed expenditures and the means of financing them.
- 2) Budgets for the General, Special Revenue, Debt Service and Capital Project Funds are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.
- 3) Estimated revenue is the original estimate with modifications for new programs which are anticipated to be received during the fiscal year.
- 4) Original appropriations are modified by supplemental appropriations and transfers among budget categories. Supplementary budgetary appropriations in Governmental Fund Types in the amount of \$4,969,157 were made during the year ended June 30, 2001.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

D. Budgets and Budgetary Accounting (Continued):

- 5) Budget control is maintained over all accounts, and expenditures are not allowed to exceed appropriations at the program level (i.e. City Council, City Treasurer, City Attorney), except as approved in advance by the City Council.
- 6) Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Fund Types during the year. However, at year end all appropriations lapse. Accordingly, encumbrances are canceled and generally reappropriated as part of the following year's budget. Encumbrances are not included in reported expenditures.
- 7) The City Council approves all significant budgetary changes.
- 8) Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in following year. For the fiscal year ended June 30, 2001, based on calculations by City management, proceeds of taxes did not exceed appropriations.

E. Investments:

Investments are stated at fair value (quoted market price or best available estimate thereof).

F. Inventory:

Inventory is valued at cost using the first-in/first-out (FIFO) method. Costs of these inventories are recorded as expenditures when consumed. Inventory in the Water Enterprise Fund consists of fire hydrants and water meters that have not been placed in service. Inventory in the Internal Service Garage Fund consists of gasoline and tires held for use in city vehicles.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

G. Land and Improvements Held for Resale or Lease:

Costs of project land and improvements held for resale or lease are capitalized in the Community Redevelopment Capital Project Fund and the Affordable Housing Special Revenue Fund as inventory, at the lower of acquisition cost or net realizable value.

H. General Fixed Assets:

General fixed assets are recorded as expenditures of the various governmental funds at the time of purchase and are subsequently capitalized for memorandum purposes in the General Fixed Asset Account Group. Such assets include land, building, building improvements, furniture and equipment. The costs of roads, streets and sidewalks, bridges, curbs and gutters, drainage systems, lighting systems and similar assets are not capitalized. No depreciation is provided on general fixed assets.

All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

I. Proprietary Fixed Assets:

Fixed assets purchased by proprietary fund types are recorded at cost, while contributed assets are recorded at fair market value at the time received. Depreciation has been provided on a straight-line basis over the following useful lives:

Buildings and plant	20 - 50 years
Improvements other than buildings and plant	5 - 30 years
Equipment	3 - 20 years

J. Claims and Judgments:

When it is probable that a claims liability has been incurred at year end, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. Estimated claims losses, if any, include an accrual for IBNR ("Incurred But Not Reported") claims. At June 30, 2001, in the opinion of City management, the City had no material claims which would require loss provision in the financial statements. Small dollar claims and judgments are recorded as expenditures when paid.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

J. Claims and Judgments (Continued):

Under the City's self-insurance program, deposits to the Joint Powers Authority (Note 18) are recorded as insurance expenditures in the period to which they relate. These deposits are subject to retrospective adjustment. Favorable claims experience in prior years results in a refund of deposits from the Authority and such refunds, if any, are recorded as a General Fund revenue. Deposits are based upon historical claims experience. In 2000-2001, deposits of \$502,340 were recorded as an insurance expenditure and refunds of \$54,121 were recorded as revenues.

K. Tax Increment Financing and Related Receivables - Redevelopment Agency:

The Agency's primary source of revenue, other than bond proceeds, land sales and loans and advances from the City, comes from property taxes. Property taxes allocated to the Agency are computed in the following manner:

- a. The assessed valuation of all property within the project area is determined on the date of adoption of the Redevelopment Plan.
- b. Property taxes related to the incremental increase in assessed values after the adoption of the Redevelopment Plan are allocated to the Agency; all taxes on the "frozen" assessed valuation of the property are allocated to the City and other districts.

The Agency has no power to levy and collect taxes and any legislative property tax deemphasis might reduce the amount of tax revenues that would otherwise be available to pay the principal and interest on debt. Broadened property tax exemptions could have a similar effect. Conversely, any increase in the tax rate or assessed valuation, or any reduction or elimination of present exemptions would increase the amount of tax revenues that would be available to pay principal and interest on debt.

The property tax receivable of \$95,500 represents assessments attributable to the fiscal year ended June 30, 2001 that were remitted to the Agency by the County of Los Angeles after year end.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

L. Compensated Absences:

In governmental fund types, compensated absences, if any, that are expected to be liquidated with expendable available financial resources are recorded as an expenditure and a fund liability of the governmental fund that will pay it. The balance of unpaid vacation and compensatory time at year end is recorded in the General Long-Term Debt Account Group, as these amounts will be liquidated from future resources rather than expendable available financial resources.

The City does not reimburse for unused sick pay upon an employee's termination. The City does, however, pay a percentage (based on the applicable employee group agreement) or 60 days, whichever is less, of accumulated sick pay upon an employee's retirement, for employees who have worked for the City for a minimum of 5 years and are age 50 or older upon retirement. The balance of unused sick pay at year end for those employees who meet minimum eligibility requirements, is recorded in the General Long-Term Debt Account Group, as these amounts will be liquidated from future resources rather than expendable available resources.

Unpaid compensated absences in proprietary fund types are recorded as a liability in those funds as vested benefits to the employees accrue.

M. Statement of Cash Flows:

A high level of the City's investments are in short-term, highly liquid instruments, with original maturities of three months or less (excluding fiscal agent investments). The Water Enterprise Fund and Vehicle and Equipment Internal Service Fund participate in the pooling of City-wide cash and investments. Amounts from the pool are available to these funds on demand. As a result, the cash and investments of the Water Enterprise Fund and Vehicle and Equipment Internal Service Fund are considered to be cash and cash equivalents for statement of cash flow purposes.

N. Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

O. Total Columns:

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Interfund eliminations have not been made in the aggregation of this data and these columns are not intended to present consolidated financial information.

2. DESCRIPTION OF THE REPORTING ENTITY:

The reporting entity "City of Signal Hill" includes the accounts of the City of Signal Hill, the Signal Hill Redevelopment Agency (the Agency), the Signal Hill Public Financing Authority (the Financing Authority), and the Signal Hill Housing Authority (the Housing Authority).

The City of Signal Hill was incorporated in 1924 under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities. On November 7, 2000, the Charter of the City of Signal Hill was adopted by a vote of the people. As a result, the City will enjoy all rights and privileges pertaining to "Charter Law" cities.

The Signal Hill Redevelopment Agency was established in 1974 pursuant to provisions of the California Health and Safety Code. The primary purpose of the Agency is to eliminate blighted areas by encouraging development of residential, commercial, industrial, recreational and public facilities.

The Signal Hill Public Financing Authority was formed October 15, 1996, as a joint power of authority between the City and the Agency for the purpose of providing financing and funding of public capital improvements.

The Signal Hill Housing Authority was formed December 12, 2000 pursuant to provisions of the California Health and Safety Code. The primary purpose of the Housing Authority is to provide suitable, safe and sanitary housing opportunities for the City's residents.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

2. DESCRIPTION OF THE REPORTING ENTITY (CONTINUED):

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement 14. The City of Signal Hill is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The Agency, Financing Authority and Housing Authority have been accounted for as "blended" component units of the City. Despite being legally separate, the Agency, Financing Authority and Housing Authority are so intertwined with the City that they are, in substance, part of the City's operations. Accordingly, the balances and transactions of the Agency, Financing Authority and Housing Authority are reported within the funds of the City.

The following criteria were used in determining that the Agency, Financing Authority and Housing Authority were "blended" component units.

The members of the City Council also act as the governing body of the Agency, Financing Authority and Housing Authority.

The Agency, Financing Authority and Housing Authority are managed by employees of the City. A portion of the City's salary and overhead expenses is billed to the Agency each year.

The City, Agency, Financing Authority and Housing Authority are financially interdependent.

The financial statements of the Agency, Financing Authority and Housing Authority can be obtained from the City of Signal Hill's Finance Department located at City Hall.

3. CASH AND INVESTMENTS:

A. Authorized Investments:

Under the provisions of the City's investment policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

- Bankers acceptances
- Certificates of deposit
- Negotiable certificates of deposit
- United States Treasury Issues
- Federal Agency Issues
- Local Agency Investment Fund (LAIF)
- County Pooled Funds
- Passbook Savings Account
- Money Market Account
- Repurchase Agreements

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS

(Continued)

June 30, 2001

3. CASH AND INVESTMENTS (CONTINUED):

B. California Local Agency Investment Fund (LAIF):

The LAIF is a voluntary program created by a statute in 1977 as an investment alternative through which local governments may pool investments. The LAIF has oversight by the Local Agency Advisory Board, which consists of five members as designated by state statute. At June 30, 2001 both the City and the Redevelopment Agency were each allowed to invest up to \$30,000,000 in the fund. Investments in LAIF are highly liquid, and deposits may be converted to cash within twenty-four hours without loss of interest. At June 30, 2001, the total fair value of LAIF was \$54,944,446,060. The fair value of the City's proportionate share in LAIF (\$17,702,067) is the same as the value of the City's pool shares.

Included in LAIF's investment portfolio are certain derivative securities in the form of structured notes totaling \$1,517,548,000 and asset-backed securities totaling \$937,996,000. LAIF's, and the City's, exposure to credit, market, or legal risk is not currently available.

C. Classification of Deposits and Investments by Credit Risk:

Deposits:

Category 1 - Deposits which are insured by the FDIC.

Category 2 - Deposits which are collateralized. The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits, or by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits.

Category 3 - Deposits which are uninsured or uncollateralized.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

3. CASH AND INVESTMENTS (CONTINUED):

C. Classification of Deposits and Investments by Credit Risk (Continued):

Investments:

Category 1 - Investments which are insured, or registered or held by the City or its agent in the City's name.

Category 2 - Investments which are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent, in the City's name.

Category 3 - Investments which are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent, but not in the City's name.

Investments Not Subject to Categorization:

Investments in the California Local Agency Investment Fund (LAIF) and mutual funds are not required to be categorized under interpretive guidelines issued by the Governmental Accounting Standards Board.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

3. CASH AND INVESTMENTS (CONTINUED):

D. Deposits and investments were categorized as follows at June 30, 2001:

	Category			Bank Balances	Carrying Amount
	1	2	3		
Deposits:					
Demand accounts	\$ 123,933	\$ 798,025	\$ -	\$ 921,958	\$ 138,121
Fiscal agent cash	-	-	29,970	29,970	29,970
Total Deposits	<u>\$ 123,933</u>	<u>\$ 798,025</u>	<u>\$ 29,970</u>	<u>\$ 951,928</u>	<u>168,091</u>
				Not Required to be Categorized	
	Category				
	1	2	3		
Investments:					
Federal Home Loan					
Bank Bonds	\$4,990,280	\$ -	\$ -	\$ -	4,990,280
FNMA Notes	4,719,517	-	-	-	4,719,517
Fiscal agent investments:					
Mutual funds	-	-	-	1,852,710	1,852,710
US Treasury Notes	-	-	356,265	-	356,265
California Local Agency Investment Fund (LAIF)	-	-	-	17,702,067	17,702,067
Total Investments	<u>\$9,709,797</u>	<u>\$ -</u>	<u>\$ 356,265</u>	<u>\$ 19,554,777</u>	<u>29,620,839</u>
TOTAL CARRYING AMOUNT (BOOK BALANCES)					<u>\$ 29,788,930</u>

Cash and investments are reported in the accompanying combined balance sheet as follows:

Cash and investments	\$ 26,372,065
Restricted cash and investments	<u>3,416,865</u>
	<u>\$ 29,788,930</u>

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

3. CASH AND INVESTMENTS (CONTINUED):

E. Allocation of Interest Income Among Funds:

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated on a quarterly basis based on month-end cash balances.

4. FIRE DISTRICT PROPERTY TAXES AND FIRE PROTECTION:

The City receives fire protection services from the City of Long Beach, through an agreement with the County of Los Angeles Consolidated Fire Protection District. These services are paid for through property taxes levied on the property owners in the City. The property tax revenue is received directly by the County.

5. PENSION PLAN:

Plan Description:

The City's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office: 400 P Street, Sacramento, CA 95814.

Funding Policy:

The City makes a portion or all of the contributions required of City employees on their behalf and for their account. The employee portion of the rates are set by statute and therefore remains unchanged from year to year. The rates are:

<u>Category</u>	<u>Member Rates as a Percentage of Wages</u>
Local miscellaneous members	7%
Local safety members	9%

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

5. PENSION PLAN (CONTINUED):

Funding Policy (Continued):

Additionally, the City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2000-01 was 0.00% for local miscellaneous members and 7.634% for local safety members. The contribution requirements of the plan members are established by State statute and the employer contribution rates were established and may be amended by CalPERS.

Annual Pension Cost:

For fiscal year 2000-01, the City's actual and contributed pension cost was \$595,197. The required contribution for fiscal year 2000-01 was determined as part of the June 30, 1998 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) an 8.25% investment rate of return (net of administrative expenses), (b) projected salary increases that vary by age, length of service and type of employment from 3.75% to 14.2%, (c) a 3.5% inflation rate (d) a 3.75% payroll growth rate, and (e) a merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.50% and an annual production growth of 0.25%. The actuarial value of the Plan's assets were determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three year period. Initial unfunded liabilities are amortized over a closed period that depends on the Plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20-year period. Gains and losses that occur in the operation of the Plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the Plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year period.

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CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

5. PENSION PLAN (CONTINUED):

Funding Status and Progress:

Three-Year Trend Information for the Miscellaneous and Safety Plans:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage APC Contributed</u>	<u>Net Pension Obligation</u>
<u>Miscellaneous Employees</u>			
6/30/99	\$ 432,788	100%	\$ -
6/30/00	256,170	100%	-
6/30/01	264,869	100%	-
<u>Safety Employees</u>			
6/30/99	477,481	100%	-
6/30/00	378,730	100%	-
6/30/01	330,328	100%	-

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

5. PENSION PLAN (CONTINUED):

Three-Year Schedule of Funding Progress for PERS (Most Recent Available):

Actuarial Valuation Date	Entry Age Normal Accrued Liability (A)	Actuarial Value of Assets (B)	Unfunded Liability (Excess Assets) (A-B)	Funded Ratio (B/A)	Covered Payroll (C)	UAAL as a % of Covered Payroll [(A-B)/C]
6/30/98:						
Misc.	\$ 10,613,952	\$ 13,631,070	\$ (3,017,118)	128.4%	\$ 3,620,859	(83.326)%
Safety	<u>15,668,814</u>	<u>16,652,370</u>	<u>(983,556)</u>	106.3%	<u>1,750,043</u>	(56.202)%
Total	<u>\$ 26,282,766</u>	<u>\$ 30,283,440</u>	<u>\$ (4,000,674)</u>	115.2%	<u>\$ 5,370,902</u>	(74.488)%
6/30/99:						
Misc.	\$ 12,639,242	\$ 16,117,875	\$ (3,478,633)	127.5%	\$ 4,013,925	(86.664)%
Safety	<u>16,658,305</u>	<u>18,671,582</u>	<u>(2,013,277)</u>	112.1%	<u>1,813,633</u>	(111.008)%
Total	<u>\$ 29,297,547</u>	<u>\$ 34,789,457</u>	<u>\$ (5,491,910)</u>	118.7%	<u>\$ 5,827,558</u>	(94.240)%
6/30/00:						
Misc.	\$ 13,650,998	\$ 17,638,206	\$ (3,987,208)	129.2%	\$ 3,758,270	(106.092)%
Safety	<u>19,969,596</u>	<u>21,201,999</u>	<u>(1,232,403)</u>	106.2%	<u>1,984,079</u>	(62.115)%
Total	<u>\$ 33,620,594</u>	<u>\$ 38,840,205</u>	<u>\$ (5,219,611)</u>	115.5%	<u>\$ 5,742,349</u>	(90.897)%

Post-retirement Benefit Plan:

In addition to providing pension benefits, the City provides certain health care benefits for retired employees in accordance with a City Council resolution. Substantially all of the City's employees become eligible for those benefits if they reach normal retirement age while working for the City. Those and similar benefits for active employees are provided through PERS whose premiums are based on the benefits paid during the year. The City recognizes the retirees cost of providing those benefits by expending the premiums during the year, which were \$246,086 for fiscal year 2000-01, and covered 61 individuals.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

6. DEFINED CONTRIBUTION PLAN:

Effective July 3, 1999, the City began providing pension benefits for all of its part-time, seasonal and temporary employees that are not covered under PERS through the City of Signal Hill Alternate Retirement System Plan administered by the Public Agency Retirement System (PARS-ARS). PARS-ARS is a defined contribution pension plan and benefits depend solely on amounts contributed to the plan plus investment earnings. Federal legislation requires defined contributions to the retirement plan of at least 7.5% of the employee's salary. Accordingly, contributions to the plan consist of 6% by the employee and 1.5% by the City. All part-time, seasonal and temporary employees are immediately eligible to participate in the plan from the date of plan or date of employment, whichever is later, and all contributions are fully vested. For the year ended June 30, 2001, the employees contributed \$9,091 and the City contributed \$1,908 to the plan.

On May 15, 2001, the City Council authorized establishment of a 401(a) Deferred Compensation Plan for its management and mid-management employees. The Plan is a qualified defined contribution plan under Section 401(a) of the Internal Revenue Code. Mid-management employees chose not to participate. Management employees will place their City paid contributions which total 2% of salary into the Plan. Management employees are required to match the 2% City contribution with a 4% employee contribution. No contributions were made in the current fiscal year. Contributions are to start in July 2001.

7. DEFERRED COMPENSATION:

The City has made available to its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, whereby employees authorize the City to defer a portion of their salary to be deposited in individual investment accounts. Funds may be withdrawn by participants upon termination of employment or retirement. The City contributes on a 50% matching basis up to 2% of management's compensation and up to 1% of middle management's compensation. Total matching contributions made by the City totaled \$20,920 for the fiscal year ended June 30, 2001.

Amounts withheld by the City under this plan are deposited regularly with the International City Managers Association (ICMA) Fund for investment. Pursuant to changes in Internal Revenue Code Section 457, the City formally established a plan level trust in which all assets and income of the 457 plan were placed. The assets, all property and rights purchased with such amount, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are no longer the property of the City, and as such, are no longer subject to the claims of the City's general creditors. As a result, the assets of the 457 plan are no longer reflected in the Agency fund in which they were previously recorded. The City had minimal involvement in the administration of the 457 plan, and therefore, lacks the fiduciary accountability that would have required the 457 plan be recorded in an expendable trust fund.

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CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

8. DEPOSITS:

The City's deposits at June 30, 2001 are tabulated below followed by explanations as to the nature and purpose of each deposit.

	<u>Court</u>	<u>Insurance</u>	<u>Escrow on Land</u>	<u>Total</u>
General Fund	\$ -	\$ 596,501	\$ -	\$ 596,501
Community Redevelopment Capital Project Fund	<u>390,387</u>	<u>-</u>	<u>1,275,000</u>	<u>1,665,387</u>
	<u>\$ 390,387</u>	<u>\$ 596,501</u>	<u>\$ 1,275,000</u>	<u>\$ 2,261,888</u>

A. Court:

The Agency made deposits of \$390,387 to Los Angeles County Superior Court for eminent domain proceedings for certain real property. As of June 30, 2001, the cases have not been settled.

B. Insurance:

The City makes annual deposits to the California Joint Powers Insurance Authority as part of their self-insurance program (see Note 18). At June 30, 2001, the City had a general liability deposit in the amount of \$350,330, a workers' compensation deposit in the amount of \$246,171. These deposits are for the insurance program year ending June 30, 2002 and will be expended during that year in accordance with the City's policy (see Note 1J).

C. Escrow on Land:

On April 14, 1997, the Agency entered into an agreement to purchase certain real property which is currently leased. Escrow is scheduled to close on or before the earlier of (i) June 30, 2002 or (ii) 555 days after the expiration of the leases or (iii) 15 days after the completion of remediation work.

The purchase price of the property is \$1,825,000 plus \$3,500 per month for the period November 1, 1996 through December 31, 2000. Per the terms of the agreement, the Agency deposited \$900,000 into a trust account and paid the seller \$200,000 plus \$175,000 in monthly installments described above for a total of \$1,275,000.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

9. CERTIFICATES PAYABLE:

In conjunction with an installment agreement dated November 1, 1996 to finance the design and construction of two reservoirs and related water delivery systems for the City, the Signal Hill Public Financing Authority issued \$10,000,000 of Certificates of Participation (1996 Water Improvement Project). The Certificates represent a direct undivided interest in installment payments made by the City to the Authority for the acquisition of the City's water treatment, production, storage and distribution system. The installment payments are designed to be sufficient in both time and amount to pay the principal and interest with respect to the Certificates. Principal amounts on \$4,770,000 of serial certificates mature annually each November 1, in the years 1998 through 2016, and bear interest semiannually on May 1 and November 1 at rates ranging from 4.8% to 5.6%. Term certificates of \$2,260,000 are due November 1, 2021 and bear interest semiannually on May 1 and November 1 at a rate of 5.6%. Term certificates of \$2,970,000 are due November 1, 2026 and bear interest semiannually on May 1 and November 1 at a rate of 5.7%.

The Certificates maturing on or after November 1, 2007 are subject to optional redemption, prior to maturity, in whole or in part, on any interest payment date on or after November 1, 2006 at a price equal to the principal amount, plus accrued interest to the redemption date, plus a premium ranging from 0.0% to 2.0%.

The Certificates maturing November 1, 2021 and November 1, 2026 are subject to mandatory redemption prior to maturity, on November 1 in each year commencing November 1, 2017 with respect to the Certificates maturing November 1, 2021 and November 1, 2022 with respect to the Certificates maturing November 1, 2026 at a price equal to the principal amount plus accrued interest to the redemption date.

Under terms of the issue, the maximum annual installment payment amount of \$698,080 is to be set aside in reserve funds unless the City elects to maintain the reserve requirement by obtaining a surety bond, insurance policy or letter of credit. The fair value of the investments in the reserve fund totaled \$702,954 at June 30, 2001.

At June 30, 2001, the certificates payable net of unamortized discount was \$9,383,233.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

9. CERTIFICATES PAYABLE (CONTINUED):

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2001, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2002	\$ 180,000	\$ 516,160	\$ 696,160
2003	190,000	507,280	697,280
2004	200,000	497,920	697,920
2005	210,000	488,080	698,080
2006	215,000	477,880	692,880
2007 - 2026	<u>8,515,000</u>	<u>5,961,705</u>	<u>14,476,705</u>
Totals	<u>\$ 9,510,000</u>	<u>\$ 8,449,025</u>	<u>\$ 17,959,025</u>

10. GENERAL LONG-TERM DEBT:

The following is a summary of changes in long-term debt transactions for the year ended June 30, 2001:

	Balance June 30, 2000	Additions	Repayments	Balance June 30, 2001
1994 Tax Allocation Bonds	\$ 11,845,000	-	\$ 200,000	\$ 11,645,000
1993 Tax Allocation Bonds - Series A	21,420,000	-	470,000	20,950,000
1993 Tax Allocation Bonds - Series B	29,865,000	-	645,000	29,220,000
Note payable	5,446,288	-	111,053	5,335,235
Loan payable	-	1,000,000	-	1,000,000
Section 108 loan payable	280,000	-	55,000	225,000
Capital lease obligations	150,159	-	46,919	103,240
Compensated absences	574,674	40,855	-	615,529
	<u>\$ 69,581,121</u>	<u>\$ 1,040,855</u>	<u>\$ 1,527,972</u>	<u>\$ 69,094,004</u>

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

10. GENERAL LONG-TERM DEBT (CONTINUED):

A. 1994 Tax Allocation Bonds:

On December 1, 1994 the Agency issued the Signal Hill Redevelopment Project No. 1 1994 Subordinate Tax Allocation Bonds (the "1994 Bonds"), in the amount of \$12,200,000. These bonds are limited obligations of the Agency and do not constitute a debt or liability of any political subdivision other than the Agency. They are subordinate to the 1993 Series A and Series B bonds. The issue contained \$3,165,000 in serial bonds bearing interest rates from 6.75% to 7.3% and \$9,035,000 in term bonds bearing an interest rate of 7.625%. The overall bond issue yield was 7.5%. The serial bonds mature between 1997 and 2009 while the term bonds mature in 2023. The net proceeds were \$11,785,999, with \$2,963,499 being deposited into the Agency's Housing Fund and \$1,097,031 into a reserve account. The remaining proceeds will be used to further develop the Signal Hill Auto Center, the Town Center commercial area, the Hilltop Residential Development Project and the Pacific Coast Highway (PCH) Corridor Affordable Housing Project.

Under terms of the issue, the maximum annual debt service amount of \$1,097,031 is to be set aside in a reserve account unless the Agency elects to maintain the reserve requirement by obtaining a surety bond for the amount. Cash and investments held in the reserve account with the trustee had a fair value of \$1,101,741 at June 30, 2001.

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2001, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2002	\$ 215,000	\$ 865,315	\$ 1,080,315
2003	235,000	850,128	1,085,128
2004	250,000	833,759	1,083,759
2005	265,000	816,179	1,081,179
2006	285,000	797,061	1,082,061
2007 - 2023	<u>10,395,000</u>	<u>8,530,868</u>	<u>18,925,868</u>
Totals	<u>\$ 11,645,000</u>	<u>\$ 12,693,310</u>	<u>\$ 24,338,310</u>

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

10. GENERAL LONG-TERM DEBT (CONTINUED):

B. 1993 Tax Allocation Bonds - Series A:

On July 1, 1993, the Agency issued the Signal Hill Redevelopment Project No. 1 1993 Tax Allocation Bonds, Series A (the "1993 Series A Bonds"), in the amount of \$23,795,000. The proceeds of the bonds were used to defease the Signal Hill Redevelopment Project No. 1 1990 Tax Allocation Bonds, Series A (the "1990 Series A Bonds"). The defeased 1990 Series A Bonds have been retired.

Serial bonds mature annually each October 1 from 1994 to 2008, in the amount of \$7,575,000, and bear interest semiannually beginning October 1, 1993 at rates of 5.25% and 5.40%. Term bonds are due October 1, 2015 (the "2015 Term Bonds") in the amount of \$6,005,000, and bear interest semiannually beginning October 1, 1993 at a rate of 5.4%. Term bonds are due October 1, 2023 (the "2023 Term Bonds") (collectively the "Term Bonds") in the amount of \$10,215,000, and bear interest semiannually beginning October 1, 1993 at a rate of 5.5%. Bonds maturing on or after October 1, 2004 are subject to optional redemption prior to maturity, in whole or in part, on any date on or after October 1, 2003 at a price equal to the principal amount, plus accrued interest to the redemption date, plus a premium ranging from 0.0% to 2.0%. The Term Bonds are subject to mandatory redemption on October 1 in each year commencing October 1, 2009 with respect to the 2015 Term Bonds and commencing October 1, 2016 with respect to the 2023 Term Bonds at a price equal to the principal amount plus accrued interest to the redemption date.

The Agency has pledged for the repayment of the bonds a first lien on certain tax increment revenues, less certain amounts required to be utilized for the provision of low and moderate income housing (see Note 10C).

Under terms of the issue, the maximum annual debt service amount of \$1,635,705, is to be set aside in reserve funds unless the Agency elects to maintain the reserve requirement by obtaining a surety bond for the amount. The Agency has obtained such a surety bond.

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2001, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2002	\$ 495,000	\$ 1,124,411	\$ 1,619,411
2003	520,000	1,097,768	1,617,768
2004	545,000	1,069,811	1,614,811
2005	575,000	1,040,411	1,615,411
2006	605,000	1,018,436	1,623,436
2007 - 2024	18,210,000	10,352,592	28,562,592
Totals	<u>\$ 20,950,000</u>	<u>\$ 15,703,429</u>	<u>\$ 36,653,429</u>

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

10. GENERAL LONG-TERM DEBT (CONTINUED):

C. 1993 Tax Allocation Bonds - Series B:

On December 1, 1993, the Agency issued the Signal Hill Redevelopment Project No. 1 1993 Tax Allocation Bonds, Series B (the "1993 Series B Bonds") in the amount of \$33,075,000. The proceeds of the bonds were used to defease the Signal Hill Redevelopment Project No. 1 1990 Tax Allocation Bonds, Series B (the "1990 Series B Bonds"). The defeased 1990 Series B Bonds have been retired.

Principal amounts on \$10,310,000 of serial bonds mature annually each October 1, from 1994 to 2008, and bear interest semiannually beginning December 1, 1993 at a rate of 5.20%. Term bonds in the amount of \$8,390,000 are due October 1, 2015, (the "2015 Term Bonds") and bear interest semiannually beginning December 1, 1993 at a rate of 5.25%. Term bonds in the amount of \$14,375,000 are due October 1, 2023 (the "2023 Term Bonds") (collectively the "Term Bonds") and bear interest semiannually beginning December 1, 1993 at a rate of 5.25%. Bonds maturing on or after October 1, 2004 are subject to optional redemption on any date on or after October 1, 2003 at a price equal to the principal amount, plus a premium ranging from 0.0% to 2.0%, plus accrued interest to the redemption date. The Term Bonds are subject to mandatory redemption on October 1 in each year commencing October 1, 2009 with respect to the 2015 Term Bonds and commencing October 1, 2016 with respect to the 2023 Term Bonds at a price equal to the principal amount plus accrued interest to the redemption date.

The Agency has pledged for the repayment of the bonds a first lien on certain tax increment revenues including those required to be utilized for the provision of low and moderate income housing on a parity with the outstanding 1993 Tax Allocation Bonds - Series A, (see Note 10B).

Under the terms of the issue, the maximum annual debt service amount of \$2,268,137 is to be set aside in reserve funds unless the Agency elects to maintain the reserve requirements by obtaining a surety bond for the amount. The Agency has obtained such a surety bond.

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2001, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2002	\$ 675,000	\$ 1,513,272	\$ 2,188,272
2003	705,000	1,477,393	2,182,393
2004	745,000	1,439,693	2,184,693
2005	780,000	1,400,043	2,180,043
2006	815,000	1,358,573	2,173,573
2007 - 2024	25,500,000	13,956,071	39,456,071
Totals	<u>\$ 29,220,000</u>	<u>\$ 21,145,045</u>	<u>\$ 50,365,045</u>

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

10. GENERAL LONG-TERM DEBT (CONTINUED):

D. Note Payable:

A \$5,000,000 note payable dated October 29, 1991, resulted from the acquisition of real property held for resale by the Agency. The note bears interest at 10% per annum. Interest and principal payments are due semi-annually on July 30 and January 30 in an amount equal to the sales tax revenue received or to be received by the City from all businesses and activities conducted on the property. Payments will be made for a period of 20 years or until interest and principal due on the note is paid in full. In the event that payments are insufficient to fully discharge the note in 20 years, the unpaid balance of principal and interest will be forgiven. The Agency adds accrued interest payable to the outstanding principal balance of the note. During the year ended June 30, 2001, no additional interest was added to the principal of the loan. At June 30, 2001, accrued interest payable equaled \$335,235.

Based on current available information, sales tax revenue will only be sufficient to pay \$3,418,204 of principal and accrued interest. Based on this, the annual debt requirements at June 30, 2001 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 99,935	\$ 530,277	\$ 630,212
2003	93,692	521,245	614,937
2004	122,205	511,180	633,385
2005	154,207	498,179	652,386
2006	190,074	481,884	671,958
2007 - 2013	<u>2,758,091</u>	<u>2,545,229</u>	<u>5,303,320</u>
Totals	<u>\$ 3,418,204</u>	<u>\$ 5,087,994</u>	<u>\$ 8,506,198</u>

E. Loan Payable:

On March 1, 2001 the Agency received a \$1,000,000 HELP (Housing Enabled by Local Partnership) loan from the California Housing Finance Agency. The proceeds of the loan were used to acquire property for rehabilitation, and project sites for construction of multifamily rental housing. The loan bears simple interest at a rate of 3% per annum. The term of the loan is 10 years. Principal and interest on the loan is due upon the sale or transfer of any of the acquired properties or March 1, 2011, whichever is earlier. As of June 30, 2001, accrued unpaid interest totalled \$5,000.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

10. GENERAL LONG-TERM DEBT (CONTINUED):

F. Section 108 Loan Payable:

On September 9, 1999, the City obtained a \$280,000 Section 108 loan from the U.S. Department of Housing and Urban Development to help fund the renovation of the City's Community Center. The loan bears interest at 7% per annum over a 5-year term. Principal payments are due annually each August 1, from 2000 to 2004, and interest payments are due semi-annually beginning August 1, 2000.

As security for the loan, the City has authorized the Community Development Commission of the County of Los Angeles (the Commission) to make the Section 108 loan repayments from the City's Community Development Block Grant (CDBG) funds set-aside through its CDBG Reimbursable Contract Amendment No. 3 with the Commission. As additional security, the City deposited \$347,767 into an escrow account. Funds in the escrow account are to be utilized by the Commission only in the event that CDBG funds are not sufficient to meet the loan repayments as they become due. Once a loan repayment is made with CDBG funds, an amount equal to the loan repayment plus interest paid on the escrow account balance is returned to the City from the escrow account. At June 30, 2001 the escrow account had a balance of \$370,447. As of June 30, 2001 the outstanding loan balance was \$225,000.

The annual requirements to amortize outstanding indebtedness as of June 30, 2001 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 55,000	\$ 14,021	\$ 69,021
2003	55,000	10,152	65,152
2004	55,000	6,250	61,250
2005	<u>60,000</u>	<u>2,145</u>	<u>62,145</u>
Totals	<u>\$ 225,000</u>	<u>\$ 32,568</u>	<u>\$ 257,568</u>

G. Capital Lease Obligation:

The City entered into a lease purchase agreement for equipment on December 18, 1996. This lease has been classified as a capital lease. The related assets have been capitalized in the General Fixed Asset Account Group at the present value of the original lease payments, based on an interest rate of 6.35%.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

10. GENERAL LONG-TERM DEBT (CONTINUED):

G. Capital Lease Obligation (Continued):

The future debt service requirement for this capital lease obligation as of June 30, 2001 is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 49,986	\$ 6,750	\$ 56,736
2003	53,254	3,481	56,735
Totals	<u>\$ 103,240</u>	<u>\$ 10,231</u>	<u>\$ 113,471</u>

H. Compensated Absences:

There is no fixed payment schedule to pay the liability of \$615,529 for compensated absences.

11. RESERVES AND DESIGNATIONS OF FUND BALANCE:

A City may establish "reserves" of fund equity to segregate fund balances which are not appropriable for expenditure in future periods, or which are legally set aside for a specific future use. Fund "designations" also may be established to indicate tentative plans for financial resource utilization in a future period.

The City's reserves at June 30, 2001 are tabulated below followed by explanations as to the nature and purpose of each reserve.

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
<b>RESERVES:</b>				
Land and improvements held for resale or lease	\$ -	\$ 3,756,651	\$ -	\$ 927,177
Debt service <i>Sec 108</i>	225,000	-	1,135,574	-
Deposits	596,501	-	-	1,665,387
<b>TOTAL RESERVES</b>	<u>\$ 821,501</u>	<u>\$ 3,756,651</u>	<u>\$ 1,135,574</u>	<u>\$ 2,592,564</u>

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

11. RESERVES AND DESIGNATIONS OF FUND BALANCE (CONTINUED):

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
DESIGNATIONS:				
Contingencies 5,063,713	\$ 5,058,091	\$ -	\$ -	-
Equipment replacement	492,774 ✓	-	-	-
Insurance premium increases	474,258 ✓	-	-	-
Continuing appropriations	103,652 ✓	-	-	-
Special revenue purposes	-	6,117,211	-	-
Capital improvements	476,102 ✓	-	-	4,253,606
Economic uncertainties 887,537 ✓	893,158 ✓	-	-	-
Obligation under owner participation agreement 2,831,100	2,121,100	-	-	-
Note repayment	743,492 ✓	-	-	-
Advances (606) (658) 710,000 + 139,754 →	949,754	-	-	-
Emergency Operations Center	672,487	-	-	-
Library expansion	202,250	-	-	-
Law enforcement high technology acquisitions	100,224	-	-	-
<b>TOTAL DESIGNATIONS</b>	<b>\$ 12,287,342</b>	<b>\$ 6,117,211</b>	<b>\$ -</b>	<b>\$ 4,253,606</b>

- A. Reserved for Land and Improvements Held for Resale or Lease - A reserve for land and improvements held for resale or lease has been set aside to indicate that the related land and improvements are not an "available spendable resource".
- B. Reserved for Debt Service - The reserve for debt service represents reserves accumulated by the City that are legally restricted to the payment of long-term debt principal and interest amounts that mature in future years.
- C. Reserved for Deposits - A reserve for deposits has been set aside to indicate that such deposits are not an "available spendable resource".
- D. Designated for Contingencies - This amount has been set aside for any emergencies or disasters which might occur.

*DIFF = Hyundai June Payment. (5621)  
Auditor posted to Wrong Fund. 001 8/2 605*

See independent auditors' report.

*001. → 5,885,214  
and 5,879,592  
DIFF 5,622*

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

11. RESERVES AND DESIGNATIONS OF FUND BALANCE (CONTINUED):

- E. Designated for Equipment Replacement - These funds are designated for future purchases of equipment.
- F. Designated for Insurance Premium Increases - These funds are designated for future increases in insurance premiums.
- G. Designated for Continuing Appropriations - These funds are designated for rebudgeted capital projects.
- H. Designated for Special Revenue Purposes - These funds are designated for the specific special revenue purpose as restricted by law or administrative action.
- I. Designated for Capital Improvements - A designation for capital improvements has been set aside to provide for new capital additions as determined by the City Council.
- J. Designated for Economic Uncertainties - This amount has been set aside to compensate for fluctuations in future sales tax revenues.
- K. Designated for Obligation Under Owner Participation Agreement - These funds are designated for future repayment under the Office Depot Owner Participation Agreement.
- L. Designated for Note Repayment - These funds are designated for the future debt service payments related to the note payable described in Note 10D.
- M. Designated for Advances - These funds are designated for the future advances to fund the operations of the Signal Hill Redevelopment Agency.
- N. Designated for Emergency Operations Center (EOC) - These funds are designated for the future EOC building addition to our police facility.
- O. Designated for Library Expansion - These funds are designated for the future expansion of the City's Library building
- P. Designated for Law Enforcement High Technology Acquisitions - These funds are designated for specific high technology law enforcement equipment.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

12. PROPERTY TAXES:

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are received from the county within sixty days after year end.

Lien Date	January 1
Levy Date	June 30
Due Dates	November 1 and February 1
Collection Dates	December 10 and April 10

13. PROPRIETARY FUND FIXED ASSETS:

Changes in fixed assets of the Enterprise (Water Utility) Fund for the year ended June 30, 2001 are as follows:

	Balances at July 1, 2000	Additions	Deletions	Balances at June 30, 2001
Land	\$ 2,959,792	\$ -	\$ -	\$ 2,959,792
Water rights	1,215,186	-	-	1,215,186
Reservoirs and tanks	9,938,049	129,601	-	10,067,650
Wells	937,390	-	-	937,390
Mains	8,979,768	-	-	8,979,768
Pumps	953,070	-	-	953,070
Fire hydrants	620,900	10,827	180	631,547
Meters	375,764	43,357	-	419,121
Services	1,449,220	-	-	1,449,220
Structures	1,049,775	-	-	1,049,775
Equipment and furniture	395,931	2,764	-	398,695
Work in process	345,681	72,914	239,454	179,141
Total	29,220,526	\$ 259,463	\$ 239,634	29,240,355
Less: Accumulated depreciation	<u>(4,880,649)</u>			<u>(5,430,409)</u>
Net	<u>\$ 24,339,877</u>			<u>\$ 23,809,946</u>

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

13. PROPRIETARY FUND FIXED ASSETS (CONTINUED):

Changes in fixed assets of the Internal Service (Vehicle and Equipment) Fund for the year ended June 30, 2001 are as follows:

	Balances at July 1, 2000	Additions	Deletions	Balances at June 30, 2001
Structures and improvements	\$ 178,200	\$ -	\$ -	\$ 178,200
Furniture and equipment	114,990	-	-	114,990
Vehicles and major equipment	<u>1,791,876</u>	<u>327,880</u>	<u>377,491</u>	<u>1,742,265</u>
Total	<u>2,085,066</u>	<u>\$ 327,880</u>	<u>\$ 377,491</u>	<u>2,035,455</u>
Less: Accumulated depreciation	<u>(1,494,560)</u>			<u>(1,312,955)</u>
Net	<u>\$ 590,506</u>			<u>\$ 722,500</u>

14. GENERAL FIXED ASSETS:

Changes in general fixed assets for the year ended June 30, 2001 are as follows:

	Balances at July 1, 2000	Additions	Deletions	Balances at June 30, 2001
Land	\$ 471,760	\$ 328,175	\$ -	\$ 799,935
Structure and improvements	6,709,600	2,597	-	6,712,197
Equipment and furniture	2,723,473	230,553	114,400	2,839,626
Computer software	<u>167,600</u>	<u>4,903</u>	<u>-</u>	<u>172,503</u>
Total General Fixed Assets	<u>\$ 10,072,433</u>	<u>\$ 566,228</u>	<u>\$ 114,400</u>	<u>\$ 10,524,261</u>

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

15. SEGMENT INFORMATION FOR ENTERPRISE FUND:

Net working capital of the Enterprise (Water) Fund at June 30, 2001, was as follows:

Current assets	\$ 2,452,825
Current liabilities payable from current assets	<u>479,425</u>
Net working capital	<u>\$ 1,973,400</u>

16. CONTRIBUTED CAPITAL

Changes in the Proprietary Funds' contributed capital for the year ended June 30, 2001 were as follows:

	Enterprise Fund	Internal Service Fund
	<u>          </u>	<u>          </u>
Contributed capital, July 1, 2000	\$ 15,720,678	\$ 1,236,703
Additions	400,000	-
Deletions	<u>-</u>	<u>-</u>
Contributed capital, June 30, 2001	<u>\$ 16,120,678</u>	<u>\$ 1,236,703</u>

17. REFUNDABLE DEPOSITS:

Water utility deposits in the amount of \$283,663 are being held and are refundable when water customer's accounts are closed or may be applied to uncollectible accounts.

Various other deposits in the amount of \$702,003 are being held and are refundable based on the terms and purpose of the deposit.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

18. CALIFORNIA JOINT POWERS INSURANCE AUTHORITY:

The City is a member of the California Joint Powers Insurance Authority (Authority).

A. Description of Joint Powers Authority:

The Authority is composed of 84 California public entities and is organized under a joint powers agreement pursuant to California Government Code Section 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 member in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee.

B. Self-insurance Programs of the Authority:

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

Workers' Compensation: The City also participates in the workers' compensation pool administered by the Authority. Pool deposits and retrospective adjustments are valued in a manner similar to the General Liability pool. The City is charged for the first \$50,000 of each claim for police or fire employees and \$25,000 of each claim for all other employees. Costs are pooled above that level to \$50,000. Costs from \$50,001 to \$100,000 per claim are pooled based on the member's losses under its retention level. Costs between \$100,001 and \$500,000 per claim are pooled based on payroll. Costs in excess of \$500,000 are paid by excess insurance purchased by the Authority. The excess insurance provides coverage to statutory limits.

Property Insurance: The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City property is currently insured according to a schedule of covered property submitted by the City to the Authority. Total all-risk property insurance coverage is \$19,233,496. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

18. CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (CONTINUED):

B. Self-insurance Programs of the Authority (Continued):

Earthquake and Flood Insurance: The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. The City property currently has earthquake protection in the amount of \$16,784,992. There is a deductible of 5% of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

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

During the past three fiscal years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

19. SPRING STREET CORRIDOR JOINT POWERS AUTHORITY:

The City and Agency entered into a joint powers agreement with the City of Long Beach and the Long Beach Redevelopment Agency on January 11, 1995. The purpose of this agreement was to create a joint power authority (Authority) pursuant to the California Government Code in order to develop and operate public facilities and improvements in the Spring Street Corridor Area.

The Authority is governed by a Board of Directors which is made up of the five members of the Signal Hill City Council, the four members of the Long Beach City Council, and the Chairman of the Long Beach Redevelopment Agency. Officers of the Authority are elected annually by the Board members.

On December 21, 1995, the joint powers agreement was amended to increase its jurisdiction by including additional areas surrounding the original Spring Street Corridor Area. The operating expenses are charged to the members on the basis of their prorata share of land in the Corridor. Financial statements can be obtained from the City of Signal Hill's Finance Department located at City Hall.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

19. SPRING STREET CORRIDOR JOINT POWERS AUTHORITY (CONTINUED):

Pursuant to an owner participation and implementation agreement dated September 19, 1996, the Authority is required to pay a developer a formulated amount based on the sales tax generated at a site developed within the City of Signal Hill. The formula is equal to the amount of sales tax revenue received by the City of Signal Hill in excess of \$1,000,000 but less than \$2,000,000 plus 50% of all amounts in excess of \$2,000,000 on a calendar year basis. The payments are due annually through the calendar year 2010. The source of these payments is to be provided by the Agency. The first source is available tax increment revenue which is limited based on the amount of the Agency's annual tax increment revenue less amounts required by law to be deposited in the Agency's Affordable Housing Special Revenue Fund. The second source is a loan from the City which would be made from the City's share of sales tax revenue generated from the developed site. No other sources of funds are available for payments. During the year ended June 30, 2001, the Agency made no payments pursuant to this agreement and has accrued an additional \$1,064,434 as of June 30, 2001 for a total of \$2,449,411. The Agency is disputing the amount accrued and has requested the developer to investigate the manner in which sales tax revenue was reported to the California State Board of Equalization.

20. RESTRICTED CASH:

Cash and investments totaling \$370,447 are restricted in the General Fund. This amount represents cash and investments held by a trustee as collateral for the Section 108 HUD loan (see Note 10F). Cash and investments totaling \$1,135,574 are restricted in the Debt Service Fund in accordance with bond indentures (see Notes 10A, 10B and 10C). Cash and investments totaling \$12,176 are restricted in the Special Deposits Agency Fund. This amount represents cash from businesses located within the City to assure conformity with zoning regulations. Cash and investments totaling \$1,898,668 are restricted in the Water Enterprise Fund of this amount \$724,374 represents cash and investments held by a trustee for payment of the 1996 Certificates of Participation (see Note 9), and \$1,174,294 represents a reserve for debt service if the water revenues are not sufficient to meet debt service needs.

21. OPERATING LEASE OBLIGATIONS:

- A. The Agency is leasing land used for an Auto Center under an operating lease dated June 30, 1988. The term of the lease expires November 30, 2055. The current period rental payments, which are classified as project costs, were \$201,808.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

21. OPERATING LEASE OBLIGATIONS (CONTINUED):

A. (Continued):

Future minimum rental payments are due as follows:

<u>Year Ending June 30,</u>	
2002	\$ 208,700
2003	210,200
2004	210,200
2005	210,200
2006	216,908
2007 - 2056	<u>14,424,876</u>
Total	<u>\$ 15,481,084</u>

The operating lease covers seven parcels of land which are subleased to auto dealers. For the year ended June 30, 2001, the Agency received \$166,159 in rental payments to offset the Agency's lease payments to the lessor.

- B. The Agency is leasing land to be used for future expansion of the Auto Center under an operating lease dated December 21, 1993 and amended May 7, 1996. The term of the lease expires December 31, 2055. Future minimum rental payments to be made by the Agency are due as follows:

<u>Year Ending June 30,</u>	
2002	\$ 201,462
2003	201,462
2004	201,462
2005	204,483
2006	207,504
2007 - 2056	<u>11,458,712</u>
Total minimum lease payments	<u>\$ 12,475,085</u>

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

21. OPERATING LEASE OBLIGATIONS (CONTINUED):

B. (Continued):

The operating lease covers ten parcels of land which are subject to pre-existing leases by the lessor. The rental income is paid directly by the tenants to the lessor. The lessor will continue its lease agreements with the tenants until each lease expires or the tenant vacates. Once either of these events occur, the Agency becomes the replacement tenant and has the right to use or sublease the parcels of land, and is responsible for paying rental income to the lessor. The Agency is entitled to receive the rental income from the sublessees to offset the Agency's rental payments to the lessor. For the year ended June 30, 2001, the Agency made rental payments which are classified as project costs, totaling \$97,236 on this lease for four parcels of land on which the Agency is considered to be the replacement tenant. The Agency has sub-leased one parcel of this land on a month-to-month basis, at a total monthly rental rate of \$900. For the year ended June 30, 2001, the Agency received \$10,800 in rental payments to offset the Agency's lease payments to lessor.

22. INTERFUND BALANCES:

Interfund receivables and payables at June 30, 2001 were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 130,302	\$ -
Special Revenue Funds:		
HCDA Grant	-	10,495
COPS Fast Grant	-	5,626
COPS More Grant	-	68,637
CALMS Police Grant	-	34,807
TRAP	-	<u>10,737</u>
Totals	<u>\$ 130,302</u>	<u>\$ 130,302</u>

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

23. ADVANCES RECEIVABLE/PAYABLE FROM OTHER FUNDS:

- A. During the fiscal year ended June 30, 1999, the Water Enterprise Fund advanced \$147,500 to the Park Development Special Revenue Fund to complete the Hilltop Park Art and Construction Project. Hilltop Park is situated above a newly constructed underground water reservoir which was completed in July, 1999. The non-interest bearing advance is payable in ten equal annual payments of \$14,750 beginning in the fiscal year ending June 30, 2001. The advance balance as of June 30, 2001 was \$118,000.
- B. During the fiscal year ended June 30, 2001, the General Fund advanced \$18,180 to the Lighting and Landscape Special Revenue Fund for repairs and painting of fences within Landscape and Lighting Maintenance District No. 1. The non-interest bearing advance is payable in four equal annual payments of \$4,545 beginning in the fiscal year ending June 30, 2002. The advance balance as of June 30, 2001 was \$18,180.
- C. In March 2001, the City advanced the Agency \$305,000. The Agency used this advance to reimburse a lessee for site improvements pursuant to a lease agreement dated October 3, 2000 (see Note 24). The advance bears interest at a rate of 7.0%. The Agency will repay the advance plus accrued interest by making 48 monthly installments of \$7,304. The first installment was made in April 2001. The Agency's source of funds for the advance repayments is the lease income from the aforementioned lease. The advance balance as of June 30, 2001 was \$282,708.
- D. On June 30, 2001, the City advanced the Agency \$710,000 to assist in funding the Agency's operating budget. The advance accrues interest at a rate of 7.0% per annum. There is no set repayment schedule for this advance.

24. LAND HELD FOR LEASE:

The Agency is leasing land to an auto dealership in the Auto Center under an operating lease dated October 3, 2000. The term of the lease expires March 31, 2005. The monthly rent payable to the Agency in advance for the first and second year of the lease is \$7,500 and \$8,000, respectively. On April 1 of the third and fourth year of the lease, the monthly rental payment will be adjusted based upon the consumer price index. During the year ended June 30, 2001, the Agency received \$30,000 in rental income from the lease. The Agency has designated a portion of these lease receipts for the payment of its obligation to the City as described in Note 23C. The Agency still intends to sell this land as part of its overall redevelopment plan for the Auto Center upon termination of this lease. The land is recorded in the Community Redevelopment Capital Projects Fund at its acquisition cost of \$926,119.

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

25. LITIGATION, COMMITMENTS AND CONTINGENT LIABILITIES:

A. Litigation:

Numerous claims and suits have been filed against the City in the normal course of business. Based upon information received from the City's management, the estimated liability under any such claims would be adequately covered by deposits in a pooled insurance authority and insurance coverage. Other claims not covered by insurance involving substantial land use actions and inverse condemnation claims are not expected to have an adverse economic effect on the City.

B. Grant Audit Contingencies:

Under the terms of certain grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

26. INDIVIDUAL FUND DISCLOSURES:

Expenditures exceeded appropriations in the following funds for the year ended June 30, 2001:

	<u>Amount of Expenditures Exceeding Appropriations</u>
Special Revenue Funds:	
Park Development Fund	\$ 2,997
Supplemental Law Enforcement Fund	6,253
CALMS Police Grant Fund	19,705
Brownfields Grant Fund	83,589
Debt Service Fund	271,248

See independent auditors' report.

CITY OF SIGNAL HILL

NOTES TO FINANCIAL STATEMENTS  
(Continued)

June 30, 2001

27. SUBSEQUENT EVENT:

On December 4, 2001, the Agency issued the Signal Hill Redevelopment Project No. 1 2001 Tax Allocation Bonds in the amount of \$13,880,000 to advance refund the 1994 Subordinate Tax Allocation Bonds (the "1994 Bonds") and to provide funds for certain redevelopment activities. The bonds were issued at a net discount of \$11,035. A portion of the proceeds was deposited into an escrow fund and invested. The principal and interest from these investments are anticipated to provide funds sufficient to pay all future debt service requirements through and including their redemption date of December 1, 2004 and to pay the redemption price with respect to the 1994 Bonds remaining outstanding on December 1, 2004. As a result of the advance refunding, the 1994 Bonds are considered to be defeased. The advance refunding of the 1994 Bonds decreased the total debt service requirements by \$3,619,597 and resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,397,018.

The 2001 Tax Allocation Bonds are serial bonds maturing annually on October 1 of 2002 through 2023 in amounts ranging from \$455,000 to \$880,000. Interest on the bonds is payable semi-annually on October 1 and April 1 commencing April 1, 2002 at rates ranging from 2.00% to 4.625%.

## GENERAL FUND

The General Fund is the general operating fund of the City. All general tax revenues and other receipts not allocated by law or contractual agreement to other funds are accounted for in this fund. Expenditures of this fund include general operating costs not paid through other funds.

CITY OF SIGNAL HILL  
 COMPARATIVE BALANCE SHEET  
 GENERAL FUND

June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<b>ASSETS</b>		
Cash and investments	\$ 9,919,550	\$ 7,715,435
Accounts receivable	1,726,739	1,434,201
Accrued interest receivable	176,075	137,017
Due from other funds	130,302	140,154
Restricted cash and investments	370,447	346,166
Advance to other funds	1,010,888	-
Deposits	596,501	456,580
	<u>\$ 13,930,502</u>	<u>\$ 10,229,553</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 482,781	\$ 275,324
Accrued liabilities	246,112	337,659
Deferred revenue	92,766	127,237
	<u>821,659</u>	<u>740,220</u>
<b>FUND BALANCE:</b>		
Reserved for deposits	596,501	456,580
Reserved for debt service	225,000	280,000
Unreserved:		
Designated for contingencies	5,058,091	3,488,561
Designated for equipment replacement	492,774	434,183
Designated for insurance premium increases	474,258	445,092
Designated for continuing appropriations	103,652	342,274
Designated for capital improvements	476,102	390,146
Designated for economic uncertainties	893,158	779,749
Designated for obligation under owner participation agreement	2,121,100	1,675,927
Designated for note repayment	743,492	973,713
Designated for advances	949,754	223,108
Designated for Emergency Operations Center	672,487	-
Designated for library expansion	202,250	-
Designated for law enforcement high technology acquisitions	100,224	-
	<u>13,108,843</u>	<u>9,489,333</u>
<b>TOTAL FUND BALANCE</b>	<u>\$ 13,930,502</u>	<u>\$ 10,229,553</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 13,930,502</u>	<u>\$ 10,229,553</u>

CITY OF SIGNAL HILL  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE

GENERAL FUND

For the years ended June 30, 2001 and 2000

	2001	2000	
REVENUES:			
Property taxes	\$ 246,023	\$ 242,367	
Sales and use tax	9,897,206	8,080,866	1.817
Other taxes	1,175,943	936,323	239
Licenses and permits	407,317	369,620	
Intergovernmental revenues	1,002,541	616,258	386
Charges for services	960,753	748,340	212
Fines and forfeitures	158,631	144,113	
Revenue from use of money and property	817,644	455,893	362
Other revenue	140,027	297,293	
TOTAL REVENUES	14,806,085	11,891,073	
EXPENDITURES:			
Current:			
General government	1,928,263	1,845,823	
Community services	900,326	911,383	
Police	4,351,784	4,398,905	
Community development	730,216	743,284	
Public works	2,734,372	2,422,411	
Capital outlay	142,041	378,860	
Debt service:			
Principal retirement	46,918	44,039	
Interest	9,818	12,697	
TOTAL EXPENDITURES	10,843,738	10,757,402	
EXCESS OF REVENUES OVER EXPENDITURES	3,962,347	1,133,671	
OTHER FINANCING SOURCES (USES):			
Operating transfers in	722,847	368,543	
Operating transfers out	(1,065,684)	(177,675)	
TOTAL OTHER FINANCING SOURCES (USES)	(342,837)	190,868	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	3,619,510	1,324,539	
FUND BALANCE AT BEGINNING OF YEAR	9,489,333	8,164,794	
FUND BALANCE AT END OF YEAR	\$ 13,108,843	\$ 9,489,333	

*Operating transfers in* 6F TTTs O/S by 300,000  
*Operating transfers out* 313 eliminated when 424,848  
 consolidated 6F 765 684

CITY OF SIGNAL HILL

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

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Property taxes	\$ 250,400	\$ 246,023	\$ (4,377)
Sales and use tax	8,450,000	9,897,206	1,447,206
Other taxes	942,000	1,175,943	233,943
Licenses and permits	405,400	407,317	1,917
Intergovernmental revenues	927,998	1,002,541	74,543
Charges for services	798,450	960,753	162,303
Fines and forfeitures	137,600	158,631	21,031
Revenue from use of money and property	405,000	817,644	412,644
Other revenue	46,050	140,027	93,977
<b>TOTAL REVENUES</b>	<b>12,362,898</b>	<b>14,806,085</b>	<b>2,443,187</b>
<b>EXPENDITURES:</b>			
<b>GENERAL GOVERNMENT:</b>			
City Council	148,750	127,993	20,757
City Treasurer	14,250	11,047	3,203
City Clerk	108,500	102,232	6,268
Program administration	313,100	294,494	18,606
Legislative services	145,950	130,186	15,764
Personnel services	271,200	243,189	28,011
Support services	482,000	470,361	11,639
Fiscal services	475,650	453,329	22,321
Management information services	113,900	95,432	18,468
<b>TOTAL GENERAL GOVERNMENT</b>	<b>2,073,300</b>	<b>1,928,263</b>	<b>145,037</b>
<b>COMMUNITY SERVICES:</b>			
Library programs and services	241,550	232,446	9,104
Community support and services	238,800	205,452	33,348
Recreation	597,450	462,428	135,022
<b>TOTAL COMMUNITY SERVICES</b>	<b>1,077,800</b>	<b>900,326</b>	<b>177,474</b>
<b>POLICE:</b>			
Patrol services	2,375,350	2,243,432	131,918
Investigative services	592,600	527,916	64,684
Support services	733,050	749,088	(16,038)
Emergency and disaster services	4,200	4,145	55
Community outreach	165,450	165,125	325
Communications	408,800	325,936	82,864
Records	374,100	336,142	37,958
<b>TOTAL POLICE</b>	<b>4,653,550</b>	<b>4,351,784</b>	<b>301,766</b>

(Continued)

CITY OF SIGNAL HILL

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
(Continued)

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (CONTINUED):			
COMMUNITY DEVELOPMENT:			
Planning services	\$ 333,700	\$ 265,463	\$ 68,237
Neighborhood enhancement	123,950	111,914	12,036
Building and safety	347,600	261,201	86,399
Oil field services	93,350	91,638	1,712
TOTAL COMMUNITY DEVELOPMENT	<u>898,600</u>	<u>730,216</u>	<u>168,384</u>
PUBLIC WORKS:			
Engineering and project services	494,600	487,345	7,255
Building maintenance	359,250	325,907	33,343
Refuse and recycling	270,400	278,054	(7,654)
Sewer operations	254,550	212,021	42,529
Park maintenance	476,700	432,775	43,925
Street maintenance operations	1,116,600	998,270	118,330
TOTAL PUBLIC WORKS	<u>2,972,100</u>	<u>2,734,372</u>	<u>237,728</u>
CAPITAL OUTLAY	<u>173,350</u>	<u>142,041</u>	<u>31,309</u>
DEBT SERVICE:			
Principal retirement	46,918	46,918	-
Interest	9,832	9,818	14
TOTAL DEBT SERVICE	<u>56,750</u>	<u>56,736</u>	<u>14</u>
TOTAL EXPENDITURES	<u>11,905,450</u>	<u>10,843,738</u>	<u>1,061,712</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>457,448</u>	<u>3,962,347</u>	<u>3,504,899</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	436,750	722,847	286,097
Operating transfers out	(1,684,550)	(1,065,684)	618,866
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,247,800)</u>	<u>(342,837)</u>	<u>904,963</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(790,352)</u>	<u>3,619,510</u>	<u>4,409,862</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>9,489,333</u>	<u>9,489,333</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 8,698,981</u>	<u>\$ 13,108,843</u>	<u>\$ 4,409,862</u>

## SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or administrative regulation to be accounted for in a separate fund.

Affordable Housing Fund - Accounts for the 20% set-aside of tax increment revenues to be used for development of low and moderate income housing within the Agency's project area.

Asset Seizure Fund - Accounts for the portion of seized monies and property returned to the City for narcotic enforcement and other police related activities, pursuant to Federal and State asset forfeitures laws.

Park Development Fund - Accounts for revenues from residential and commercial developers impact fees for park acquisition and improvement purposes.

HCDA Grant Fund - Accounts for community block grant revenues and expenditures for rehabilitation, food distribution and capital projects.

Special Gas Tax Fund - Accounts for receipts and disbursements of monies apportioned to the City under the Streets and Highways Code of the State of California, as well as a Transportation Development Act grant for bicycle and pedestrian facilities.

Traffic Safety Fund - Accounts for revenues from fines for violation of the California Vehicle Code.

Transportation Fund - As "Proposition A" increased the sales tax in Los Angeles County by one half percent (.5%), this fund accounts for financial activity relative to the City's share of these monies. "Proposition A" revenues are to be used for public transportation purposes.

Cable Televising Fund - Accounts for franchise fees paid by cable TV operators.

Pipeline Removal Fund - Accounts for revenues from fees paid by franchisees on idle pipeline for future removal costs.

CopsFast Grant Fund - Accounts for the receipts and disbursements of monies awarded to the City under the federal government's CopsFast Grant program. The purpose is to increase the number of law enforcement personnel within municipalities.

Air Quality Improvement Fund - Accounts for revenues apportioned to the City from the Southern California AQMD fees on motor vehicle registrations, used to fund programs to reduce air pollution from mobile sources.

Water Development Fund - Accounts for revenues from residential and commercial developers' impact fees for water system improvements related to new development.

## SPECIAL REVENUE FUNDS (CONTINUED)

Traffic Impact Fund - Accounts for revenues from residential and commercial developers' impact fees for the purpose of reducing traffic within the City related to new development.

Proposition C Fund - As "Proposition C" increased the sales tax in Los Angeles County by one-half percent (.5%), this fund accounts for financial activity relative to the City's share of these monies. "Proposition C" revenues are to be used for public transportation purposes.

Lighting and Landscape Fund - Accounts for financial activity relating to the City's landscape and lighting district. Revenues include assessments to property owners within the district and expenditures relate to the maintenance and upkeep of the system.

Supplemental Law Enforcement Fund - Accounts for the receipts and disbursements of monies awarded to the City under the Citizens Option for Public Safety program (otherwise known as the COPS). The grant was established by State Assembly Bill (AB) 3229 and is appropriated through its Supplemental Law Enforcement Fund.

Law Enforcement Block Grant Fund - Accounts for receipts and disbursements of monies awarded to the City by the United States Department of Justice under the Local Law Enforcement Block Grant program.

COPS More Grant Fund - Accounts for receipts and disbursements of monies awarded to the City by the United State Department of Justice under the COPS More Grant program.

CALMS Police Grant Fund - Accounts for receipts and disbursements of monies awarded to the City by the California Department of Justice under the California Methamphetamine Strategy Task Force (CALMS) Police Grant program.

TRAP Fund - Accounts for receipts and disbursements of grant funds received from the Task Force for Regional Auto Theft Prevention (TRAP). Funds originate from the State auto license fees with the local counties administering the programs.

Brownfields Grant Fund - Accounts for receipts and disbursements of grant funds received from the United States Environmental Protection Agency. Funds originate from the EPA's Superfund and will be utilized to assess contaminated urban sites for possible reuse.

CITY OF SIGNAL HILL

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

June 30, 2001

With comparative totals for June 30, 2000

	Affordable Housing	Asset Seizure	Park Development	HCDA Grant
<b>ASSETS</b>				
Cash and investments	\$ 2,267,120	\$ 34,379	\$ 321,657	\$ -
Accounts receivable	-	131	23,483	-
Property taxes receivable	19,100	-	-	-
Accrued interest receivable	34,054	517	4,792	1,555
Due from other governments	-	-	-	13,531
Rehabilitation loans receivable	-	-	-	15,799
Land and improvements held for resale	3,756,651	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 6,076,925</u></b>	<b><u>\$ 35,027</u></b>	<b><u>\$ 349,932</u></b>	<b><u>\$ 30,885</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 27,276	\$ -	\$ -	\$ 2,579
Accrued liabilities	7,730	-	-	457
Due to other funds	-	-	-	10,495
Advance from other fund	-	-	118,000	-
Deferred revenue	-	-	-	17,354
<b>TOTAL LIABILITIES</b>	<b><u>35,006</u></b>	<b><u>-</u></b>	<b><u>118,000</u></b>	<b><u>30,885</u></b>
<b>FUND BALANCES:</b>				
<b>Reserved:</b>				
Reserved for deposits	-	-	-	-
Reserved for land and improvements held for resale	3,756,651	-	-	-
<b>Unreserved:</b>				
Designated for special revenue purposes	2,285,268	35,027	231,932	-
<b>TOTAL FUND BALANCES</b>	<b><u>6,041,919</u></b>	<b><u>35,027</u></b>	<b><u>231,932</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 6,076,925</u></b>	<b><u>\$ 35,027</u></b>	<b><u>\$ 349,932</u></b>	<b><u>\$ 30,885</u></b>

Special Gas Tax	Traffic Safety	Transportation	Cable Televising	Pipeline Removal	CopsFast Grant	Air Quality Improvement	Water Development
\$ 72,919	\$ 84,983	\$ 205,505	\$ 299,245	\$ 1,000,159	\$ -	\$ 33,970	\$ 801,447
965	6,740	10,360	-	-	-	2,706	-
-	-	-	-	-	-	-	-
2,071	652	3,229	4,878	15,781	-	491	11,363
1,515	-	-	-	-	5,626	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 77,470</u>	<u>\$ 92,375</u>	<u>\$ 219,094</u>	<u>\$ 304,123</u>	<u>\$ 1,015,940</u>	<u>\$ 5,626</u>	<u>\$ 37,167</u>	<u>\$ 812,810</u>
\$ -	\$ -	\$ 31,182	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	747	-	-	-	-	-
-	-	-	-	-	5,626	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	<u>31,929</u>	-	-	<u>5,626</u>	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>77,470</u>	<u>92,375</u>	<u>187,165</u>	<u>304,123</u>	<u>1,015,940</u>	<u>-</u>	<u>37,167</u>	<u>812,810</u>
<u>77,470</u>	<u>92,375</u>	<u>187,165</u>	<u>304,123</u>	<u>1,015,940</u>	<u>-</u>	<u>37,167</u>	<u>812,810</u>
✓	✓	✓	✓	✓	✓	✓	✓
<u>\$ 77,470</u>	<u>\$ 92,375</u>	<u>\$ 219,094</u>	<u>\$ 304,123</u>	<u>\$ 1,015,940</u>	<u>\$ 5,626</u>	<u>\$ 37,167</u>	<u>\$ 812,810</u>
✓	✓						

(Continued)

CITY OF SIGNAL HILL

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS  
(Continued)

June 30, 2001

With comparative totals for June 30, 2000

	Traffic Impact	Proposition C	Lighting and Landscape	Supplemental Law Enforcement
<b>ASSETS</b>				
Cash and investments	\$ 734,842	\$ 126,661	\$ 28,424	\$ 109,645
Accounts receivable	-	8,595	835	-
Property taxes receivable	-	-	-	-
Accrued interest receivable	11,307	2,527	491	1,686
Due from other governments	-	-	-	-
Rehabilitation loans receivable	-	-	-	-
Land and improvements held for resale	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 746,149</u>	<u>\$ 137,783</u>	<u>\$ 29,750</u>	<u>\$ 111,331</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ -	\$ 2,161	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Advance from other fund	-	-	18,180	-
Deferred revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>20,341</u>	<u>-</u>
<b>FUND BALANCES:</b>				
Reserved:				
Reserved for deposits	-	-	-	-
Reserved for land and improvements held for resale	-	-	-	-
Unreserved:				
Designated for special revenue purposes	<u>746,149</u>	<u>137,783</u>	<u>9,409</u>	<u>111,331</u>
<b>TOTAL FUND BALANCES</b>	<u>746,149</u> ✓	<u>137,783</u> ✓	<u>9,409</u> ✓	<u>111,331</u> ✓
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 746,149</u>	<u>\$ 137,783</u>	<u>\$ 29,750</u>	<u>\$ 111,331</u>

Law Enforcement Block Grant	COPS More Grant	CALMS Police Grant	TRAP	Brownfields Grant	Totals	
					June 30, 2001	June 30, 2000
\$ 30,010	\$ -	\$ -	\$ -	\$ 49,675	\$ 6,200,641	\$ 7,473,774
-	-	-	-	-	53,815	25,998
-	-	-	-	-	19,100	57,412
752	-	-	-	-	96,146	127,931
-	70,421	38,813	14,106	-	144,012	122,265
-	-	-	-	-	15,799	15,799
-	-	-	-	-	3,756,651	1,148,217
-	-	-	-	-	-	330,016
<u>\$ 30,762</u>	<u>\$ 70,421</u>	<u>\$ 38,813</u>	<u>\$ 14,106</u>	<u>\$ 49,675</u>	<u>\$ 10,286,164</u>	<u>\$ 9,301,412</u>
\$ -	\$ -	\$ -	\$ -	\$ 8,264	\$ 71,462	\$ 14,921
-	1,784	4,006	3,369	-	18,093	13,780
-	68,637	34,807	10,737	-	130,302	117,157
-	-	-	-	-	136,180	132,750
-	-	-	-	38,911	56,265	17,354
-	70,421	38,813	14,106	47,175	412,302	295,962
-	-	-	-	-	-	330,016
-	-	-	-	-	3,756,651	1,148,217
30,762	-	-	-	2,500	6,117,211	7,527,217
30,762	-	-	-	2,500	9,873,862	9,005,450
✓ 30,762	✓ -	✓ -	✓ -	✓ 2,500		
<u>\$ 30,762</u>	<u>\$ 70,421</u>	<u>\$ 38,813</u>	<u>\$ 14,106</u>	<u>\$ 49,675</u>	<u>\$ 10,286,164</u>	<u>\$ 9,301,412</u>

CITY OF SIGNAL HILL

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS

For the year ended June 30, 2001  
With comparative totals for the year ended June 30, 2000

	Affordable Housing	Asset Seizure	Park Development	HCDA Grant
<b>REVENUES:</b>				
Property taxes	\$ 1,170,522	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental revenues	8,569	15,534	-	114,707
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Revenue from use of money and property	210,655	2,082	30,264	-
Developer fees	-	-	64,495	-
Other revenue	95,936	9,395	-	-
<b>TOTAL REVENUES</b>	<b>1,485,682</b>	<b>27,011</b>	<b>94,759</b>	<b>114,707</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General government	289,940	-	-	-
Community services	-	-	2,997	-
Police	-	-	-	-
Community development	-	-	-	25,796
Public works	-	-	-	-
Capital outlay	900,682	-	-	23,385
<b>Debt service:</b>				
Principal retirement	-	-	-	55,000
Interest	-	-	-	10,526
<b>TOTAL EXPENDITURES</b>	<b>1,190,622</b>	<b>-</b>	<b>2,997</b>	<b>114,707</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>295,060</b>	<b>27,011</b>	<b>91,762</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from loan	1,000,000	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	(976,702)	(7,872)	(365,627)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>23,298</b>	<b>(7,872)</b>	<b>(365,627)</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>318,358</b>	<b>19,139</b>	<b>(273,865)</b>	<b>-</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>5,723,561</b>	<b>15,888</b>	<b>505,797</b>	<b>-</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 6,041,919</b>	<b>\$ 35,027</b>	<b>\$ 231,932</b>	<b>\$ -</b>

Special Gas Tax	Traffic Safety	Transportation	Cable Televising	Pipeline Removal	CopsFast Grant	Air Quality Improvement	Water Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	118,599	-	-	-	-	-
260,070	-	-	-	-	-	10,103	-
-	-	1,508	-	-	-	-	-
-	104,846	-	-	-	-	-	-
5,839	6,338	13,796	22,314	66,848	-	2,029	43,019
-	-	-	-	134,595	-	-	273,365
-	-	-	-	-	-	-	-
<u>265,909</u>	<u>111,184</u>	<u>133,903</u>	<u>22,314</u>	<u>201,443</u>	<u>-</u>	<u>12,132</u>	<u>316,384</u>
-	-	-	-	-	-	2,500	-
-	-	-	-	-	-	-	-
-	-	95,231	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	11,500	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	<u>106,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
<u>265,909</u>	<u>111,184</u>	<u>27,172</u>	<u>22,314</u>	<u>201,443</u>	<u>-</u>	<u>9,632</u>	<u>316,384</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,700	-
<u>(197,350)</u>	<u>(110,000)</u>	<u>-</u>	<u>(30,100)</u>	<u>(35,000)</u>	<u>-</u>	<u>-</u>	<u>(4,740)</u>
<u>(197,350)</u>	<u>(110,000)</u>	<u>-</u>	<u>(30,100)</u>	<u>(35,000)</u>	<u>-</u>	<u>1,700</u>	<u>(4,740)</u>
68,559	1,184	27,172	(7,786)	166,443	-	11,332	311,644
8,911	91,191	159,993	311,909	849,497	-	25,835	501,166
<u>\$ 77,470</u>	<u>\$ 92,375</u>	<u>\$ 187,165</u>	<u>\$ 304,123</u>	<u>\$ 1,015,940</u>	<u>\$ -</u>	<u>\$ 37,167</u>	<u>\$ 812,810</u>

(Continued)

CITY OF SIGNAL HILL

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS  
(Continued)

For the year ended June 30, 2001  
With comparative totals for the year ended June 30, 2000

	Traffic Impact	Proposition C	Lighting and Landscape	Supplemental Law Enforcement
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	98,494	33,650	-
Intergovernmental revenues	-	-	-	100,000
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Revenue from use of money and property	48,359	10,979	2,133	5,733
Developer fees	76,460	-	-	-
Other revenue	-	-	-	-
TOTAL REVENUES	<u>124,819</u>	<u>109,473</u>	<u>35,783</u>	<u>105,733</u>
EXPENDITURES:				
Current:				
General government	-	463	-	-
Community services	-	-	-	-
Police	-	-	-	8,004
Community development	-	-	-	-
Public works	-	37,759	43,254	-
Capital outlay	-	-	-	21,799
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>38,222</u>	<u>43,254</u>	<u>29,803</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>124,819</u>	<u>71,251</u>	<u>(7,471)</u>	<u>75,930</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from loan	-	-	-	-
Operating transfers in	-	9,400	-	-
Operating transfers out	(9,400)	(68,298)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,400)</u>	<u>(58,898)</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>115,419</u>	<u>12,353</u>	<u>(7,471)</u>	<u>75,930</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>630,730</u>	<u>125,430</u>	<u>16,880</u>	<u>35,401</u>
FUND BALANCES AT END OF YEAR	<u>\$ 746,149</u>	<u>\$ 137,783</u>	<u>\$ 9,409</u>	<u>\$ 111,331</u>

Law Enforcement Block Grant	COPS More Grant	CALMS Police Grant	TRAP	Brownfields Grant	Totals	
					June 30, 2001	June 30, 2000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,170,522	\$ 1,096,963
-	-	-	-	-	250,743	228,978
45,506	70,421	106,155	70,362	86,089	887,516	510,706
-	-	-	-	-	1,508	1,623
-	-	-	-	-	104,846	104,342
2,599	-	-	-	-	472,987	431,353
-	-	-	-	-	548,915	341,325
-	-	-	-	-	105,331	66,787
<u>48,105</u>	<u>70,421</u>	<u>106,155</u>	<u>70,362</u>	<u>86,089</u>	<u>3,542,368</u>	<u>2,782,077</u>
-	-	-	-	83,589	376,492	235,921
-	-	-	-	-	2,997	5,729
7,585	99,327	106,155	70,362	-	291,433	180,351
-	-	-	-	-	121,027	118,384
-	-	-	-	-	81,013	27,560
16,441	-	-	-	-	973,807	2,525,918
-	-	-	-	-	55,000	-
-	-	-	-	-	10,526	12,172
<u>24,026</u>	<u>99,327</u>	<u>106,155</u>	<u>70,362</u>	<u>83,589</u>	<u>1,912,295</u>	<u>3,106,035</u>
<u>24,079</u>	<u>(28,906)</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>1,630,073</u>	<u>(323,958)</u>
-	-	-	-	-	1,000,000	279,950
3,422	28,906	-	-	-	43,428	23,092
-	-	-	-	-	(1,805,089)	(1,737,568)
<u>3,422</u>	<u>28,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(761,661)</u>	<u>(1,434,526)</u>
27,501	-	-	-	2,500	868,412	(1,758,484)
3,261	-	-	-	-	9,005,450	10,763,934
<u>\$ 30,762</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 9,873,862</u>	<u>\$ 9,005,450</u>

CITY OF SIGNAL HILL

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

AFFORDABLE HOUSING FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Property taxes	\$ 1,137,200	\$ 1,170,522	\$ 33,322
Intergovernmental revenues	-	8,569	8,569
Revenue from use of money and property	113,800	210,655	96,855
Other revenue	-	95,936	95,936
<b>TOTAL REVENUES</b>	<b>1,251,000</b>	<b>1,485,682</b>	<b>234,682</b>
EXPENDITURES:			
General government:			
Program administration	284,350	289,940	(5,590)
Capital outlay	3,271,000	900,682	2,370,318
<b>TOTAL EXPENDITURES</b>	<b>3,555,350</b>	<b>1,190,622</b>	<b>2,364,728</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,304,350)</b>	<b>295,060</b>	<b>2,599,410</b>
OTHER FINANCING SOURCES (USES):			
Proceeds from loan	-	1,000,000	1,000,000
Operating transfers out	(976,700)	(976,702)	(2)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(976,700)</b>	<b>23,298</b>	<b>999,998</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(3,281,050)</b>	<b>318,358</b>	<b>3,599,408</b>
FUND BALANCE AT BEGINNING OF YEAR	5,723,561	5,723,561	-
FUND BALANCE AT END OF YEAR	<b>\$ 2,442,511</b>	<b>\$ 6,041,919</b>	<b>\$ 3,599,408</b>

CITY OF SIGNAL HILL

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

ASSET SEIZURE FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental revenues	\$ 13,000	\$ 15,534	\$ 2,534
Revenue from use of money and property	900	2,082	1,182
Other revenue	-	9,395	9,395
 TOTAL REVENUES	 13,900	 27,011	 13,111
OTHER FINANCING USES:			
Operating transfers out	(10,861)	(7,872)	2,989
 EXCESS OF REVENUES OVER OTHER FINANCING USES	 3,039	 19,139	 16,100
FUND BALANCE AT BEGINNING OF YEAR	15,888	15,888	-
FUND BALANCE AT END OF YEAR	\$ 18,927	\$ 35,027	\$ 16,100

CITY OF SIGNAL HILL

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

PARK DEVELOPMENT FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Revenue from use of money and property	\$ 12,500	\$ 30,264	\$ 17,764
Developer fees	138,500	64,495	(74,005)
 TOTAL REVENUES	 151,000	 94,759	 (56,241)
EXPENDITURES:			
Community services:			
Recreation	-	2,997	(2,997)
 EXCESS OF REVENUES OVER EXPENDITURES	 151,000	 91,762	 (59,238)
OTHER FINANCING USES:			
Operating transfers out	(693,900)	(365,627)	328,273
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	 (542,900)	 (273,865)	 269,035
 FUND BALANCE AT BEGINNING OF YEAR	 505,797	 505,797	 -
 FUND BALANCE AT END OF YEAR	 \$ (37,103)	 \$ 231,932	 \$ 269,035

CITY OF SIGNAL HILL

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

HCDA GRANT FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental revenues	\$ 125,750	\$ 114,707	\$ (11,043)
EXPENDITURES:			
Community development:			
CDBG program	28,298	25,796	2,502
Capital outlay	30,117	23,385	6,732
Debt service:			
Principal retirement	55,000	55,000	-
Interest	12,335	10,526	1,809
TOTAL EXPENDITURES	<u>125,750</u>	<u>114,707</u>	<u>11,043</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SIGNAL HILL

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

SPECIAL GAS TAX FUND

For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental revenues	\$ 263,711	\$ 260,070	\$ (3,641)
Revenue from use of money and property	1,500	5,839	4,339
TOTAL REVENUES	265,211	265,909	698
OTHER FINANCING USES:			
Operating transfers out	(195,000)	(197,350)	(2,350)
EXCESS OF REVENUES OVER OTHER FINANCING USES	70,211	68,559	(1,652)
FUND BALANCE AT BEGINNING OF YEAR	8,911	8,911	-
FUND BALANCE AT END OF YEAR	<u>\$ 79,122</u>	<u>\$ 77,470</u>	<u>\$ (1,652)</u>

CITY OF SIGNAL HILL

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

TRAFFIC SAFETY FUND

For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Fines and forfeitures	\$ 88,000	\$ 104,846	\$ 16,846
Revenue from use of money and property	4,200	6,338	2,138
	<u>92,200</u>	<u>111,184</u>	<u>18,984</u>
TOTAL REVENUES			
OTHER FINANCING USES:			
Operating transfers out	<u>(110,000)</u>	<u>(110,000)</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) OTHER FINANCING USES	(17,800)	1,184	18,984
FUND BALANCE AT BEGINNING OF YEAR	<u>91,191</u>	<u>91,191</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 73,391</u>	<u>\$ 92,375</u>	<u>\$ 18,984</u>

CITY OF SIGNAL HILL

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

TRANSPORTATION FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Other taxes	\$ 108,000	\$ 118,599	\$ 10,599
Revenue from use of money and property	5,000	13,796	8,796
Charges for services	1,400	1,508	108
TOTAL REVENUES	<u>114,400</u>	<u>133,903</u>	<u>19,503</u>
EXPENDITURES:			
Community development:			
Public transportation	111,050	95,231	15,819
Capital outlay	-	11,500	(11,500)
TOTAL EXPENDITURES	<u>111,050</u>	<u>106,731</u>	<u>4,319</u>
EXCESS OF REVENUES OVER EXPENDITURES	3,350	27,172	23,822
FUND BALANCE AT BEGINNING OF YEAR	<u>159,993</u>	<u>159,993</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 163,343</u>	<u>\$ 187,165</u>	<u>\$ 23,822</u>

CITY OF SIGNAL HILL

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

CABLE TELEVISION FUND

For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenue from use of money and property	\$ 15,000	\$ 22,314	\$ 7,314
OTHER FINANCING USES:			
Operating transfers out	<u>(30,100)</u>	<u>(30,100)</u>	<u>-</u>
EXCESS OF REVENUES OVER (Under) OTHER FINANCING USES	(15,100)	(7,786)	7,314
FUND BALANCE AT BEGINNING OF YEAR	<u>311,909</u>	<u>311,909</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 296,809</u></u>	<u><u>\$ 304,123</u></u>	<u><u>\$ 7,314</u></u>

CITY OF SIGNAL HILL

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

PIPELINE REMOVAL FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Revenue from use of money and property	\$ 40,000	\$ 66,848	\$ 26,848
Developer fees	131,400	134,595	3,195
 TOTAL REVENUES	 171,400	 201,443	 30,043
EXPENDITURES:			
Public works:			
Engineering and project services	5,000	-	5,000
 EXCESS OF REVENUES OVER EXPENDITURES	 166,400	 201,443	 35,043
OTHER FINANCING USES:			
Operating transfers out	(35,000)	(35,000)	-
 EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	 131,400	 166,443	 35,043
 FUND BALANCE AT BEGINNING OF YEAR	 849,497	 849,497	 -
 FUND BALANCE AT END OF YEAR	 <u>\$ 980,897</u>	 <u>\$ 1,015,940</u>	 <u>\$ 35,043</u>

CITY OF SIGNAL HILL

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

COPSFAS GRANT FUND

For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF SIGNAL HILL

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

AIR QUALITY IMPROVEMENT FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental revenues	\$ 29,300	\$ 10,103	\$ (19,197)
Revenue from use of money and property	500	2,029	1,529
 TOTAL REVENUES	 <u>29,800</u>	 <u>12,132</u>	 <u>(17,668)</u>
EXPENDITURES:			
General government:			
City Council	4,500	2,500	2,000
Capital outlay	48,300	-	48,300
 TOTAL EXPENDITURES	 <u>52,800</u>	 <u>2,500</u>	 <u>50,300</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (23,000)	 9,632	 32,632
OTHER FINANCING SOURCES:			
Operating transfers in	1,700	1,700	-
 EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	 (21,300)	 11,332	 32,632
 FUND BALANCE AT BEGINNING OF YEAR	 <u>25,835</u>	 <u>25,835</u>	 <u>-</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 4,535</u>	 <u>\$ 37,167</u>	 <u>\$ 32,632</u>

CITY OF SIGNAL HILL

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

WATER DEVELOPMENT FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Revenue from use of money and property	\$ 20,000	\$ 43,019	\$ 23,019
Developer fees	204,500	273,365	68,865
 TOTAL REVENUES	 224,500	 316,384	 91,884
OTHER FINANCING USES:			
Operating transfers out	(112,000)	(4,740)	107,260
 EXCESS OF REVENUES OVER OTHER FINANCING USES	 112,500	 311,644	 199,144
FUND BALANCE AT BEGINNING OF YEAR	501,166	501,166	-
FUND BALANCE AT END OF YEAR	<u>\$ 613,666</u>	<u>\$ 812,810</u>	<u>\$ 199,144</u>

CITY OF SIGNAL HILL

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

TRAFFIC IMPACT FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Revenue from use of money and property	\$ 30,000	\$ 48,359	\$ 18,359
Developer fees	86,500	76,460	(10,040)
 TOTAL REVENUES	 116,500	 124,819	 8,319
OTHER FINANCING USES:			
Operating transfers out	(115,400)	(9,400)	106,000
 EXCESS OF REVENUES OVER OTHER FINANCING USES	 1,100	 115,419	 114,319
FUND BALANCE AT BEGINNING OF YEAR	630,730	630,730	-
FUND BALANCE AT END OF YEAR	<u>\$ 631,830</u>	<u>\$ 746,149</u>	<u>\$ 114,319</u>

CITY OF SIGNAL HILL

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

PROPOSITION C FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Other taxes	\$ 89,500	\$ 98,494	\$ 8,994
Revenue from use of money and property	5,000	10,979	5,979
TOTAL REVENUES	<u>94,500</u>	<u>109,473</u>	<u>14,973</u>
EXPENDITURES:			
General government:			
City Council	500	463	37
Public works:			
Engineering and project services	50,000	37,759	12,241
TOTAL EXPENDITURES	<u>50,500</u>	<u>38,222</u>	<u>12,278</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>44,000</u>	<u>71,251</u>	<u>27,251</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	9,400	9,400	-
Operating transfers out	(82,200)	(68,298)	13,902
TOTAL OTHER FINANCING SOURCES (USES)	<u>(72,800)</u>	<u>(58,898)</u>	<u>13,902</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(28,800)</u>	<u>12,353</u>	<u>41,153</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>125,430</u>	<u>125,430</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 96,630</u>	<u>\$ 137,783</u>	<u>\$ 41,153</u>

CITY OF SIGNAL HILL

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

LIGHTING AND LANDSCAPE FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Other taxes	\$ 29,400	\$ 33,650	\$ 4,250
Revenue from use of money and property	500	2,133	1,633
TOTAL REVENUES	29,900	35,783	5,883
EXPENDITURES:			
Public works:			
Lighting and landscape maintenance	64,890	43,254	21,636
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(34,990)	(7,471)	27,519
FUND BALANCE AT BEGINNING OF YEAR	16,880	16,880	-
FUND BALANCE AT END OF YEAR	\$ (18,110)	\$ 9,409	\$ 27,519

CITY OF SIGNAL HILL

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

SUPPLEMENTAL LAW ENFORCEMENT FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental revenues	\$ 20,250	\$ 100,000	\$ 79,750
Revenue from use of money and property	1,000	5,733	4,733
<b>TOTAL REVENUES</b>	<u>21,250</u>	<u>105,733</u>	<u>84,483</u>
EXPENDITURES:			
Police:			
Patrol services	-	8,004	(8,004)
Capital outlay	23,550	21,799	1,751
<b>TOTAL EXPENDITURES</b>	<u>23,550</u>	<u>29,803</u>	<u>(6,253)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,300)</u>	<u>75,930</u>	<u>78,230</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>35,401</u>	<u>35,401</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 33,101</u>	<u>\$ 111,331</u>	<u>\$ 78,230</u>

## CITY OF SIGNAL HILL

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

## LAW ENFORCEMENT BLOCK GRANT FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental revenues	\$ 45,403	\$ 45,506	\$ 103
Revenue from use of money and property	100	2,599	2,499
TOTAL REVENUES	45,503	48,105	2,602
EXPENDITURES:			
Police:			
Patrol services	35,240	7,585	27,655
Capital outlay	16,441	16,441	-
TOTAL EXPENDITURES	51,681	24,026	27,655
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,178)	24,079	30,257
OTHER FINANCING SOURCES:			
Operating transfers in	6,411	3,422	(2,989)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	233	27,501	27,268
FUND BALANCE AT BEGINNING OF YEAR	3,261	3,261	-
FUND BALANCE AT END OF YEAR	\$ 3,494	\$ 30,762	\$ 27,268

CITY OF SIGNAL HILL

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

COPS MORE GRANT FUND

For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental revenues	\$ 77,300	\$ 70,421	\$ (6,879)
EXPENDITURES:			
Police:			
Patrol services	<u>107,550</u>	<u>99,327</u>	<u>8,223</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(30,250)	(28,906)	1,344
OTHER FINANCING SOURCES:			
Operating transfers in	<u>29,950</u>	<u>28,906</u>	<u>(1,044)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(300)	-	300
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (300)</u>	<u>\$ -</u>	<u>\$ 300</u>

CITY OF SIGNAL HILL

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

CALMS POLICE GRANT FUND

For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental revenues	\$ 85,250	\$ 106,155	\$ 20,905
EXPENDITURES:			
Police:			
Patrol services	<u>86,450</u>	<u>106,155</u>	<u>(19,705)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,200)	-	1,200
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (1,200)</u>	<u>\$ -</u>	<u>\$ 1,200</u>

CITY OF SIGNAL HILL

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

TRAP FUND

For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental revenues	\$ 69,350	\$ 70,362	\$ 1,012
EXPENDITURES:			
Police:			
Investigative services	<u>71,200</u>	<u>70,362</u>	<u>838</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,850)	-	1,850
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (1,850)</u>	<u>\$ -</u>	<u>\$ 1,850</u>

CITY OF SIGNAL HILL

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

BROWNFIELDS GRANT FUND

For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental revenues	\$ -	\$ 86,089	\$ 86,089
EXPENDITURES:			
General government:			
Program administration	-	83,589	(83,589)
EXCESS OF REVENUES OVER EXPENDITURES	-	2,500	2,500
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>

## DEBT SERVICE FUND

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

CITY OF SIGNAL HILL  
 COMPARATIVE BALANCE SHEET  
 DEBT SERVICE FUND  
 June 30, 2001 and 2000

	2001	2000
<b>ASSETS</b>		
Cash and investments	\$ 2,687,769	\$ 1,317,322
Property taxes receivable	76,400	229,646
Accrued interest receivable	27,462	25,058
Restricted cash	1,135,574	1,096,424
<b>TOTAL ASSETS</b>	\$ 3,927,205	\$ 2,668,450
<b>LIABILITIES AND FUND EQUITY</b>		
<b>LIABILITIES:</b>		
Due to other governments	\$ 2,449,411	\$ 1,384,978
Advances from other funds <i>OD OPA.</i> <i>(710,000 + 282,708)</i>	992,708	-
Refundable deposits	7,550	7,550
<b>TOTAL LIABILITIES</b>	3,449,669	1,392,528
<b>FUND EQUITY:</b>		
Fund balances:		
Reserved for debt service	1,135,574	1,096,424
Unreserved:		
Designated for debt service	-	179,498
Undesignated	(658,038)	-
<b>TOTAL FUND EQUITY</b>	477,536	1,275,922
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	\$ 3,927,205	\$ 2,668,450

CITY OF SIGNAL HILL

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

DEBT SERVICE FUND

For the year ended June 30, 2001

With comparative actual amounts for the year ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
REVENUES:				
Property taxes	\$ 4,568,300	\$ 4,743,303	\$ 175,003	\$ 4,408,113
Revenue from use of money and property	67,800	187,877	120,077	110,497
Other revenue	-	24,266	24,266	4,662
<b>TOTAL REVENUES</b>	<b>4,636,100</b>	<b>4,955,446</b>	<b>319,346</b>	<b>4,523,272</b>
EXPENDITURES:				
General government:				
Program administration	96,000	87,800	8,200	82,895
Debt service:				
Owner participation agreement	400,000	1,064,433	(664,433)	322,364
Principal retirement	1,542,247	1,426,053	116,194	1,407,609
Interest	4,120,253	3,855,893	264,360	4,202,587
Fiscal agent fees	25,000	20,569	4,431	20,732
<b>TOTAL EXPENDITURES</b>	<b>6,183,500</b>	<b>6,454,748</b>	<b>(271,248)</b>	<b>6,036,187</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,547,400)</b>	<b>(1,499,302)</b>	<b>48,098</b>	<b>(1,512,915)</b>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	976,700	1,005,916	29,216	975,569
Operating transfers out	-	(305,000)	(305,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>976,700</b>	<b>700,916</b>	<b>(275,784)</b>	<b>975,569</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(570,700)</b>	<b>(798,386)</b>	<b>(227,686)</b>	<b>(537,346)</b>
FUND BALANCE AT BEGINNING OF YEAR	1,275,922	1,275,922	-	1,813,268
FUND BALANCE AT END OF YEAR	\$ 705,222	\$ 477,536	\$ (227,686)	\$ 1,275,922

## CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition or construction of major capital facilities not accounted for in other funds.

Capital Improvement Fund - Reflects major capital improvement projects not accounted for in other funds.

Community Redevelopment Fund - Reflects financial activity of the Signal Hill Redevelopment Project. This activity includes administrative, overhead and capital project costs necessary for, or incidental to, implementing the redevelopment plan.

CITY OF SIGNAL HILL

COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS

June 30, 2001

With comparative totals for June 30, 2000

	Capital Improvement	Community Redevelopment	Totals	
			June 30, 2001	June 30, 2000
<b>ASSETS</b>				
Cash and investments	\$ 64,792	\$ 4,119,844	\$ 4,184,636	\$ 5,604,229
Accounts receivable	-	-	-	35,116
Accrued interest receivable	-	71,402	71,402	96,456
Due from other governments	74,470	-	74,470	-
Land and improvements held for resale or lease	-	927,177 ✓	927,177	927,177
Deposits	-	1,665,387 ✓	1,665,387	1,509,000
<b>TOTAL ASSETS</b>	<u>\$ 139,262</u>	<u>\$ 6,783,810</u>	<u>\$ 6,923,072</u>	<u>\$ 8,171,978</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 34,262	\$ 42,518	\$ 76,780	\$ 19,847
Accrued liabilities	-	122	122	2,788
Due to other funds	-	-	-	22,997
<b>TOTAL LIABILITIES</b>	<u>34,262</u>	<u>42,640</u>	<u>76,902</u>	<u>45,632</u>
<b>FUND BALANCES:</b>				
Reserved for land and improvements held for resale	-	927,177 ✓	927,177	927,177
Reserved for deposits	-	1,665,387 ✓	1,665,387	1,509,000
Unreserved:				
Designated for capital improvements	105,000	4,148,606	4,253,606	5,690,169
<b>TOTAL FUND BALANCES</b>	<u>105,000</u>	<u>6,741,170</u>	<u>6,846,170</u>	<u>8,126,346</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 139,262</u>	<u>\$ 6,783,810</u>	<u>\$ 6,923,072</u>	<u>\$ 8,171,978</u>

CITY OF SIGNAL HILL

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - ALL CAPITAL PROJECT FUNDS

For the year ended June 30, 2001  
With comparative totals for the year ended June 30, 2000

	Capital Improvement	Community Redevelopment	Totals	
			June 30, 2001	June 30, 2000
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 73,350	\$ -	\$ 73,350	\$ 77,568
Revenue from use of money and property	-	1,054,921	1,054,921	540,789
Other revenue	110,414	1,592	112,006	26,550
<b>TOTAL REVENUES</b>	<u>183,764</u>	<u>1,056,513</u>	<u>1,240,277</u>	<u>644,907</u>
<b>EXPENDITURES:</b>				
General government:				
Program administration	-	335,604	335,604	131,639
Capital outlay	1,208,260	2,381,871	3,590,131	7,001,749
<b>TOTAL EXPENDITURES</b>	<u>1,208,260</u>	<u>2,717,475</u>	<u>3,925,735</u>	<u>7,133,388</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,024,496)</u>	<u>(1,660,962)</u>	<u>(2,685,458)</u>	<u>(6,488,481)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	1,129,496	305,000	1,434,496	548,039
Operating transfers out	-	(29,214)	(29,214)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,129,496</u>	<u>275,786</u>	<u>1,405,282</u>	<u>548,039</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>105,000</u>	<u>(1,385,176)</u>	<u>(1,280,176)</u>	<u>(5,940,442)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>-</u>	<u>8,126,346</u>	<u>8,126,346</u>	<u>14,066,788</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 105,000</u>	<u>\$ 6,741,170</u>	<u>\$ 6,846,170</u>	<u>\$ 8,126,346</u>

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6,934,485

CITY OF SIGNAL HILL

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

CAPITAL IMPROVEMENT FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental revenue	\$ 1,235,400	\$ 73,350	\$ (1,162,050)
Other revenue	426,200	110,414	(315,786)
TOTAL REVENUES	1,661,600	183,764	(1,477,836)
EXPENDITURES:			
Capital outlay	3,824,450	1,208,260	2,616,190
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,162,850)	(1,024,496)	1,138,354
OTHER FINANCING SOURCES:			
Operating transfers in	2,162,850	1,129,496	(1,033,354)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-	105,000	105,000
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ 105,000 ✓	\$ 105,000

CITY OF SIGNAL HILL

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

COMMUNITY REDEVELOPMENT FUND

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Revenue from use of money and property	\$ 373,850	\$ 1,054,921	\$ 681,071
Other revenue	-	1,592	1,592
<b>TOTAL REVENUES</b>	<b>373,850</b>	<b>1,056,513</b>	<b>682,663</b>
EXPENDITURES:			
General government:			
Program administration	236,100	335,604	(99,504)
Capital outlay	4,253,150	2,381,871	1,871,279
<b>TOTAL EXPENDITURES</b>	<b>4,489,250</b>	<b>2,717,475</b>	<b>1,771,775</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,115,400)	(1,660,962)	2,454,438
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	305,000	305,000
Operating transfers out	-	(29,214)	(29,214)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>275,786</b>	<b>275,786</b>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(4,115,400)	(1,385,176)	2,730,224
FUND BALANCE AT BEGINNING OF YEAR	8,126,346	8,126,346	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 4,010,946</b>	<b>\$ 6,741,170</b>	<b>\$ 2,730,224</b>

## ENTERPRISE FUND

Water Fund - The Water Fund accounts for financial activity relative to the purchase, production, storage and distribution of water used by the community, as well as the maintenance, repair and replacement of related equipment and pipeline. Revenues consist primarily of water sales.

CITY OF SIGNAL HILL  
COMPARATIVE BALANCE SHEET

ENTERPRISE FUND

June 30, 2001 and 2000

	2001	2000
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and investments	\$ 1,858,748	\$ 1,186,465
Accounts receivable	508,391	462,093
Accrued interest receivable	46,730	37,493
Inventory	38,956	36,648
Deposits	-	45,760
TOTAL CURRENT ASSETS	2,452,825	1,768,459
RESTRICTED CASH AND INVESTMENTS <i>609/610/ Ffr cash</i>	1,898,668	1,754,264
ADVANCE TO OTHER FUNDS	118,000	132,750
DEFERRED CHARGE	249,422	259,259
FIXED ASSETS	29,240,355	29,220,526
Less allowance for depreciation	(5,430,409)	(4,880,649)
NET FIXED ASSETS	23,809,946	24,339,877
TOTAL ASSETS	\$ 28,528,861	\$ 28,254,609
<b>LIABILITIES AND FUND EQUITY</b>		
<b>LIABILITIES:</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 86,837	\$ 61,428
Accrued liabilities	22,265	31,575
Accrued interest payable	86,660	88,019
Refundable deposits	283,663	277,107
TOTAL CURRENT LIABILITIES	479,425	458,129
LONG - TERM LIABILITIES:		
Certificates payable (net of unamortized discount)	9,383,233	9,548,233
Compensated absences	28,603	34,614
TOTAL LONG - TERM LIABILITIES	9,411,836	9,582,847
TOTAL LIABILITIES	9,891,261	10,040,976
<b>FUND EQUITY:</b>		
Contributed capital	16,120,678 ✓	15,720,678
Retained earnings	2,516,922 ✓	2,492,955
TOTAL FUND EQUITY	18,637,600	18,213,633
TOTAL LIABILITIES AND FUND EQUITY	\$ 28,528,861	\$ 28,254,609

CITY OF SIGNAL HILL

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS

ENTERPRISE FUND

For the years ended June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
OPERATING REVENUES:		
Charges for services	<u>\$ 2,909,647</u>	<u>\$ 2,887,160</u>
OPERATING EXPENSES:		
Personnel services	678,794	696,776
Contractual services	35,146	28,849
Supplies	595,007	492,327
Materials and repairs	233,874	115,545
Utilities	226,759	183,844
Depreciation	549,940	432,050
Other	<u>89,072</u>	<u>87,690</u>
TOTAL OPERATING EXPENSES	<u>2,408,592</u>	<u>2,037,081</u>
OPERATING INCOME	<u>501,055</u>	<u>850,079</u>
NONOPERATING REVENUES (EXPENSES):		
Interest revenue	279,282	160,176
Rental revenue	500	28,971
Interest expense	(538,039)	(546,119)
Fiscal agent fees	(4,275)	(4,825)
Loss on disposal of assets	<u>(214,556)</u>	<u>(128,970)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(477,088)</u>	<u>(490,767)</u>
NET INCOME	23,967	359,312
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>2,492,955</u>	<u>2,133,643</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 2,516,922</u>	<u>\$ 2,492,955</u>

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350  
750  

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2,537

CITY OF SIGNAL HILL  
 COMPARATIVE STATEMENT OF CASH FLOWS  
 ENTERPRISE FUND

For the years ended June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income	\$ 501,055	\$ 850,079
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	549,940	432,050
Change in operating assets and liabilities:		
(Increase) in accounts receivable	(46,298)	(54,617)
(Increase) in inventory	(2,308)	-
(Increase) decrease in deposits	45,760	(267)
Increase (decrease) in accounts payable	25,409	(26,697)
Increase (decrease) in accrued liabilities	(9,310)	11,522
Increase in refundable deposits	6,556	7,348
Increase (decrease) in compensated absences	(6,011)	3,626
Total adjustments	<u>563,738</u>	<u>372,965</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,064,793</u>	<u>1,223,044</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Advance repayment from other funds	<u>14,750</u>	<u>14,750</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Rental receipts	500	28,971
Acquisition of property, plant and equipment	(234,565)	(669,091)
Principal paid	(170,000)	(165,000)
Interest paid	(524,561)	(532,599)
Fiscal agent fees	(4,275)	(4,825)
Contributed capital	400,000	-
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(532,901)</u>	<u>(1,342,544)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on investments	<u>270,045</u>	<u>160,706</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	816,687	55,956
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>2,940,729</u>	<u>2,884,773</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 3,757,416</u>	<u>\$ 2,940,729</u>
<b>NONCASH CAPITAL AND FINANCING ACTIVITIES:</b>		
Deferred charge and bond discount amortization charged to interest expense	<u>\$ 14,837</u>	<u>\$ 14,838</u>

## INTERNAL SERVICE FUND

Vehicle and Equipment Fund - The Vehicle and Equipment Fund is used to account for activities involved in rendering motor vehicle and equipment services to departments within the City. Costs of materials and services are accumulated in this fund and charged to the user departments as such goods are delivered or services rendered.

CITY OF SIGNAL HILL  
 COMPARATIVE BALANCE SHEET  
 INTERNAL SERVICE FUND

June 30, 2001 and 2000

	2001	2000
<b>ASSETS</b>		
Cash and investments	\$ 838,444	\$ 896,988
Accounts receivable	-	1,700
Accrued interest receivable	13,227	15,297
Inventory	13,805	11,000
Proprietary fixed assets	2,035,455	2,085,066
Less allowance for depreciation	(1,312,955)	(1,494,560)
<b>TOTAL ASSETS</b>	<b>\$ 1,587,976</b>	<b>\$ 1,515,491</b>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 25,357	\$ 5,290
Accrued liabilities	5,190	-
Compensated absences	7,565	6,084
<b>TOTAL LIABILITIES</b>	<b>38,112</b>	<b>11,374</b>
<b>FUND EQUITY:</b>		
Contributed capital	1,236,703 ✓	1,236,703
Retained earnings - unreserved	313,161 ✓	267,414
<b>TOTAL FUND EQUITY</b>	<b>1,549,864 ✓</b>	<b>1,504,117</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,587,976</b>	<b>\$ 1,515,491</b>

OK = 865,476.28  
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CITY OF SIGNAL HILL

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS

INTERNAL SERVICE FUND

For the years ended June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
OPERATING REVENUES:		
Charges for services	\$ 388,104	\$ 350,412
OPERATING EXPENSES:		
Personnel services	153,680	153,889
Contractual services	346	526
Supplies	4,004	3,102
Materials and repairs	94,720	91,460
Utilities	1,200	1,100
Depreciation	177,570	130,494
Other	3,987	3,716
TOTAL OPERATING EXPENSES	<u>435,507</u>	<u>384,287</u>
OPERATING LOSS	<u>(47,403)</u>	<u>(33,875)</u>
NONOPERATING REVENUES:		
Interest revenue	62,291	50,916
Other revenue	5,141	8,338
Gain on disposal of fixed assets	27,418	7,512
TOTAL NONOPERATING REVENUES	<u>94,850</u>	<u>66,766</u>
NET INCOME BEFORE OPERATING TRANSFERS	47,447	32,891
OPERATING TRANSFERS OUT	<u>(1,700)</u>	<u>-</u>
NET INCOME	45,747	32,891
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>267,414</u>	<u>234,523</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 313,161</u>	<u>\$ 267,414</u>

CITY OF SIGNAL HILL

COMPARATIVE STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUND

For the years ended June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating loss	\$ (47,403)	\$ (33,875)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	177,570	130,494
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable	1,700	1,369
(Increase) decrease in inventory	(2,805)	1,203
Increase (decrease) in accounts payable	20,067	2,627
Increase (decrease) in accrued liabilities	5,190	-
Increase in compensated absences	1,481	362
Total adjustments	<u>203,203</u>	<u>136,055</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>155,800</u>	<u>102,180</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Operating transfers out	<u>(1,700)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from sale of fixed assets	45,734	8,027
Acquisition of property, plant and equipment	(327,880)	(331,270)
Miscellaneous receipts	<u>5,141</u>	<u>8,338</u>
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(277,005)</u>	<u>(314,905)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on investments	<u>64,361</u>	<u>48,805</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(58,544)</u>	<u>(163,920)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>896,988</u>	<u>1,060,908</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 838,444</u>	<u>\$ 896,988</u>

## FIDUCIARY FUND

Special Deposit Fund - Accounts for assets held by the City as trustee or agent for individuals, private organizations and other governmental units. In addition, this fund holds deposits resulting from new development.

CITY OF SIGNAL HILL  
COMPARATIVE BALANCE SHEET  
SPECIAL DEPOSIT AGENCY FUND

June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and investments	\$ 682,277	\$ 634,065
Restricted cash	<u>12,176</u>	<u>11,865</u>
TOTAL ASSETS	<u>\$ 694,453</u>	<u>\$ 645,930</u>
LIABILITIES		
Refundable deposits	<u>\$ 694,453</u>	<u>\$ 645,930</u>

CITY OF SIGNAL HILL

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

SPECIAL DEPOSIT AGENCY FUND

For the year ended June 30, 2001

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
<b>ASSETS:</b>				
Cash and investments	\$ 634,065	\$ 239,356	\$ 191,144	\$ 682,277
Restricted cash	11,865	311	-	12,176
<b>TOTAL ASSETS</b>	<u>\$ 645,930</u>	<u>\$ 239,667</u>	<u>\$ 191,144</u>	<u>\$ 694,453</u>
<b>LIABILITIES:</b>				
Refundable deposits	<u>\$ 645,930</u>	<u>\$ 239,667</u>	<u>\$ 191,144</u>	<u>\$ 694,453</u>

**GENERAL FIXED ASSETS ACCOUNT GROUP**

To account for fixed assets not used in proprietary fund operations.

CITY OF SIGNAL HILL

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS

June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
GENERAL FIXED ASSETS:		
Land	\$ 799,935	\$ 471,760
Structures and improvements	6,712,197	6,709,600
Equipment and furniture	2,839,626	2,723,473
Computer software	<u>172,503</u>	<u>167,600</u>
 TOTAL GENERAL FIXED ASSETS	 <u>\$ 10,524,261</u>	 <u>\$ 10,072,433</u>
 INVESTMENT IN GENERAL FIXED ASSETS:		
General fund	\$ 10,495,991	\$ 10,044,163
Redevelopment projects	<u>28,270</u>	<u>28,270</u>
 TOTAL INVESTMENT IN GENERAL FIXED ASSETS	 <u>\$ 10,524,261</u>	 <u>\$ 10,072,433</u>

CITY OF SIGNAL HILL

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS

For the year ended June 30, 2001

	Land	Structures and Improvements	Equipment and Furniture	Computer Software	Total
BALANCE AT BEGINNING OF YEAR	\$ 471,760	\$ 6,709,600	\$ 2,723,473	\$ 167,600	\$ 10,072,433
Additions	328,175	2,597	230,553	4,903	566,228
Deletions	-	-	(114,400)	-	(114,400)
BALANCE AT END OF YEAR	<u>\$ 799,935</u>	<u>\$ 6,712,197</u>	<u>\$ 2,839,626</u>	<u>\$ 172,503</u>	<u>\$ 10,524,261</u>

CITY OF SIGNAL HILL

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

As of June 30, 2001

Function	Land	Structures and Improvements	Equipment and Furniture	Computer Software	Total
General government	\$ 258,753	\$ 3,204,346	\$ 827,403	\$ 116,478	\$ 4,406,980
Community services	379,926	1,513,600	196,453	852	2,090,831
Police	94,092	1,149,564	1,113,549	50,960	2,408,165
Community development	37,637	462,702	68,647	-	568,986
Public works	29,527	381,985	633,574	4,213	1,049,299
Total	<u>\$ 799,935</u>	<u>\$ 6,712,197</u>	<u>\$ 2,839,626</u>	<u>\$ 172,503</u>	<u>\$ 10,524,261</u>

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

For the year ended June 30, 2001

Function	General Fixed Assets June 30, 2000	Additions	Deletions	General Fixed Assets June 30, 2001
General government	\$ 4,441,436	\$ 55,238	\$ (89,694)	\$ 4,406,980
Community services	1,744,318	346,513	-	2,090,831
Police	2,340,484	92,387	(24,706)	2,408,165
Community development	568,472	514	-	568,986
Public works	977,723	71,576	-	1,049,299
Total	<u>\$ 10,072,433</u>	<u>\$ 566,228</u>	<u>\$ (114,400)</u>	<u>\$ 10,524,261</u>

## GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for debt payable from future resources including liabilities for tax allocation bonds, notes payable, capital lease obligations, and compensated absences.

CITY OF SIGNAL HILL

COMPARATIVE SCHEDULE OF GENERAL LONG - TERM DEBT

June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG - TERM DEBT:		
Amount available in general fund	\$ 225,000	\$ 280,000
Amount available in debt service fund	477,536	1,275,922
Amount to be provided	<u>68,391,468</u>	<u>68,025,199</u>
 TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG - TERM DEBT	 <u>\$ 69,094,004</u>	 <u>\$ 69,581,121</u>
 GENERAL LONG - TERM DEBT PAYABLE:		
1994 Tax Allocation Bonds	\$ 11,645,000	\$ 11,845,000
1993 Tax Allocation Bonds - Series A	20,950,000	21,420,000
1993 Tax Allocation Bonds - Series B	29,220,000	29,865,000
Note payable	5,335,235	5,446,288
Loan payable	1,000,000	-
Section 108 loan payable	225,000	280,000
Capital lease obligations	103,240	150,159
Compensated absences	<u>615,529</u>	<u>574,674</u>
 TOTAL GENERAL LONG - TERM DEBT PAYABLE	 <u>\$ 69,094,004</u>	 <u>\$ 69,581,121</u>

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CITY OF SIGNAL HILL

SCHEDULE OF EXPENDITURES BY FUNCTION  
GOVERNMENTAL FUNDS (1)

Last Ten Fiscal Years

Fiscal Year	General Government	Community Services	Public Safety	Community Development	Public Works	Capital Outlay	Debt Service	Other Expenditures	Totals
1991 - 92	\$ 3,765,458	\$ 1,540,693	\$ 3,383,596	\$ 1,179,911	\$ 1,284,933	\$ 24,310,505	\$ 5,573,452	\$ -	\$ 41,038,548
1992 - 93	3,290,767	753,522	3,542,820	1,002,301	2,822,185	4,507,565	4,306,692	697,086	20,922,938
1993 - 94	3,282,700	751,460	3,541,198	754,532	2,663,755	5,547,687	5,613,081	250,550	22,404,963
1994 - 95	3,162,304	818,046	3,645,714	1,098,265	2,276,801	2,999,867	6,836,022	250,610	21,087,629
1995 - 96	2,840,844	620,206	3,882,489	817,755	2,288,904	4,240,978	5,436,689	2,389,296	22,517,161
1996 - 97	4,171,390	690,422	4,196,670	820,447	2,359,535	1,465,215	5,421,075	122,304	19,247,058
1997 - 98	4,696,039	845,401	4,317,519	820,519	2,409,436	597,465	5,489,390	-	19,175,769
1998 - 99	4,426,665	884,914	4,283,581	971,494	2,375,819	2,499,431	6,722,618	-	22,164,522
1999 - 00	2,296,278	917,112	4,579,256	861,668	2,449,971	9,906,527	6,022,200	-	27,033,012
2000 - 01	2,728,159	903,323	4,643,217	851,243	2,815,385	4,705,979	6,489,210	-	23,136,516

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Source: City of Signal Hill, Finance Department

CITY OF SIGNAL HILL

SCHEDULE OF REVENUES BY SOURCE  
GOVERNMENTAL FUNDS (1)

Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Inter - governmental Revenue	Charges for Services	Fines and Forfeitures	Revenue from Use of Money and Property	Other	Totals
1991 - 92	\$ 11,492,553	\$ 332,848	\$ 1,373,322	\$ 1,043,165	\$ 141,136	\$ 2,308,303	\$ 9,719,274	\$ 26,410,601
1992 - 93	13,330,177	232,794	575,017	1,268,605	106,129	1,649,335	1,818,483	18,980,540
1993 - 94	13,865,731	287,326	810,677	1,292,549	124,087	1,400,680	1,373,333	19,154,383
1994 - 95	13,435,397	258,404	668,022	956,260	129,483	2,239,522	1,639,518	19,326,606
1995 - 96	13,494,095	268,846	484,843	829,037	128,977	2,000,085	679,018	17,884,901
1996 - 97	14,106,905	264,834	676,403	743,465	165,147	1,724,899	846,269	18,527,922
1997 - 98	15,100,454	306,442	611,015	445,958	165,233	1,751,717	1,093,321	19,474,140
1998 - 99	15,016,452	269,622	1,251,450	643,617	259,263	1,551,976	768,646	19,761,026
1999 - 00	14,993,610	369,620	1,204,532	748,340	248,455	1,538,532	738,240	19,841,329
2000 - 01	17,483,740	407,317	1,963,407	962,261	263,477	2,533,429	930,545	24,544,176

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

CITY OF SIGNAL HILL

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Secured	Public Utility	Unsecured	Total Assessed Valuation	Estimated Full Market Valuation
1991 - 92	\$ 765,537,378	\$ 283,360	\$ 94,100,492	\$ 859,921,230	\$ 859,921,230
1992 - 93	805,929,624	263,580	76,255,961	882,449,165	882,449,165
1993 - 94	882,869,736	355,420	79,429,998	962,655,154	962,655,154
1994 - 95	880,299,825	355,420	98,115,509	978,770,754	978,770,754
1995 - 96	862,909,684	355,420	74,202,933	937,468,037	937,468,037
1996 - 97	852,525,730	30,620	72,766,494	925,322,844	925,322,844
1997 - 98	832,760,880	33,560	77,256,093	910,050,533	910,050,533
1998 - 99	818,592,740	33,560	83,282,260	901,908,560	901,908,560
1999 - 00	818,420,969	33,560	89,723,728	908,178,257	908,178,257
2000 - 01	857,751,475	33,560	95,071,289	952,856,324	952,856,324

CITY OF SIGNAL HILL

PROPERTY TAX LEVIES AND TAX COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Tax Levy (1)	Tax Collections (2) (4)	Percentage Collected
1991 - 92 (3)	\$ 127,017	\$ 116,178	91.47%
1992 - 93	147,365	139,784	94.86%
1993 - 94	187,318	182,481	97.42%
1994 - 95	219,846	220,283	100.20%
1995 - 96	267,751	216,915	81.01%
1996 - 97	258,988	251,851	97.24%
1997 - 98	245,781	226,626	92.21%
1998 - 99	243,390	231,290	95.03%
1999 - 00	244,674	239,934	98.06%
2000 - 01	261,007	244,011	93.49%
<i>2001 - 02</i>	<i>276,768</i>	<i>281,436</i>	<i>101.69%</i>

(1) Includes secured, unsecured and supplemental rolls for the General Fund.

(2) Delinquent taxes are generally collected in the subsequent year.

(3) Inception of ABI 197 "no and low" property tax legislation.

(4) Excludes penalties, interest and homeowners subvention amounts.

Sources: City of Signal Hill, Finance Department  
 County of Los Angeles, Auditor Controller's Office Property Tax Administration Cost Report

CITY OF SIGNAL HILL

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS  
(per \$100 of assessed value)

Last Ten Fiscal Years

Fiscal Year	County	LA County Flood Control District	County Sanitation District #29	Metropolitan Water District	General	Totals
1991 - 92	0.001888	0.005376	0.007105	0.008900	1.000000	1.023269
1992 - 93	0.001409	0.003397	0.006001	0.008900	1.000000	1.019707
1993 - 94	0.001713	0.004212	0.006564	0.008900	1.000000	1.021389
1994 - 95	0.001993	0.006041	0.009692	0.008900	1.000000	1.026626
1995 - 96	0.001814	0.000963	0.008434	0.008900	1.000000	1.020111
1996 - 97	0.001604	0.001991	0.004207	0.008900	1.000000	1.016702
1997 - 98	0.001584	0.002197	0.008540	0.008900	1.000000	1.021221
1998 - 99	0.001451	0.001953	0.010117	0.008900	1.000000	1.022421
1999 - 00	0.001422	0.001765	0.007724	0.008900	1.000000	1.019811
2000 - 01	0.001314	0.001552	0.009680	0.008800	1.000000	1.021346

2001-02

1.000000

CITY OF SIGNAL HILL

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

June 30, 2001

	Gross Bonded Debt Balance	Percent Applicable to City	Net Bonded Debt
<b>DIRECT DEBT:</b>			
Los Angeles County Sanitation District No. 29 Debt Service	\$ 90,000	100.000%	\$ 90,000
<b>OVERLAPPING DEBT:</b>			
Los Angeles County Detention Facilities 1997 Debt Service	42,375,000	0.165%	69,757
Los Angeles County Flood Control (Storm Drain Bond No. 4)	17,930,000	0.168%	30,128
Flood Control Refunding Bonds 1993 Debt Service	5,710,000	0.168%	9,595
* Metropolitan Water District Area 1114	527,480,000	0.063%	330,101
* Central Basin Municipal Water District	527,480,000	0.056%	293,375
* Central Basin MWD Signal Hill T	527,480,000	0.007%	36,726
Long Beach Unified School District 1999 Series B DS	30,000,000	1.787%	536,017
Long Beach Unified School District 1999 Series A DS	24,790,000	1.787%	442,903
			<u>1,748,602</u>
<b>TOTAL OVERLAPPING DEBT</b>			<u>1,748,602</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<u><u>\$ 1,838,602</u></u>

2000 - 01 Assessed Valuation: \$410,043,358 (after deducting \$532,429,336 redevelopment incremental valuation)

DEBT TO ASSESSED VALUATION RATIOS:

Direct Debt .....	0.02%
Overlapping Debt.....	0.43%
Total Debt .....	0.45%

CITY OF SIGNAL HILL  
 DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Square Miles (1)	Population (2)	Population Percentage Change
1992	2.2	8,432	1.10%
1993	2.2	8,661	2.72%
1994	2.2	8,808	1.70%
1995	2.2	8,667	-1.60%
1996	2.2	8,776	1.26%
1997	2.2	8,864	1.00%
1998	2.2	9,008	1.62%
1999	2.2	9,133	1.39%
2000	2.2	9,247	1.25%
2001	2.2	9,737	5.30%
<i>2002</i>	<i>2.2</i>	<i>9,933</i>	<i>2.01%</i>

Sources: (1) Department of Community Development, City of Signal Hill  
 (2) State Department of Finance

CITY OF SIGNAL HILL

SCHEDULE OF CONSTRUCTION ACTIVITY (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Building Permits Issued</u>	<u>Percentage Change</u>	<u>Estimated Valuation</u>	<u>Percentage Change</u>
1991 - 92	308	65.59%	\$ 33,117,935	402.05%
1992 - 93	196	-36.36%	4,461,358	-86.53%
1993 - 94	343	75.00%	8,727,508	95.62%
1994 - 95	195	-43.15%	4,395,802	-49.63%
1995 - 96	207	6.15%	5,351,240	21.74%
1996 - 97	186	-10.14%	3,587,953	-32.95%
1997 - 98	197	5.91%	3,229,232	-10.00%
1998 - 99	172	-12.69%	6,673,437	111.38%
1999 - 00	276	60.47%	21,005,895	214.77%
2000 - 01	326	18.12%	22,483,088	7.03%
2001-02	300	-7.98%	34,631,160	54.03%

(1) Bank deposit information is not available.

## CITY OF SIGNAL HILL

## SCHEDULE OF TOP 25 SALES TAX PROCURERS

June 30, 2001

Taxpayer	Type of Business
A & A Ready Mixed Concrete	Contractors
A & R Telecom	Specialty Stores
A L L Roofing Material Long Beach	Lumber/Building Materials
Altair Gases and Equipment	Drugs/Chemicals
Atlas Construction Supply	Heavy Industrial
Boulevard Buick GMC	New Motor Vehicle Dealers
Boulevard Pontiac	New Motor Vehicle Dealers
Cherry Arco Am Pm	Service Stations
Costco	Discount Department Stores
Gaines Electric Supply Company	Contractors
Glenn Thomas Dodge	New Motor Vehicle Dealers
Heating & Cooling Supply, Inc.	Contractors
Home Depot	Lumber/Building Materials
Howards Appliances	Radio/Appliance Stores
Long Beach BMW	New Motor Vehicle Dealers
Long Beach Honda Mazda	New Motor Vehicle Dealers
Nissan of Long Beach	New Motor Vehicle Dealers
Office Depot	Office Supplies/Furniture
Office Depot Business Services	Office Supplies/Furniture
P B I Market Equipment	Farm Products/Equipment
P F T Alexander Service	Business Services
Petsmart	Specialty Stores
Print Media Services	Light Industrial/Printers
Target Store	Discount Department Stores
Toys - R - Us	Specialty Stores

Percent of City Total Paid by Top 25 Accounts = 80.15%

CITY OF SIGNAL HILL

PRINCIPAL TAXPAYERS

June 30, 2001

Taxpayer	Type of Business	Number of Parcels	Assessed Valuation	Percentage of Assessed Valuation
Arco Terminal Services Corporation	Oil Storage	3	\$ 31,964,953	3.4%
Price Owners LLC	Real Estate Development	2	24,087,933	2.5%
Long Beach Signal Hill Business	Office/Industrial	1	17,186,000	1.8%
Price Company	Discount Retail	4	17,059,593	1.8%
Long Beach Acquisition Corporation	Cable Right-of-Way	2	15,483,275	1.6%
Signal Hill Petroleum	Mineral Rights	15	15,275,186	1.6%
Signal Hill Company	Hilltop Residential Development	108	11,084,676	1.2%
Eastman Inc.	Business Office Products	1	10,088,207	1.1%
Town Center Signal Hill LLC	Office Buildings	2	7,580,000	0.8%
MF Salta Company, Inc.	Retail Automotive	2	6,858,636	0.7%
	TOTAL	140	\$ 156,668,459	16.4%

CITY OF SIGNAL HILL

MISCELLANEOUS STATISTICAL INFORMATION

June 30, 2001

GENERAL INFORMATION:

Date of Incorporation  
Form of Government

1924  
Council - Manager  
Charter City

POPULATION

9,933 9,737

AREA - Land

Square Miles: 2.2 Acres: 1,408

FIRE PROTECTION:

Number of stations  
Number of fire hydrants

1  
459

(The City of Signal Hill receives fire protection from the County of Los Angeles, through a subcontract with the City of Long Beach).

POLICE PROTECTION:

Number of stations  
Number of cells  
Number of police and officers  
Number of patrol vehicles (including 1 motorcycle)

1  
8  
31  
10

MUNICIPAL WATER DEPARTMENT:

Number of water services  
Miles of lines and mains  
Number of reservoirs  
Number of wells  
Annual gallons supplied

2,540 2,461  
34  
3 - 7.5 million gallons  
2  
729 724 million gallons

PUBLIC SERVICE:

Miles of streets  
Miles of sewers  
Number of sewer stations  
Number of street trees  
Number of vehicles maintained

35.7  
33  
3  
3,200  
76

RECREATION AND CULTURE:

Number of parks  
Area of parks  
Number of libraries  
Number of volumes  
Number of community centers  
Number of bandstands  
Number of baseball diamonds  
Number of basketball courts

5  
13.33 acres  
1  
25,000 1  
1  
1  
2

NUMBER OF CITY EMPLOYEES:

Full - time  
Part - time

106 105  
36

Source: City of Signal Hill, Finance Department

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CITY OF SIGNAL HILL

SCHEDULE OF EXPENDITURES BY FUNCTION  
GOVERNMENTAL FUNDS (1)

Last Ten Fiscal Years

Fiscal Year	General Government	Community Services	Public Safety	Community Development	Public Works	Capital Outlay	Debt Service	Other Expenditures	Totals
1991 - 92	\$ 3,765,458	\$ 1,540,693	\$ 3,383,596	\$ 1,179,911	\$ 1,284,933	\$ 24,310,505	\$ 5,573,452	\$ -	\$ 41,038,548
1992 - 93	3,290,767	753,522	3,542,820	1,002,301	2,822,185	4,507,565	4,306,692	697,086	20,922,938
1993 - 94	3,282,700	751,460	3,541,198	754,532	2,663,755	5,547,687	5,613,081	250,550	22,404,963
1994 - 95	3,162,304	818,046	3,645,714	1,098,265	2,276,801	2,999,867	6,836,022	250,610	21,087,629
1995 - 96	2,840,844	620,206	3,882,489	817,755	2,288,904	4,240,978	5,436,689	2,389,296	22,517,161
1996 - 97	4,171,390	690,422	4,196,670	820,447	2,359,535	1,465,215	5,421,075	122,304	19,247,058
1997 - 98	4,696,039	845,401	4,317,519	820,519	2,409,436	597,465	5,489,390	-	19,175,769
1998 - 99	4,426,665	884,914	4,283,581	971,494	2,375,819	2,499,431	6,722,618	-	22,164,522
1999 - 00	2,296,278	917,112	4,579,256	861,668	2,449,971	9,906,527	6,022,200	-	27,033,012
2000 - 01	2,728,159	903,323	4,643,217	851,243	2,815,385	4,705,979	6,489,210	-	23,136,516

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

CITY OF SIGNAL HILL

SCHEDULE OF REVENUES BY SOURCE  
GOVERNMENTAL FUNDS (1)

Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Inter - governmental Revenue	Charges for Services	Fines and Forfeitures	Revenue from Use of Money and Property	Other	Totals
1991 - 92	\$ 11,492,553	\$ 332,848	\$ 1,373,322	\$ 1,043,165	\$ 141,136	\$ 2,308,303	\$ 9,719,274	\$ 26,410,601
1992 - 93	13,330,177	232,794	575,017	1,268,605	106,129	1,649,335	1,818,483	18,980,540
1993 - 94	13,865,731	287,326	810,677	1,292,549	124,087	1,400,680	1,373,333	19,154,383
1994 - 95	13,435,397	258,404	668,022	956,260	129,483	2,239,522	1,639,518	19,326,606
1995 - 96	13,494,095	268,846	484,843	829,037	128,977	2,000,085	679,018	17,884,901
1996 - 97	14,106,905	264,834	676,403	743,465	165,147	1,724,899	846,269	18,527,922
1997 - 98	15,100,454	306,442	611,015	445,958	165,233	1,751,717	1,093,321	19,474,140
1998 - 99	15,016,452	269,622	1,251,450	643,617	259,263	1,551,976	768,646	19,761,026
1999 - 00	14,993,610	369,620	1,204,532	748,340	248,455	1,538,532	738,240	19,841,329
2000 - 01	17,483,740	407,317	1,963,407	962,261	263,477	2,533,429	930,545	24,544,176

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

CITY OF SIGNAL HILL

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Secured	Public Utility	Unsecured	Total Assessed Valuation	Estimated Full Market Valuation
1991 - 92	\$ 765,537,378	\$ 283,360	\$ 94,100,492	\$ 859,921,230	\$ 859,921,230
1992 - 93	805,929,624	263,580	76,255,961	882,449,165	882,449,165
1993 - 94	882,869,736	355,420	79,429,998	962,655,154	962,655,154
1994 - 95	880,299,825	355,420	98,115,509	978,770,754	978,770,754
1995 - 96	862,909,684	355,420	74,202,933	937,468,037	937,468,037
1996 - 97	852,525,730	30,620	72,766,494	925,322,844	925,322,844
1997 - 98	832,760,880	33,560	77,256,093	910,050,533	910,050,533
1998 - 99	818,592,740	33,560	83,282,260	901,908,560	901,908,560
1999 - 00	818,420,969	33,560	89,723,728	908,178,257	908,178,257
2000 - 01	857,751,475	33,560	95,071,289	952,856,324	952,856,324

CITY OF SIGNAL HILL

PROPERTY TAX LEVIES AND TAX COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Tax Levy (1)	Tax Collections (2) (4)	Percentage Collected
1991 - 92 (3)	\$ 127,017	\$ 116,178	91.47%
1992 - 93	147,365	139,784	94.86%
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(3) Inception of ABI 197 "no and low" property tax legislation.

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CITY OF SIGNAL HILL

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS  
(per \$100 of assessed value)

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2000 - 01	0.001314	0.001552	0.009680	0.008800	1.000000	1.021346

2001-02

1.000000

CITY OF SIGNAL HILL

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

June 30, 2001

	Gross Bonded Debt Balance	Percent Applicable to City	Net Bonded Debt
<b>DIRECT DEBT:</b>			
Los Angeles County Sanitation District No. 29 Debt Service	\$ 90,000	100.000%	\$ 90,000
<b>OVERLAPPING DEBT:</b>			
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Los Angeles County Flood Control (Storm Drain Bond No. 4)	17,930,000	0.168%	30,128
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Long Beach Unified School District 1999 Series A DS	24,790,000	1.787%	442,903
<b>TOTAL OVERLAPPING DEBT</b>			<u>1,748,602</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<u><u>\$ 1,838,602</u></u>

2000 - 01 Assessed Valuation: \$410,043,358 (after deducting \$532,429,336 redevelopment incremental valuation)

DEBT TO ASSESSED VALUATION RATIOS:

Direct Debt .....	0.02%
Overlapping Debt.....	0.43%
Total Debt .....	0.45%

CITY OF SIGNAL HILL  
 DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Square Miles (1)	Population (2)	Population Percentage Change
1992	2.2	8,432	1.10%
1993	2.2	8,661	2.72%
1994	2.2	8,808	1.70%
1995	2.2	8,667	-1.60%
1996	2.2	8,776	1.26%
1997	2.2	8,864	1.00%
1998	2.2	9,008	1.62%
1999	2.2	9,133	1.39%
2000	2.2	9,247	1.25%
2001	2.2	9,737	5.30%
<i>2002</i>	<i>2.2</i>	<i>9,933</i>	<i>2.01%</i>

Sources: (1) Department of Community Development, City of Signal Hill  
 (2) State Department of Finance

CITY OF SIGNAL HILL

SCHEDULE OF CONSTRUCTION ACTIVITY (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Building Permits Issued</u>	<u>Percentage Change</u>	<u>Estimated Valuation</u>	<u>Percentage Change</u>
1991 - 92	308	65.59%	\$ 33,117,935	402.05%
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2001-02	300	-7.98%	34,631,160	54.03%

(1) Bank deposit information is not available.

## CITY OF SIGNAL HILL

## SCHEDULE OF TOP 25 SALES TAX PROCURERS

June 30, 2001

Taxpayer	Type of Business
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A & R Telecom	Specialty Stores
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Atlas Construction Supply	Heavy Industrial
Boulevard Buick GMC	New Motor Vehicle Dealers
Boulevard Pontiac	New Motor Vehicle Dealers
Cherry Arco Am Pm	Service Stations
Costco	Discount Department Stores
Gaines Electric Supply Company	Contractors
Glenn Thomas Dodge	New Motor Vehicle Dealers
Heating & Cooling Supply, Inc.	Contractors
Home Depot	Lumber/Building Materials
Howards Appliances	Radio/Appliance Stores
Long Beach BMW	New Motor Vehicle Dealers
Long Beach Honda Mazda	New Motor Vehicle Dealers
Nissan of Long Beach	New Motor Vehicle Dealers
Office Depot	Office Supplies/Furniture
Office Depot Business Services	Office Supplies/Furniture
P B I Market Equipment	Farm Products/Equipment
P F T Alexander Service	Business Services
Petsmart	Specialty Stores
Print Media Services	Light Industrial/Printers
Target Store	Discount Department Stores
Toys - R - Us	Specialty Stores

Percent of City Total Paid by Top 25 Accounts = 80.15%

CITY OF SIGNAL HILL

PRINCIPAL TAXPAYERS

June 30, 2001

Taxpayer	Type of Business	Number of Parcels	Assessed Valuation	Percentage of Assessed Valuation
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Town Center Signal Hill LLC	Office Buildings	2	7,580,000	0.8%
MF Salta Company, Inc.	Retail Automotive	2	6,858,636	0.7%
	TOTAL	140	\$ 156,668,459	16.4%

CITY OF SIGNAL HILL

MISCELLANEOUS STATISTICAL INFORMATION

June 30, 2001

GENERAL INFORMATION:

Date of Incorporation  
Form of Government

1924  
Council - Manager  
Charter City

POPULATION

9,933 9,737

AREA - Land

Square Miles: 2.2 Acres: 1,408

FIRE PROTECTION:

Number of stations  
Number of fire hydrants

1  
459

(The City of Signal Hill receives fire protection from the County of Los Angeles, through a subcontract with the City of Long Beach).

POLICE PROTECTION:

Number of stations  
Number of cells  
Number of police and officers  
Number of patrol vehicles (including 1 motorcycle)

1  
8  
31  
10

MUNICIPAL WATER DEPARTMENT:

Number of water services  
Miles of lines and mains  
Number of reservoirs  
Number of wells  
Annual gallons supplied

2,540 2,461  
34  
3 - 7.5 million gallons  
2  
729 724 million gallons

PUBLIC SERVICE:

Miles of streets  
Miles of sewers  
Number of sewer stations  
Number of street trees  
Number of vehicles maintained

35.7  
33  
3  
3,200  
76

RECREATION AND CULTURE:

Number of parks  
Area of parks  
Number of libraries  
Number of volumes  
Number of community centers  
Number of bandstands  
Number of baseball diamonds  
Number of basketball courts

5  
13.33 acres  
1  
25,000 1  
1  
1  
2

NUMBER OF CITY EMPLOYEES:

Full - time  
Part - time

106 105  
36

Source: City of Signal Hill, Finance Department

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