



City of Bell Gardens



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending June 30, 2018

CITY OF BELL GARDENS,
CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2018

Prepared by:
Finance and Administrative
Services Department

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CITY OF BELL GARDENS
Comprehensive Annual Financial Report
Year Ended June 30, 2018

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December 21, 2018

The Honorable Mayor and City Council
City of Bell Gardens, California

It is the policy of the City of Bell Gardens to annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report for the City of Bell Gardens (the City) for the fiscal year ended June 30, 2018.

This report consists of management's representations concerning the finances of the City of Bell Gardens. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Bell Gardens has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Bell Gardens' financial statements in conformity with GAAP. Since the costs of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Gruber and Associates, PC, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the City of Bell Gardens' financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal complements the MD&A and the financial statements, and it should be read from that perspective and in conjunction with all other sections of the comprehensive annual financial report (CAFR).

Profile of the Government

The City of Bell Gardens was incorporated in 1961 under the general laws of the State of California and is located in Southern California in the southeastern portion of Los Angeles County, approximately 11 miles southeast of Los Angeles. The City has a land area of 2.4 square miles and a population of 42,747. Bell Gardens is a general law City and uses the Council/City Manager form of government. Five City Council representatives are elected to four-year year terms of office by popular majority vote of Bell Gardens residents. The Mayor



and Mayor Pro-Tem are selected from among the City Council members. The City Manager serves at the pleasure of the City Council to administer the City's affairs and to carry out policies established by the City Council.

The City is divided into seven departments of City Administration, City Clerk, Police, Public Works, Finance and Administrative Services, Community Development, and Recreation and Community Services. These departments provide a full range of services, including police protection, the construction and maintenance of streets and other infrastructure, recreational activities and cultural events, transportation and a portion of the City's water system. Fire, paramedic and library services are provided by the County of Los Angeles. Animal control services are provided by the Southeast Area Animal Control Authority (SEAACA).

The annual budget serves as the foundation for the City's financial planning and control. The appropriated budget is prepared by fund, department (e.g., police) and line item. The City Council and Manager charge department directors with the responsibility of controlling department budgets. Budgetary control is exercised through an on-line computerized system, which interfaces with the City's general ledger. The system maintains an on-going record of budget balances throughout the year based on actual expenditures and unfilled purchase orders.

The City Council has the legal authority to amend the budget at any time during the year. The City Manager has the authority to re-appropriate expenditures within a fund. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and major special revenue funds, this comparison is presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the General Fund and major special revenue funds, this comparison is presented in the supplementary section of the accompanying financial statements.

Factors Affecting Financial Condition

The Bicycle Casino (the Bike) provides over 40% of the City's General Fund revenues. In December 2015, the Bike completed a one-hundred room four star luxury hotel as an addition to the Casino. This capital investment by the Bike had an initial positive impact on the revenue the City receives from taxes received from gaming along with an increase in transient occupancy taxes. However, revenue received from the Bike decreased in fiscal 2018 as compared to the previous fiscal year. Over 80% of City revenues are made from five revenue sources and a significant change in any one of these sources of revenue can have an impact on service levels provided by the City.

In December 2016, the CalPERS Board of Administration approved lowering the CalPERS discount rate assumption from 7.5 percent to 7.00 percent phased in over a three year period beginning fiscal 2018-19 and fully implemented for fiscal 2020-21. Additionally, effective for contributions for fiscal year 2021-22, CalPERS reduced the amortization period for certain liabilities. These changes by CalPERS will increase normal costs payments and UAL payments beginning in fiscal 2018-19 and future years. Additionally, the costs of providing health insurance to active and retired employees will also provide a financial challenge for the City as health insurance costs increases and the number of retired employees grows.



Relevant Financial Polices

City management is responsible for establishing and maintaining an internal control structure designed to ensure that City assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of general, special revenue, debt services and capital projects funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. The City also maintains an encumbrance accounting system as a technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. State statutes require an annual audit of the City's financial records by independent certified public accountants. As a result, the independent accounting firm of Gruber and Associates, PC was selected to perform the audit for the fiscal year ended June 30, 2018. The auditors' unqualified (clean) opinion on the basic financial statements and accompanying footnotes is included in the Financial Section of this report (CAFR).

Long-Term Financial Planning

In 2008, the City implemented a reserve policy in which they initially committed \$1,000,000 for contingencies and added \$200,000 per year until the amount committed for contingencies reached 10% of the General Fund's expenditures. As of June 30, 2018, the amount committed for contingencies is \$2,900,000 with \$200,000 budgeted for the fund in fiscal year 2018. In addition, during the fiscal year 2017 the City completed a master capital improvement plan which identified, if available, designated funds to pay for projects. Finally, the City maintains a trust to pay for retiree health insurance cost. The City is continuing to explore ideas to provide additional funding to the trust.

Acknowledgements

The dedication of the Finance Department staff made it possible to prepare this report in a timely manner. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report.

Respectfully submitted,

Will Kaholokula
Director of Finance and Administration

City of Bell Gardens

City Officials

City Council

Maria Pulido

Mayor

Jose J. Mendoza

Mayor Pro Tem

Pedro Aceituno

Councilmember

Priscilla Flores

Councilmember

Jennifer Rodriguez

Councilmember

Administration and Department Heads

Philip Wagner
City Manager

John E. Oropeza
Assistant City Manager

Robert Barnes
Chief of Police

Will Kaholokula
Director of Finance & Administrative Services

Abel Avalos
Director of Community Development

Chris Dastè
Director of Recreation & Community Services

Chau Vu
Director of Public Works

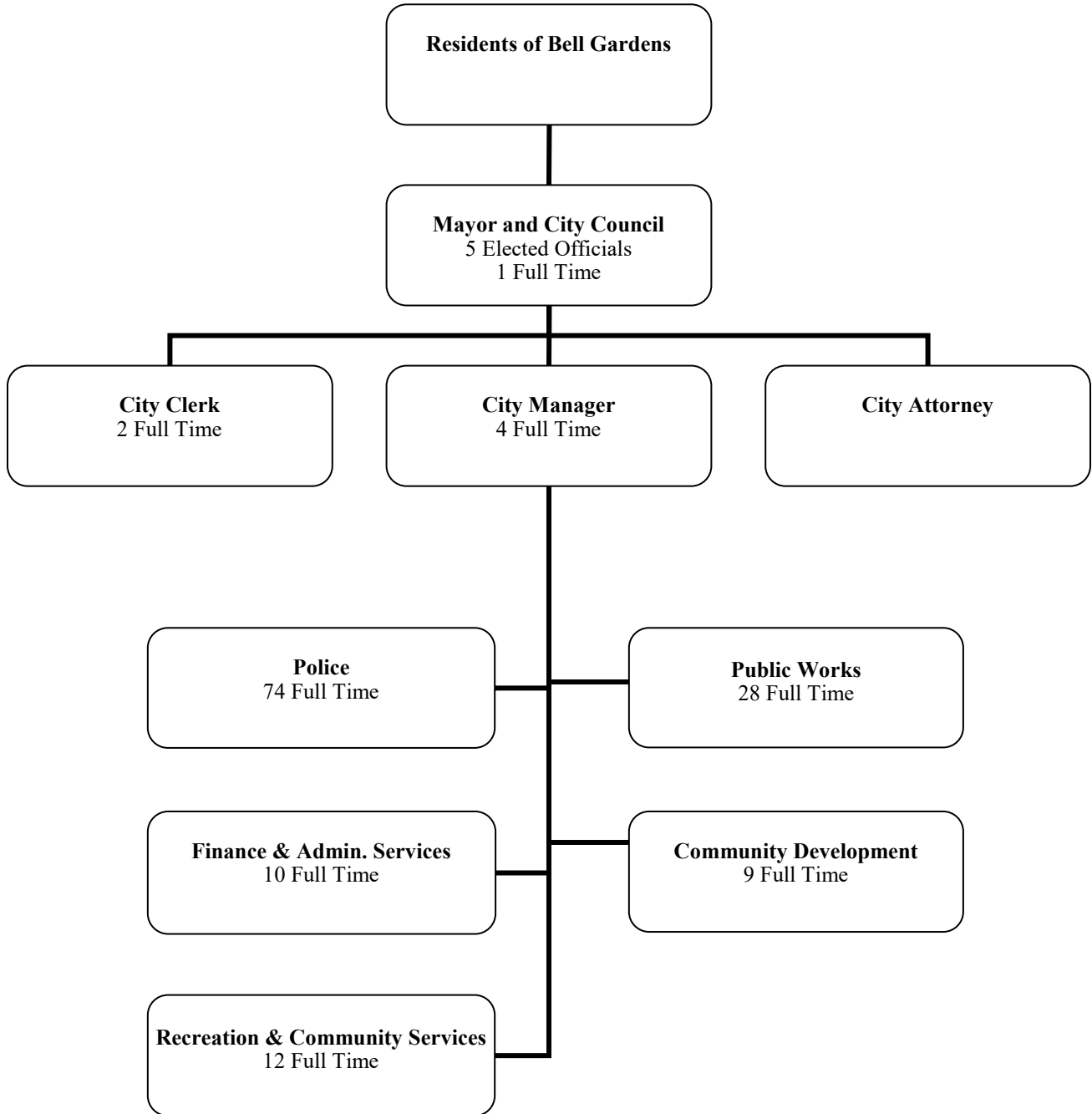
Kristina Santana
City Clerk

Arnold M. Alvarez-Glasman
City Attorney

Sid Mousavi
City Engineer

City of Bell Gardens

Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bell Gardens
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO



An Independent CPA Firm

To the Honorable Mayor and Members of the City Council
City of Bell Gardens, California

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bell Gardens, California (City), as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bell Gardens, California, as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described further in note one to the financial statements, during the year ended June 30, 2018, the City implemented GASB Statement Nos. 75 and 85. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, the schedule of proportionate share of the net pension liability and related ratios, schedule of plan contributions – defined benefit pension plan, schedule of changes in the net OPEB liability and related ratios, schedule of plan contributions – OPEB plan, and the budgetary comparison information identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bell Gardens’ basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018 on our consideration of the City of Bell Gardens’ internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bell Gardens’ internal control over financial reporting and compliance.

David L. Gruber and Associates, Inc.
David L. Gruber and Associates, Inc.
Newport Beach, California
December 20, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF BELL GARDENS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Bell Gardens, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Bell Gardens for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

FINANCIAL HIGHLIGHTS

- ♦ As of June 30, 2018, the City's net position (excess of assets over liabilities) was \$81 million. This is a decrease from prior year of about \$36.4 million. Net position for governmental activities decreased by \$35.9 million during fiscal year ended June 30, 2018 and business-type activities net position decreased by \$572,916.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The Government-wide Financial Statements present the financial picture of the City and provide readers with a broad view of the City's finances. These statements present governmental activities and business-type activities separately and include all assets and liabilities of the City.

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

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the year. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows.

In the Statement of Net Position and the Statement of Activities, we separate the City's activities as follows:

Governmental Activities

Most of the City's basic services are included here, such as general government, public safety, public works, community development, and parks and recreation. Taxes and state and federal grants finance most of these activities.

Business-Type Activities

The City charges a fee to customers to cover all or most of the costs of certain services it provides. The City's water utility and golf course operations are reported as business-type activities.

The Government-wide Financial Statements include not only the City itself (known as the primary government), but also the legally separate entity of the Bell Gardens Financing Authority. The City is financially accountable for this entity and the financial information for this blended component unit are reported within the financial information presented for the primary government itself.

Fund Financial Statements

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

The fund financial statements include statements for each of the three categories of activities – governmental, proprietary and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds which only report assets and liabilities and do not have a measurement focus.

Governmental Funds—The Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Funds Financial Statements focus on current financial resources, which emphasize near-term inflows and outflows of spendable resources as well as balances of spendable resources at the end of the fiscal year. This information is essential in evaluating the City's near-term financial requirements.

To better understand the City's long-term and short-term requirements, it is useful to compare the City's Governmental Fund Statements with the governmental activities in the Government-wide Financial Statements. A reconciliation of the statements is provided for both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances to facilitate this comparison.

The City of Bell Gardens maintains twenty-seven (27) governmental funds. Information is presented separately in the *governmental fund balance sheet* and in the *governmental fund statement of revenues, expenditures, and changes in fund balances* for the General Fund, Low and Moderate Housing fund, and Capital Improvement Projects fund which are reported as major funds. Data from the other twenty-two (22) governmental funds are combined into a single, aggregate presentation in the non-major governmental funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *Supplementary Information* section of this report.

The City adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate its compliance with this budget.

Proprietary Funds— The City maintains only one type of proprietary fund, the *enterprise fund* for its water utility and golf course. *Enterprise funds* are used to report the same functions presented as *business-type activities* in government-wide financial statements.

Fiduciary Funds— As a result of the dissolution of the redevelopment agency, the city maintains a fiduciary fund, which consists of a private purpose trust fund used to account for the assets and liabilities of the former Community Development Commission and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former Community Development Commission are paid in full and assets have been liquidated.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The combining statements referred to earlier in connection with the non-major governmental funds and enterprise funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As stated in the financial highlights above, at June 30, 2018, the City's net position (excess of assets over liabilities) was \$81 million. This includes a decrease of \$36.4 million from prior year's net position. Net position may serve over time as a useful indicator of a government's financial position.

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2018 and 2017. Approximately \$102.9 million (131%) of the governmental activities net position consist of the City's investment in capital assets such as land, buildings, structures, machinery and equipment, less any related debt to acquire those assets that is still outstanding. These assets are used to provide services to the citizens of the City of Bell Gardens; therefore, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Current and other assets	\$ 78,193,139	\$ 73,815,478	\$ (1,075,773)	\$ (1,271,544)	\$ 77,117,366	\$ 72,543,934
Capital assets	99,537,520	102,917,119	7,067,928	6,932,183	106,605,448	109,849,302
Total assets	<u>177,730,659</u>	<u>176,732,597</u>	<u>5,992,155</u>	<u>5,660,639</u>	<u>183,722,814</u>	<u>182,393,236</u>
Deferred outflows of resources	13,247,773	13,154,273	170,410	72,356	13,418,183	13,226,629
Total deferred outflow of resources	<u>13,247,773</u>	<u>13,154,273</u>	<u>170,410</u>	<u>72,356</u>	<u>13,418,183</u>	<u>13,226,629</u>
Current and other liabilities	4,336,365	4,775,219	416,450	418,181	4,752,815	5,193,400
Long-term liabilities outstanding	70,267,440	105,256,401	2,594,717	2,733,380	72,862,157	107,989,781
Total liabilities	<u>74,603,805</u>	<u>110,031,620</u>	<u>3,011,167</u>	<u>3,151,561</u>	<u>77,614,972</u>	<u>113,183,181</u>
Deferred inflows of resources	2,086,694	1,436,901	14,979	17,931	2,101,673	1,454,832
Total deferred inflows of resources	<u>2,086,694</u>	<u>1,436,901</u>	<u>14,979</u>	<u>17,931</u>	<u>2,101,673</u>	<u>1,454,832</u>
Net position:						
Net investment in capital assets	97,101,421	102,917,119	4,475,003	4,614,646	101,576,424	107,531,765
Restricted	14,654,518	11,470,333	397,976	407,014	15,052,494	11,877,347
Unrestricted	2,531,794	(35,969,103)	(1,736,560)	(2,458,157)	795,234	(38,427,260)
Total net position	<u>\$ 114,287,733</u>	<u>\$ 78,418,349</u>	<u>\$ 3,136,419</u>	<u>\$ 2,553,503</u>	<u>\$ 117,424,152</u>	<u>\$ 80,981,852</u>

Statement of Activities

The following is the condensed Statement of Activities for the fiscal years ended June 30, 2018 and 2017. The government-wide Statement of Activities is used to report changes in the net assets reported on the government-wide statement of assets.

City of Bell Gardens
Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Revenues:						
Program revenues:						
Charges for services	\$ 2,491,282	\$ 1,667,168	\$ 1,241,673	\$ 1,264,128	\$ 3,732,955	\$ 2,931,296
Operating grants and contrib.	4,361,504	4,256,834	-	-	4,361,504	4,256,834
Capital grants and contrib.	1,023,124	2,058,437	-	-	1,023,124	2,058,437
General revenues:						
Sales taxes	2,906,014	2,978,666	-	-	2,906,014	2,978,666
Transient occupancy taxes	742,344	737,207	-	-	742,344	737,207
Franchise taxes	3,583,536	3,654,822	-	-	3,583,536	3,654,822
Business license taxes	289,752	283,899	-	-	289,752	283,899
Property taxes	1,360,575	1,338,926	-	-	1,360,575	1,338,926
Other taxes	6,377	6,187	-	-	6,377	6,187
Motor Vehicle in Lieu	4,200,624	4,374,440	-	-	4,200,624	4,374,440
Use of money and property	3,565,789	4,526,786	2,819	12,583	3,568,608	4,539,369
Card club taxes	14,138,417	12,930,235	-	-	14,138,417	12,930,235
Other	3,448,933	669,003	-	-	3,448,933	669,003
Total Revenues	42,118,271	39,472,610	1,244,492	1,276,711	43,362,763	40,749,321
Expenses:						
General government	9,428,611	8,712,219	-	-	9,428,611	8,712,219
Public safety	13,805,735	19,969,281	-	-	13,805,735	19,969,281
Community development	975,513	1,119,201	-	-	975,513	1,119,201
Parks and recreation	2,907,759	2,947,132	-	-	2,907,759	2,947,132
Public works	11,248,611	12,665,811	-	-	11,248,611	12,665,811
Interest and fiscal charges	330,085	263,511	-	-	330,085	263,511
Water utility	-	-	1,260,039	1,246,971	1,260,039	1,246,971
Golf course	-	-	257,431	216,378	257,431	216,378
Total Expenses	38,696,314	45,677,155	1,517,470	1,463,349	40,213,784	47,140,504
Increase (decrease) in net assets						
before transfers	3,421,957	(6,204,545)	(272,978)	(186,638)	3,148,979	(6,391,183)
Transfers	48,067	(149,927)	(48,067)	149,927	-	-
Changes in Net Position	3,470,024	(6,354,472)	(321,045)	(36,711)	3,148,979	(6,391,183)
Net Position - beginning of the year	111,622,382	114,287,733	3,457,464	3,136,419	115,079,846	117,424,152
Restatement of Net Position	(804,673)	(29,514,912)	-	(536,205)	(804,673)	(30,051,117)
Net Position - end of the year	\$ 114,287,733	\$ 78,418,349	\$ 3,136,419	\$ 2,563,503	\$ 117,424,152	\$ 80,981,852

Governmental Activities

The City’s net position from governmental activities totaled \$78.4 million. The cost of all governmental activities this year was \$45.7 million. Overall, the City’s governmental program revenues totaled \$8 million. The City paid the remaining “public benefit” portion of governmental activities from \$21.9 million in taxes (some of which could only be used for certain programs) and \$9.4 million with other revenues, such as interest earnings, in-lieu motor vehicle fees and general entitlements.

Revenue highlights:

City-wide revenues decreased by \$2.8 million. In the prior fiscal year, the city received one-time revenue from the sale of city property in the amount of \$3.05 million. Revenue received from card club tax receipts decrease by \$1.2 million as compared to the prior year. In addition, capital grants & contribution had an increase of \$1 million due to city completing various capital projects. Business-type revenues increased by \$32K primarily due to an increased in revenue earned on the lease of excess City water rights and interest earned on cash with fiscal agent.

Expense highlights:

Governmental activity expenses increased by \$6.9 million as compared to the prior year. The majority of the increase was from public safety activities (\$6.2 million), public works activities (\$1.4 million) and a decrease in general government activities (\$716K). The increases in expenses were largely driven by pension and OPEB expenses.

Business Type Activities

The City’s business-type activities’ net position decreased by \$572,916. The key elements of this decrease include:

- ◆ Revenues increased by \$32K primarily due to an increase in the amount of water rights the City leases out and higher water consumption.
- ◆ Expenses decreased by \$41K, with the water and golf enterprises reduction of \$13K and \$41K respectively.
- ◆ Beginning of year decreased in net position restatement of \$536K due to changes in accounting principal for adoption of GASB No. 75 and GASB No. 86.

FUND FINANCIAL STATEMENT ANALYSIS

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

Governmental Funds

The focus of the City’s governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City’s financing requirements.

As of fiscal year ended June 30, 2018, the City’s governmental funds reported combined ending fund balance of \$21.4 million, a decrease of \$20.2 million compared to the prior year balance of \$41.6 million. The city maintains three major governmental funds: General Fund, Low and Moderate Housing fund, and Capital Improvement Projects fund which was reported as a non-major fund in the prior years. The General Fund’s fund balance decreased by \$15.3 million during the fiscal year. This decrease was due to a beginning fund balance restatement on change in accounting principal for adoption of GASB No. 75 of \$19.3 million, a one-time revenues transferred to General Fund of \$613K from Academic Pursuit fund to help balance General Fund’s budget. The low and moderate housing fund’s fund balance decreased by \$460K due primarily to the change in accounting principal for adoption of GASB No. 75 of \$401K.

Capital improvement projects fund's fund balance has a negative balance of \$464K as compared to prior year of positive balance of \$3.3 million. This is due to various projects were completed in the current year and City is waiting for reimbursement. Other governmental funds balance decreased by \$711K.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the Government-wide financial statements, but in more detail. Factors concerning these funds have already been addressed in the discussion of Government-wide Financial Analysis of business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original adopted General Fund expenditure budget for this fiscal year was \$31,970,629. During the year, there were additional appropriations and carryovers bringing the ending General Fund expenditure budget to \$32,238,820.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Bell Gardens has \$109.8 million invested in capital assets, as compared to \$106.6 million in the prior year. In fiscal 2018, capital assets increased by approximately \$1.7 million primarily due to \$3.8 construction in progress for various projects were completed during the year. The City completed the replacement of HVAC System for various locations (\$1.0 million), playground structure at BG Veterans Park (\$177K), City Hall roof replacement (\$1.8 million), and Ford Park Artificial Turf replacement (\$822K) and a decrease in accumulated depreciation of \$2.1 million. The City also removed \$71K from construction in progress as it was determined that the projects were related to repair and maintenance. Additional information about the City's capital assets can be found in Note 5 of this report.

Capital Assets at Year-End
(Net of Depreciation)
For the Year Ended June 30

	Governmental Activities		Business-Type Activities		Totals	
	2017	2018	2017	2018	2017	2018
Land	\$ 67,249,714	\$ 67,249,714	\$ 1,011,000	\$ 1,011,000	\$ 68,260,714	\$ 68,260,714
Buildings	8,605,590	9,934,803	-	-	8,605,590	9,934,803
Equipment	1,469,786	2,585,903	4,659,708	4,007,183	6,129,494	6,593,086
Construction in Progress	852,043	2,137,987	-	-	852,043	2,137,987
Infrastructure	21,360,387	21,008,712	-	-	21,360,387	21,008,712
Intangibles	-	-	1,397,220	1,914,000	1,397,220	1,914,000
Total	\$ 99,537,520	\$ 102,917,119	\$ 7,067,928	\$ 6,932,183	\$ 106,605,448	\$ 109,849,302

Long-term Debt

At year-end, the City had \$112.1 million in long-term debts including bonds, notes, pension obligations, other post-employment benefit obligations, and accrued leaves. Long-term debt increased by \$34.2 million as compared to the prior year amount of \$77 million. The most significant increases were from pension obligations and other post-employment benefit obligations which increased by \$35.1 million. The City did not issue or refund long-term debt during the year and the other decreases were due to

scheduled principal payments. Additional information about the City's long-term debt can be found in Note 6, 7 and 8 on pages 44-55 of this report.

**Outstanding Long-Term Debt
For Fiscal Year Ended June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2017	2018	2017	2018	2017	2018
Accrued Leave Payable	\$ 3,656,866	\$ 3,533,013	\$ -	\$ -	\$ 3,656,866	\$ 3,533,013
Other post employment obligations	27,858,848	60,162,177	-	-	27,858,848	60,162,177
Net Pension Liability	35,704,650	39,885,593	-	-	35,704,650	39,885,593
CJPIA Retrospective Deposit Liability	(105,719)	(312,740)	-	-	(105,719)	(312,740)
Promissory Note- County of LA	1,112,000	571,000	-	-	1,112,000	571,000
Southern California Edison On Bill Financing	25,179	16,278	-	-	25,179	16,278
2015 Lease Revenue Refunding Bonds	5,530,000	5,370,000	-	-	5,530,000	5,370,000
2004 Water Refunding Revenue Bonds	-	-	2,590,000	2,315,000	2,590,000	2,315,000
Unamortized bond premium	581,918	557,791	2,926	2,537	584,844	560,328
Total	\$ 74,363,742	\$ 109,783,112	\$ 2,592,926	\$ 2,317,537	\$ 76,956,668	\$ 112,100,649

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City of Bell Gardens' finances are dependent on the local, national and international economies. Significant changes in economic conditions will have a widespread effect of on the City's finances. Approximately 41.8% of the City's general fund revenues are received from one local source (Bicycle Club). The Bicycle Club completed a \$50 million hotel expansion in December of 2015. This has been a boon for the City which saw increases in casino taxes and transient occupancy taxes. The increases in these revenue sources continue to be beneficial for the City as it prepares future budgets. However, revenue from the Bicycle Club has been relatively volatile as the City experienced a sharp decrease in revenue received from card club gross receipts in fiscal 2018.

In fiscal 2016, the City agreed on employment agreements with its five employee groups that called for pay raises and other benefits. The pay raises and other benefits increased City personnel expenditures. At the end of fiscal 2018, four of the five contracts expired placing the City in a position and labor to renegotiate new contracts.

From an operating expenditures perspective, rising pension costs, due to CalPERS lowering of the discount rate, and increasing health insurance costs will place a continued drag on City finances. Additionally, the City is expecting a wave of retirees over the next few years which will be beneficial from the aspect that newer employees will be hired under PEPRAs retirement benefits, which are not as generous as the City's retiring classic members, but it will also add expenses to the General Fund's bottom line as the City will begin paying for the retired employees' healthcare.

From a regional standpoint, the economy is projected to continue to expand, as reported in the California Fiscal Outlook report published by the state's Legislative Analyst's office. However, employment growth is expected to remain slow which will be slightly offset by healthy increases in total wages and salaries over the next few years as California companies compete to retain workers. Additionally, California's statewide minimum wage is programmed to reach \$15 per hour in 2022; increasing to \$12 per hour as of January 1, 2019, \$13 as of January 1, 2020, \$14 as of January 1, 2021.

The City's fiscal year 2018-19 operating budget reflects City's commitment to foster steady, controlled growth and provide the highest level of service to the community within the City's financial constraint and is consistent with the City Council's goals and objectives. Questions or requests for information regarding the City of Bell Gardens' 2018-19 budgets should be sent to the Finance Department at the address below.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Bell Gardens' finances and to show the City's accountability for money received. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department, at the City of Bell Gardens, 7100 Garfield Avenue, Bell Gardens, CA 90201.

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CITY OF BELL GARDENS

Statement of Net Position

June 30, 2018

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments (note 2)	\$ 19,664,595	65,002	19,729,597
Receivable:			
Accounts	2,114,450	216,477	2,330,927
Notes and loans (note 3)	8,700,372	-	8,700,372
Accrued interest	57,666	-	57,666
Internal balances	1,960,037	(1,960,037)	-
Advances to Successor Agency	39,476,203	-	39,476,203
Prepaid items	38,712	-	38,712
Due from other governments	1,375,458	-	1,375,458
Total current assets	73,387,493	(1,678,558)	71,708,935
Noncurrent assets:			
Cash and investments with fiscal agent (note 2)	427,985	407,014	834,999
Capital assets (note 5):			
Non-depreciable	69,387,701	1,011,000	70,398,701
Depreciable, net	33,529,418	5,921,183	39,450,601
Total capital assets	102,917,119	6,932,183	109,849,302
Total noncurrent assets	103,345,104	7,339,197	110,684,301
Total assets	176,732,597	5,660,639	182,393,236
DEFERRED OUTFLOWS OF RESOURCES			
Pensions (note 7)	13,154,273	72,356	13,226,629
Total deferred outflows of resources	13,154,273	72,356	13,226,629
LIABILITIES			
Current liabilities:			
Accounts payable	1,391,587	99,933	1,491,520
Accrued liabilities	968,039	5,257	973,296
Interest payable	33,201	27,604	60,805
Deposits payable	409,259	-	409,259
Bonds, notes, and claims payable - due within one year (note 6)	771,909	285,387	1,057,296
Compensated absences - due within one year (note 6)	1,201,224	-	1,201,224
Total current liabilities	4,775,219	418,181	5,193,400
Noncurrent liabilities:			
Bonds, notes, and claims payable - due in more than one year (note 6)	5,430,420	2,032,150	7,462,570
Net pension liability (note 7)	38,964,381	234,694	39,199,075
Net OPEB liability (note 8)	58,529,811	466,536	58,996,347
Compensated absences - due in more than one year (note 6)	2,331,789	-	2,331,789
Total noncurrent liabilities	105,256,401	2,733,380	107,989,781
Total liabilities	110,031,620	3,151,561	113,183,181
DEFERRED INFLOWS OF RESOURCES			
Pensions (note 7)	262,079	8,749	270,828
OPEB (note 8)	1,174,822	9,182	1,184,004
Total deferred inflows of resources	1,436,901	17,931	1,454,832
NET POSITION			
Net investment in capital assets	102,917,119	4,614,646	107,531,765
Restricted for:			
Community development projects	7,676,506	-	7,676,506
Public safety	916,756	-	916,756
Parks and recreation	280,652	-	280,652
Public works	2,026,859	-	2,026,859
Capital projects	569,560	-	569,560
Debt service	-	407,014	407,014
Total restricted	11,470,333	407,014	11,877,347
Unrestricted	(35,969,103)	(2,458,157)	(38,427,260)
Total net position	\$ 78,418,349	2,563,503	80,981,852

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Total Program Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 8,712,219	323,653	-	-	323,653
Public safety	19,969,281	571,834	248,753	-	820,587
Community development	1,119,201	278,614	39,731	-	318,345
Parks and recreation	2,947,132	98,339	-	-	98,339
Public works	12,665,811	394,728	3,968,350	2,058,437	6,421,515
Interest on fiscal charges	263,511	-	-	-	-
Total governmental activities	<u>45,677,155</u>	<u>1,667,168</u>	<u>4,256,834</u>	<u>2,058,437</u>	<u>7,982,439</u>
Business-type activities:					
Water	1,246,971	1,167,953	-	-	1,167,953
Golf Course	216,378	96,175	-	-	96,175
Total business-type activities	<u>1,463,349</u>	<u>1,264,128</u>	<u>-</u>	<u>-</u>	<u>1,264,128</u>
Total primary government	<u>\$47,140,504</u>	<u>2,931,296</u>	<u>4,256,834</u>	<u>2,058,437</u>	<u>9,246,567</u>

General revenues:

Taxes:

- Card club gross receipt tax
- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business license taxes
- Other taxes

Total taxes

Motor vehicle in lieu - unrestricted

Use of money and property

Other

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as restated (note 15)

Net position - end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(8,388,566)	-	(8,388,566)
(19,148,694)	-	(19,148,694)
(800,856)	-	(800,856)
(2,848,793)	-	(2,848,793)
(6,244,296)	-	(6,244,296)
<u>(263,511)</u>	<u>-</u>	<u>(263,511)</u>
<u>(37,694,716)</u>	<u>-</u>	<u>(37,694,716)</u>
-	(79,018)	(79,018)
<u>-</u>	<u>(120,203)</u>	<u>(120,203)</u>
<u>-</u>	<u>(199,221)</u>	<u>(199,221)</u>
<u>(37,694,716)</u>	<u>(199,221)</u>	<u>(37,893,937)</u>
12,930,235	-	12,930,235
1,338,926	-	1,338,926
737,207	-	737,207
2,978,666	-	2,978,666
3,654,822	-	3,654,822
283,899	-	283,899
<u>6,187</u>	<u>-</u>	<u>6,187</u>
21,929,942	-	21,929,942
4,374,440	-	4,374,440
4,526,786	12,583	4,539,369
659,003	-	659,003
<u>(149,927)</u>	<u>149,927</u>	<u>-</u>
<u>31,340,244</u>	<u>162,510</u>	<u>31,502,754</u>
(6,354,472)	(36,711)	(6,391,183)
<u>84,772,821</u>	<u>2,600,214</u>	<u>87,373,035</u>
<u>\$ 78,418,349</u>	<u>2,563,503</u>	<u>80,981,852</u>

CITY OF BELL GARDENS

Balance Sheet

Governmental Funds

June 30, 2018

		Special Revenue Fund	Capital Project Fund		
	General Fund	Low and Moderate Housing	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments (note 2)	\$ 15,235,144	536,664	-	3,892,787	19,664,595
Receivables:					
Accounts	2,099,400	162	-	14,888	2,114,450
Notes and loans (note 3)	155,780	6,428,308	-	2,116,284	8,700,372
Interest	48,077	-	-	9,589	57,666
Prepaid items	33,175	-	-	5,537	38,712
Due from other governments	-	-	1,051,825	323,633	1,375,458
Due from other funds (note 4)	2,807,474	-	-	-	2,807,474
Advances to Successor Agency	38,764,831	711,372	-	-	39,476,203
Restricted assets:					
Cash and investments with fiscal agents (note 2)	-	-	427,985	-	427,985
Total assets	\$ 59,143,881	7,676,506	1,479,810	6,362,718	74,662,915
LIABILITIES					
Accounts payable	\$ 566,625	-	160,368	664,594	1,391,587
Accrued liabilities	967,024	-	-	1,015	968,039
Deposits payable	365,098	-	-	44,161	409,259
Due to other funds (note 4)	-	-	749,882	97,555	847,437
Total liabilities	1,898,747	-	910,250	807,325	3,616,322
DEFERRED IN FLOWS OF RESOURCES					
Unavailable revenue	39,288,820	7,139,680	1,033,534	2,180,494	49,642,528
Total deferred in flows of resources	39,288,820	7,139,680	1,033,534	2,180,494	49,642,528
FUND BALANCES (note 12)					
Nonspendable	2,148,992	-	-	5,537	2,154,529
Restricted	-	536,826	-	3,257,438	3,794,264
Committed	2,900,000	-	-	-	2,900,000
Assigned	12,907,322	-	-	150,632	13,057,954
Unassigned	-	-	(463,974)	(38,708)	(502,682)
Total fund balances (deficits)	17,956,314	536,826	(463,974)	3,374,899	21,404,065
Total liabilities, deferred inflows and fund balances	\$ 59,143,881	7,676,506	1,479,810	6,362,718	74,662,915

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2018

Fund balances of governmental funds	\$ 21,404,065
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the governmental funds balance sheet. Capital assets were adjusted as follows:	
Capital assets	144,357,812
Accumulated depreciation	(41,440,693)
Certain revenues were not available to pay for current-period expenditures and, therefore, were deferred in funds.	49,642,528
Long-term debt and compensated absences have not been included in the governmental fund activity:	
Lease Revenue Refunding Bonds	(5,370,000)
Unamortized bond premiums/discounts	(557,791)
Notes Payable: County of Los Angeles - Section 108	(571,000)
Southern California Edison On Bill Financing Agreement	(16,278)
CJPIA General Liability Retrospective Deposit	312,740
Compensated absences	(3,533,013)
Governmental funds report all Pension and OPEB contributions as expenditures, however, in the statement of net position and excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability:	
Net pension liability	(38,964,381)
Net OPEB liability	(58,529,811)
Deferred outflows related to Pension	13,154,273
Deferred inflows related to Pension	(262,079)
Deferred inflows related to OPEB	(1,174,822)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.	(33,201)
Net position of governmental activities	\$ 78,418,349

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2018

	Special Revenue Fund	Capital Project Fund		
	Low and Moderate Housing	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
General Fund	Fund	Fund	Funds	Funds
Revenues:				
Taxes	\$ 18,786,091	-	4,379,842	23,165,933
Intergovernmental	410,701	-	3,128,728	4,066,421
Licenses and permits	4,374,440	-	-	4,374,440
Charges for services	330,033	-	239,338	569,371
Use of money and property	4,332,455	39,731	23,572	4,670,113
Fines and forfeitures	456,391	-	54,321	510,712
Contributions	250,000	-	-	250,000
Other revenue	950,490	-	49,461	999,951
Total revenues	29,890,601	39,731	8,126,045	38,606,941
Expenditures:				
Current:				
General government	5,651,720	-	651,489	6,303,209
Public works	4,092,887	-	5,699,091	9,791,978
Public safety	15,412,095	-	348,253	15,760,348
Community development	1,111,201	8,000	-	1,119,201
Parks and recreation	2,756,593	-	190,539	2,947,132
Capital outlay	885,608	-	4,818,173	7,213,433
Debt service:				
Interest and fiscal charges	255,062	-	45,056	300,118
Principal retirement	168,901	-	541,000	709,901
Total expenditures	30,334,067	8,000	8,985,080	44,145,320
Excess (deficiency) of revenues over (under) expenditures	(443,466)	31,731	(4,267,609)	(5,538,379)
Other financing sources (uses):				
Transfers in (note 4)	823,623	103,186	509,426	2,807,125
Transfers out (note 4)	(1,733,860)	-	(1,223,192)	(2,957,052)
Total other financing sources (uses)	(910,237)	103,186	147,698	(149,927)
Net change in fund balances	(1,353,703)	134,917	(3,758,183)	(5,688,306)
Fund balances, beginning of year, as restated (note 15)	19,310,017	401,909	3,294,209	27,092,371
Fund balances (deficits), end of year	\$ 17,956,314	536,826	(463,974)	21,404,065

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Governmental-Wide Statement of Activities
For the Year Ended June 30, 2018**

Changes in fund balances of governmental funds \$ (5,688,306)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current year, net of disposals and internal service fund activity.

Capital outlay	5,513,706
Depreciation expense	(2,134,107)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The issuance of new debt is revenue in the governmental funds, but increases long-term liabilities in the statement of net position.

Repayment of long-term debt:

Lease Revenue Refunding Bonds	160,000
Notes Payable: County of Los Angeles - Section 108	541,000
Southern California Edison On Bill Financing Agreement	8,901
CJPIA General Liability Retrospective Payable	207,021
Amortization bond premiums/discounts	24,127

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period	12,480
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Revenues in the government-wide statement of activities that did not provide current financial resources were not reported as revenues in the governmental funds.	865,669
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	123,853
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Governmental funds report all contributions in relation to the annual required contribution (ARC) for Pensions and OPEB as expenditures, however in the statement of activities only the ARC is an expense.	<u>(5,988,816)</u>
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Change in net position of governmental activities	<u><u>\$ (6,354,472)</u></u>
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CITY OF BELL GARDENS
Statement of Fund Net Position
Proprietary Funds
June 30, 2018

	Business-Type Activities - Enterprise Funds		
	Water	Golf Course	Totals
ASSETS			
Current assets:			
Cash and investments (note 2)	\$ -	65,002	65,002
Receivables:			
Accounts	216,477	-	216,477
Restricted:			
Cash and investments with fiscal agents (note 2)	407,014	-	407,014
Total current assets	623,491	65,002	688,493
Noncurrent assets:			
Capital assets, net of accumulated depreciation (note 5):	6,932,183	-	6,932,183
Total noncurrent assets	6,932,183	-	6,932,183
Total assets	7,555,674	65,002	7,620,676
DEFERRED OUTFLOWS OF RESOURCES			
Pensions (note 7)	72,356	-	72,356
Total deferred outflows of resources	72,356	-	72,356
LIABILITIES			
Current liabilities:			
Accounts payable	98,898	1,035	99,933
Accrued liabilities	106	5,151	5,257
Interest payable	27,604	-	27,604
Due to other funds (note 4)	1,960,037	-	1,960,037
Long-term debt - due within one year (note 6)	285,387	-	285,387
Total current liabilities	2,372,032	6,186	2,378,218
Noncurrent liabilities:			
Long-term debt - due in more than one year (note 6)	2,032,150	-	2,032,150
Net pension liability (note 7)	234,694	-	234,694
Net OPEB liability (note 8)	466,536	-	466,536
Total noncurrent liabilities	2,733,380	-	2,733,380
Total liabilities	5,105,412	6,186	5,111,598
DEFERRED INFLOWS OF RESOURCES			
Pensions (note 7)	8,749	-	8,749
OPEB (note 8)	9,182	-	9,182
Total deferred inflows of resources	17,931	-	17,931
NET POSITION			
Net investment in capital assets	4,614,646	-	4,614,646
Restricted for:			
Debt service	407,014	-	407,014
Unrestricted	(2,516,973)	58,816	(2,458,157)
Total net position	\$ 2,504,687	58,816	2,563,503

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Golf Course</u>	<u>Totals</u>
Operating revenues:			
Sales and service charges	\$ 1,118,384	93,786	1,212,170
Other revenues	<u>49,569</u>	<u>2,389</u>	<u>51,958</u>
Total operating revenues	<u>1,167,953</u>	<u>96,175</u>	<u>1,264,128</u>
Operating expenses:			
Administration and general	269,968	37,795	307,763
Cost of sales and services	723,636	178,583	902,219
Depreciation	<u>135,745</u>	<u>-</u>	<u>135,745</u>
Total operating expenses	<u>1,129,349</u>	<u>216,378</u>	<u>1,345,727</u>
Operating income (loss)	<u>38,604</u>	<u>(120,203)</u>	<u>(81,599)</u>
Non-operating revenues (expenses):			
Investment income	12,583	-	12,583
Interest expense and fees	<u>(117,622)</u>	<u>-</u>	<u>(117,622)</u>
Total non-operating revenues (expenses)	<u>(105,039)</u>	<u>-</u>	<u>(105,039)</u>
Income (loss) before transfers	(66,435)	(120,203)	(186,638)
Transfers in (note 4)	-	149,927	149,927
Transfers out (note 4)	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(66,435)	29,724	(36,711)
Net position at beginning of year as restated (note 15)	<u>2,571,122</u>	<u>29,092</u>	<u>2,600,214</u>
Net position, end of year	<u>\$ 2,504,687</u>	<u>58,816</u>	<u>2,563,503</u>

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2018

	Business-Type Activities - Enterprise Funds		
	Water	Golf Course	Totals
Cash flows from operating activities:			
Cash received from customers and users	\$ 1,163,053	96,175	1,259,228
Cash paid to suppliers for goods or services	(721,400)	(183,698)	(905,098)
Cash paid to employees for services	(251,392)	(69,643)	(321,035)
Net cash provided (used by) operating activities	190,261	(157,166)	33,095
Cash flows from noncapital financing activities:			
Transfers from other funds	-	149,927	149,927
Cash borrowed from other funds	202,395	-	202,395
Net cash provided (used by) noncapital financing activities	202,395	149,927	352,322
Cash flows from capital and related financing activities:			
Principal paid on capital debt	(275,000)	-	(275,000)
Interest paid on capital debt	(121,276)	-	(121,276)
Net cash provided (used by) capital and related financing activities	(396,276)	-	(396,276)
Cash flows from investing activities:			
Investment income	12,658	-	12,658
Net cash provided (used by) investing activities	12,658	-	12,658
Net increase (decrease) in cash and cash equivalents	9,038	(7,239)	1,799
Cash and equivalents, beginning of year	397,976	72,241	470,217
Cash and equivalents, end of year	\$ 407,014	65,002	472,016
FINANCIAL STATEMENT PRESENTATION:			
Cash and investments	\$ -	65,002	65,002
Cash and investments with fiscal agent	407,014	-	407,014
Total cash, cash equivalents, and investments	\$ 407,014	65,002	472,016
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 38,604	(120,203)	(81,599)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	135,745	-	135,745
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(4,900)	-	(4,900)
Increase (decrease) in accounts payable	7,132	(5,115)	2,017
Increase (decrease) in accrued liabilities	(4,896)	(2,124)	(7,020)
Increase (decrease) in net pension liability and net OPEB liability, net of deferred outflows and inflows	18,576	(29,724)	(11,148)
Total adjustments	151,657	(36,963)	114,694
Net cash provided (used) by operating activities	\$ 190,261	(157,166)	33,095

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS
Statement of Fiduciary Net Position
Trust Funds
June 30, 2018

	Private- Purpose Trust Fund <hr/> Successor Agency of the Former Community Development Commission <hr/>
ASSETS	
Cash and investments (note 2)	\$ 2,326,373
Receivables:	
Notes and loans	7,539,210
Restricted assets:	
Cash and investments with fiscal agents (note 2)	2,790,439
Capital assets:	
Capital assets, not being depreciated	<u>1,773,001</u>
Total assets	<u>14,429,023</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions (note 7)	<u>65,204</u>
LIABILITIES	
Current liabilities:	
Accounts payable	1,285
Interest payable	394,182
Long-term liabilities	
Due in one year	1,585,171
Due in more than one year	59,404,829
Net pension liability (note 7)	686,518
Net OPEB liability (note 8)	<u>1,165,830</u>
Total Liabilities	<u>63,237,815</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions (note 7)	<u>237,758</u>
NET POSITION	
Held in trust for other purposes	<u>(48,981,346)</u>
Total net position	<u>\$ (48,981,346)</u>

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS
Statement of Changes in Fiduciary Net Position
Trust Funds
For the year ended June 30, 2018

	Private- Purpose Trust Fund <hr/> Successor Agency of the Former Community Development Commission <hr/>
Additions:	
Taxes	\$ 3,359,897
Investment income	<u>248,561</u>
Total additions	<u>3,608,458</u>
Deductions:	
Contractual services	115,513
Interest expense	1,490,165
Contributions to other governments	<u>250,000</u>
Total deductions	<u>1,855,678</u>
Change in net position	1,752,780
Net position (deficit), beginning of year	<u>(50,734,126)</u>
Net position (deficit), end of year	<u><u>\$ (48,981,346)</u></u>

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

Year ended June 30, 2018

(1) Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

This report includes all fund types of the City of Bell Gardens (the “primary government”), as well as the Bell Gardens Financing Authority (the Authority). The Authority meets the definition of a “component unit”, and is presented on a “blended” basis, as if it were part of the primary government. Although the Authority is a legally separate entity, the governing board of the entity is comprised of the same membership as the City Council. The City may impose its will on the component unit, including the ability to appoint, hire, reassign or dismiss management. There is also a financial benefit/burden relationship between the City and the Authority.

The City of Bell Gardens, California (City) was incorporated on August 1, 1961. The City operates under a Council-Manager form of government and provides the following services: general government, public safety, public works, recreation and community development.

The Bell Gardens Financing Authority (Authority) was created on November 28, 1988, under a Joint Exercise of Powers Agreement by and between the City of Bell Gardens and the former Bell Gardens Community Development Commission (former Commission). The Authority was established pursuant to the laws of the State of California with authority to acquire the former RDA’s bonds as provided in Section 6588 of the Government Code of the State of California. The former RDA has determined that “significant public benefits” will be derived by the former RDA in undertaking the issuance of the bonds and their sale to the Authority and resale to the underwriter, in furtherance of the corporate purposes of the former RDA.

Separate financial statements are not prepared for the Authority.

b. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements, and elimination have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods,

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Organization and Summary of Significant Accounting Policies (continued)

b. Government-wide and Fund Financial Statements (continued)

services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments are not recognized until paid.

The City's fiduciary funds consist of a private purpose trust fund which is reported using the "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

The City reports the following major governmental funds:

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Organization and Summary of Significant Accounting Policies (continued)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont.)

- The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law of contractual agreement to some other fund are accounted for in this fund. General operating expenditures not paid through other funds are paid from the General Fund.
- The Low and Moderate Housing Fund was established to account for the assets of the former Community Development Commission's Low and Moderate Housing Fund. The fund accounts for transactions related to affordable housing activities. Revenues include repayments of loans that will be recorded for use into this fund for affordable housing activities.
- Capital Improvement Projects Fund – These funds account for the financial resources to be used for the acquisition or construction of major capital facilities.

The City reports the following major proprietary fund:

- The Water Enterprise Fund accounts for the financial activity of the City's water utility. The costs of providing these services to the general public are financed or recovered primarily through user charges.

Additionally, the City reports the following fund types:

- Special Revenue Funds – These funds account for proceeds of specific revenue sources that are legally restricted or otherwise assigned for specific purposes.
- Capital Projects Funds – These funds account for the financial resources to be used for the acquisition or construction of major capital facilities.
- The Private-purpose Trust Fund – The fund is used to account for the assets and liabilities of the former community development commission and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former community development commission are paid in full and assets have been liquidated.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to members, customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Organization and Summary of Significant Accounting Policies (continued)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont.)

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first then use unrestricted resources as needed.

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

Cash and Investments

Investments are reported in the accompanying statement of net position at fair value. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by bond trustees and fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income, earned by the pooled investments, is allocated to the various funds based on each fund's average cash and investment balance.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents. Cash invested in the City's cash management pool is also considered to be cash equivalents.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangement outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Organization and Summary of Significant Accounting Policies (continued)

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (cont.)

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

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Under California law, property taxes are assessed and collected by the counties at 1% of assessed value plus other increases approved by the voters. Property taxes collected go into a pool and are then allocated to the cities based on a predetermined formula. The City of Bell Gardens accrues only those taxes which are received from the County of Los Angeles within 60 days after year end.

Lien date:	January 1
Levy date:	June 30
Due dates:	November 1, February 1
Delinquent dates:	December 11, April 11

Inventories and Prepaid Items

Inventories of material and supplies (if material) are carried at cost on a first-in, first out (FIFO) basis. The City uses the consumption method of accounting for inventories. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Restricted assets represent unexpended bond proceeds, interest earning thereon and reserve amounts of certificates of participation and tax allocation bonds. Under the related resolutions and indentures, the remaining proceeds are restricted for the use of future construction of improvements to the respective projects, for debt service or for reserve requirements. The majority of these assets are held by trustees and fiscal agents.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Organization and Summary of Significant Accounting Policies (continued)

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (cont.)

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at acquisition value of the assets on the date on which they were contributed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The City utilizes a capitalization threshold of \$5,000-\$10,000 depending on asset type.

Depreciation is charged to operations using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	20-40 years
Equipment	3-15 years
Infrastructure	20-50 years
Water rights	100 years

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualifies for reporting in this category. One is the deferred charge on refunding reported in the business-type Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second are deferred outflows relating to the net position liability reported in the government-wide and in the business-type Statements of Net Positions. These outflows are the results of contributions made after the measurement period, which are expensed in the following year, and of adjustments due to difference in proportions and the difference between actual contributions made and the proportionate share of the risk pool's total contributions. These amounts are deferred and amortized over he expected average remaining service life time.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Organization and Summary of Significant Accounting Policies (continued)

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (cont.)

Deferred outflows/inflows of resources (continued)

In addition to liabilities, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, one item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second are deferred inflows relating to the net pension obligation reported in the government-wide and in the business-type Statements of Net Positions. These inflows are the result of the net difference between projected and actual earnings on pension plan investments. This amount is deferred and amortized straight-line over a five-year period.

Compensated absences

The cost of earned but unused vacation and sick leave, for which the City has a future obligation to pay, is recognized in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they become due and payable as a result of employee resignations or retirements. Typically, the City liquidates its compensated absences with general fund resources.

Long-Term Obligations

In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are no longer reported as deferred charges and amortized over the term of the related debt, instead they should be expensed in the period incurred. Bond issuance costs are immediately expensed in the Government-wide Financial Statements in addition to the Proprietary and Fiduciary Fund Statements in accordance with GASB No. 65. In the Fund Financial Statements, with the exception of advances from other funds, long-term liabilities are not presented. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Consequently, long term debt is shown as a

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Organization and Summary of Significant Accounting Policies (continued)

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (cont.)

Long-Term Obligations (continued)

reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position.

In the Government-wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred for governmental activities and business-type activities. In the Fund Financial Statements, only propriety fund types recognize the interest payable when the liability is incurred.

Fund Balances and Spending Policy

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

Nonspendable – Items that cannot be spent because they are not in a spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributions, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, The City Council is considered the highest authority for the City and approves such commitments through council resolutions and/ or similar documents. These committed amounts cannot be used for any other purposes unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources that are neither restricted or committed. Assignment of resources can be done by the highest level of decision making (City Council Resolution) or by a committee or official designated for that purpose. The City Council has designated the City Manager for the purpose to assign fund balance for specific departmental projects.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Organization and Summary of Significant Accounting Policies (continued)

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (cont.)

Fund Balances and Spending Policy (cont.)

Unassigned – The General Fund is the only fund that may report a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In July 2008, through Resolution 2008-17, the City Council adopted a fund balance reserve policy. The policy consists of establishing an economic contingency reserve by placing liquid cash in a financial institution in compliance with the investment policy in the amount of \$1,000,000 commencing July 1, 2008 and adding \$200,000 to the established reserve fund each fiscal year thereafter. The City Council’s goal is to achieve a minimum of 10% of the annual General Fund appropriations as committed fund balance in the General Fund.

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed. It is the City’s policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those fund balance classifications could be used.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

In the Government-Wide Financial Statements, net position are classified in the following categories: *Net Investment in Capital Assets* consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position are restricted by external creditors, grantors, contributors, laws or regulations of other governments. Unrestricted Net position is all net position that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net position.”

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Organization and Summary of Significant Accounting Policies (continued)

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (cont.)

Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

e. Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

f. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Bell Garden's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

g. New Accounting Pronouncements

The City adopted Statement on Governmental Accounting Standards (GASB Statement) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85 *Omnibus 2017*. See Note 15 for affect on the City's beginning net assets as a result of the change in accounting principal related to the adoption of GASB No. 75.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments

As of June 30, 2018, cash and investments, including cash and investments with fiscal agent, were reported in the accompanying financial statements as follows:

Governmental activities	\$20,092,580
Business-type activities	472,016
Fiduciary funds	<u>5,116,812</u>
Total cash and investments	<u>\$25,681,408</u>

The City of Bell Gardens maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

As of June 30, 2018, the carrying amount of the City's deposits was \$7,480,955 and the bank balance was \$7,617,030. The \$136,075 difference represents outstanding checks and other reconciling items.

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. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments (continued)

Investments Authorized by the City’s Investment Policy

Under provision of the City’s investment policy, and in accordance with Section 53600 of the California Government Code, the following investments are authorized:

<u>Investment Types</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills, Bonds and Notes	5 years	None	None
U.S. Government Agency Securities	5 years	None	None
Bills of Exchange	180 days	40%	15%
Commercial Paper	270 days	40%	15%
Negotiable Certificates of Deposit	5 years	30%	15%
Repurchase Agreements	92 days	None	15%
Reverse Repurchase Agreements	92 days	None	15%
Local Agency Investment Fund (LAIF)	N/A	None	None
Medium Term Corporate Notes	5 years	30%	15%

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee/ fiscal agent. Investments of debt proceeds held by a bond trustee are governed by provision of the debt agreements, rather than the general provision of the California Government Code or the City’s investment policy.

Investments in State Investment Pool

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

Credit Risk

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

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments (continued)

<u>Investment Type</u>		Minimum Legal Rating	<u>Ratings as of Year End</u>			Not Rated
			<u>AAA</u>	<u>AA</u>	<u>A</u>	
Local Agency Investment Fund	\$14,076,133	N/A	-	-	-	14,076,133
Federal National Mortgage Assoc.	498,885	N/A	-	498,885	-	-
Held by Fiscal Agent: CDARS	2,138,498	N/A	-	-	-	2,138,498
Money Market Funds	<u>1,486,940</u>	N/A	-	-	-	<u>1,486,940</u>
Total	<u>\$18,200,456</u>		-	<u>498,885</u>	-	<u>17,701,571</u>

Concentration of Credit Risk

The City's investment policy does not impose restrictions on the maximum percentage it can invest in a single type of investment. As of June 30, 2018, in accordance with GASB Statement No. 40 requirements, the City is exposed to concentration of credit risk whenever they have invested more than 5% of their total investments in any one issuer. As of June 30, 2018, the City was not exposed to concentration of credit risk.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of the failure of a counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2018, none of the City's deposits or investments were exposed to custodial credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments (continued)

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that, with the exception of the investment of bond proceeds and LAIF, investments may not exceed five years in maturity. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

<u>Investment Type</u>	<u>Remaining Investment Maturities</u>			<u>Total</u>
	<u>Less than 1 Year</u>	<u>1 to 3 Years</u>	<u>4 to 5 Years</u>	
Local Agency Investment Fund	\$14,076,133	-	-	14,076,133
Federal National Mortgage Assoc. Held by Fiscal Agent:	498,885	-	-	498,885
CDARS	2,138,498	-	-	2,138,498
Money market Mutual Funds	<u>1,486,940</u>	<u>-</u>	<u>-</u>	<u>1,486,940</u>
 Total	 <u>\$18,200,456</u>	 <u>-</u>	 <u>-</u>	 <u>18,200,456</u>

Fair Value Classifications

Fair value measurements are categorized based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical asset assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments categorized as Level 2 are valued using market approach using quoted market prices.

Investments' fair value measurements are as follows as of June 30, 2018

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Federal National Mortgage Assoc.	<u>\$ 498,885</u>	<u>-</u>	<u>498,885</u>	<u>-</u>
Sub-total	498,885	<u>-</u>	<u>498,885</u>	<u>-</u>
Local Agency Investment Fund	14,076,133			
Held by Fiscal Agent:				
CDARS	2,138,498			
Money Market Mutual Fund	<u>1,486,940</u>			
Total	<u>\$18,200,456</u>			

Investments in the LAIF investment pool, CDARS, and money market mutual funds are uncategorized as deposit and withdrawals are made on the basis of \$1 and not fair value.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(3) Notes and Loans Receivable

Notes and loans receivable at June 30, 2018, consist of the following:

- a. During 1992-93, the Bell Gardens former RDA entered into a loan agreement with Nehemiah West Housing Corporation for the development of low to moderate-income housing. The loan amount is \$1,000,000 originally due October 13, 1994, and bearing interest at the rate of 12% per annum compounded after its due date. The balance as of June 30, 2018 is \$464,267. The City's Low and Moderate Housing Fund has recorded unavailable revenue as of June 30, 2018 for the remainder of the outstanding loan.
- b. As of June 30, 2018, the City had deferred loans receivable pertaining to housing rehabilitation loans and micro business loans given under the Community Development Block Grant Program in the amount of \$367,385 which has also been recorded as unavailable revenue.
- c. The City and Southern California Water Company executed an agreement effective July 1, 1990, providing for reimbursement to the City of certain costs incurred by the City for water system improvements. The total reimbursement has been estimated at approximately \$466,563 and is to be repaid in annual installments. As of June 30, 2018, the balance of the receivable was \$110,639 which has also been recorded as unavailable revenue.
- d. During 1997-98, the City instituted a deferred loan program for academic scholarships. As of June 30, 2018, the balance of the loans outstanding is \$420,945 which has also been recorded as unavailable revenue.
- e. As of June 30, 2018, the City has \$45,141 in settlements receivable. The City is scheduled to receive \$3,600 annually toward the receivable.
- f. The Bell Gardens former Commission is required by State Law to set aside funds to create and preserve housing that is affordable to low and moderate income families and individuals. The City has decided to utilize these funds for a second mortgage and/or closing costs, as needed for low-to-moderate income first time homebuyers. The City has established a not-to-exceed cap of \$33,000 per case on an as needed basis. The Bell Gardens First Time Home Buyer Program is a deferred equity share loan secured by a second deed of trust and note with an annual rate of 3%. The loan shall become due and payable only when the property is sold, leased or transferred. Repayment terms of principal, shared equity and interest at 3% per annum simple interest vary depending on the year sold or transferred. After the twentieth year, the loan is forgiven. The former Commission's share of equity in the property shall not exceed the proportional investment as a percentage of the original purchase price. The balance of the First Time Home Buyer Program as of June 30, 2018 is \$833,940 which has also been recorded as unavailable revenue. As a result of dissolution of the Community Development Commission, the loan receivable was transferred to the City's Low and Moderate Housing Fund.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(3) Notes and Loans Receivable (continued)

- g. On March 22, 2011, Terra Bella, LLP, a California limited partnership (the Borrower) and the Bell Gardens former RDA entered into an owner participation agreement to develop a senior affordable housing project consisting of 65 units. Pursuant to the agreement, the former Commission has provided financial assistance in the amount of \$2,600,000 for the partial acquisition, construction, operation and maintenance of the units plus \$32,000 on preconstruction loans. The promissory note shall bear simple interest at a rate of 3% per annum which is recorded as unavailable revenue. Payments shall be made annually in arrears on May 1. The entire unpaid principal balance, together with all accrued and unpaid interest, shall be due on the date which is 654 years from the date a certificate of occupancy is issued for the last residential unit in the project. The balance as of June 30, 2018, including accrued interest of \$536,489, is \$3,168,489. The loan receivable is recorded in the City's Low and Moderate Housing Fund.
- h. On May 3, 2000, Las Cases de Bell Gardens, a California limited partnership (the Borrower) and the City of Bell Gardens entered into an owner participation agreement to develop a affordable housing project consisting of 10 units. Pursuant to the agreement, the City has provided financial assistance in the amount of \$85,000 for the partial acquisition, construction, operation and maintenance of the units. The promissory note shall bear simple interest at a rate of 3% per annum which is recorded as unavailable revenue. Payments shall be made annually in arrears on May 1. The entire unpaid principal balance, together with all accrued and unpaid interest, shall be due on the date which is 654 years from the date a certificate of occupancy is issued for the last residential unit in the project. The balance as of June 30, 2018, including accrued interest of \$40,336, is \$125,336. The loan receivable is recorded in the City's Low and Moderate Housing Fund.
- i. On April 1, 2005, Bell Gardens Housing Partners, L.P., a California limited partnership entered in a promissory note to pay the Bell Gardens former RDA \$3,812,202 for the payment of public and private debts. The Low and Moderate Housing has provided certain financial assistance in construction of a 72-unit senior affordable housing project by providing a Commission Loan (which is represented by this Promissory Note) in the amount of \$3,812,202 for the acquisition and clearing of the site and to help defray Developer's costs. The promissory note amount shall bear simple interest at the rate of 3% per annum, and 10% per annum and shall accrue upon the amount of each payment required upon the date each such payment is due. The Promissory Note shall be paid from "Residual Receipts", defined as an amount equal to sixty-five percent (65%) of the net profits produced from the project (on a prorated basis), until the note amount has been repaid in full. Any remaining principal, interest and other amounts due and owing under this promissory note shall be paid in full on or before the fifty-fifth (55th) anniversary of the date of promissory note.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(3) Notes and Loans Receivable (continued)

The balance of the promissory note and the related interest has also been recorded as unavailable revenue. The outstanding balance at June 30, 2018, is as follows:

	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
CDBG Special Revenue	\$ 964,100	363,854	1,327,954
Former Community Development Commission	1,514,959	571,750	2,086,709
Low and Moderate Housing	<u>1,333,143</u>	<u>503,133</u>	<u>1,836,276</u>
Subtotal	3,812,202	1,438,737	5,250,939
Less amount reported in the Successor Agency	<u>1,514,959</u>	<u>571,750</u>	<u>2,086,709</u>
Total	<u>\$2,297,243</u>	<u>866,987</u>	<u>3,164,230</u>

Total notes and loans receivable as of June 30, 2018 is \$8,700,372.

(4) Inter-fund Receivables, Payables and Transfers

a. Due To / From Other Funds:

The following summarizes the total due to and from other funds as of June 30, 2018:

	<u>Due To Other Funds:</u>			<u>Total</u>
	<u>Capital Improvement Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Enterprise Water Fund</u>	
<u>Due From Other Funds:</u>				
General Fund	<u>\$749,882</u>	<u>97,555</u>	<u>1,960,037</u>	<u>\$2,807,474</u>

Inter-fund receivables and payables as of June 30, 2018 are the result of the elimination of deficit cash balances in individual funds.

b. Transfers To / From Other Funds:

The following summarizes the total transfers in and transfers out to other funds as of June 30, 2018:

	<u>Transfers In:</u>					<u>Total</u>
	<u>General Fund</u>	<u>Low-Mod Housing Fund</u>	<u>Capital Improvement Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Nonmajor Enterprise Fund</u>	
<u>Transfers Out:</u>						
General Fund	\$ -	103,186	509,426	971,321	149,927	1,733,860
Nonmajor Governmental Funds	<u>823,623</u>	-	-	<u>399,569</u>	-	<u>1,223,192</u>
Total	<u>\$823,623</u>	<u>103,186</u>	<u>509,426</u>	<u>1,370,890</u>	<u>149,927</u>	<u>2,957,052</u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(4) Inter-fund Receivables, Payables and Transfers (continued)

The General Fund transferred funds to Nonmajor Governmental Funds to fund capital projects and to pay for operating costs. The General Fund also transferred funds to cover the Golf Course Fund's operations deficit.

The transfer to the General Fund from Non-Major Governmental Funds was to reimburse the General Fund for cost incurred relating to maintenance and overhead costs.

(5) Capital Assets

A summary of the changes in capital asset activity for the year ended June 30, 2018, is as follows:

Governmental Activities:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$ 67,249,714	-	-	67,249,714
Construction in process	<u>852,043</u>	<u>5,167,904</u>	<u>(3,881,960)</u>	<u>2,137,987</u>
Total non-depreciable	<u>68,101,757</u>	<u>5,167,904</u>	<u>(3,881,960)</u>	<u>69,387,701</u>
Depreciable:				
Buildings and structures	16,000,638	1,817,578	-	17,818,216
Equipment	8,740,328	1,587,753	-	10,328,081
Infrastructure	<u>46,001,383</u>	<u>822,431</u>	<u>-</u>	<u>46,823,814</u>
Total depreciable capital assets	<u>70,742,349</u>	<u>4,227,762</u>	<u>-</u>	<u>74,970,111</u>
Less accumulated depreciation for:				
Buildings and structures	7,395,048	488,365	-	7,883,413
Equipment	7,270,542	471,636	-	7,742,178
Infrastructure	<u>24,640,996</u>	<u>1,174,106</u>	<u>-</u>	<u>25,815,102</u>
Total accumulated depreciation	<u>39,306,586</u>	<u>2,134,107</u>	<u>-</u>	<u>41,440,693</u>
Total depreciable capital assets, net	<u>31,435,763</u>	<u>2,093,655</u>	<u>-</u>	<u>33,529,418</u>
Total capital assets, net	<u>\$ 99,537,520</u>	<u>7,261,559</u>	<u>(3,881,960)</u>	<u>102,917,119</u>

Depreciation expense was charged in the following functions in the Statement of Activities:

Governmental Activities:

General Government	\$ 960,001
Public Works	<u>1,174,106</u>
Total	<u>\$2,134,107</u>

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(5) Capital Assets (continued)

Business-type Activities:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$1,011,000	-	-	1,011,000
Total non-depreciable	<u>1,011,000</u>	<u>-</u>	<u>-</u>	<u>1,011,000</u>
Depreciable:				
Water rights	1,914,000	-	-	1,914,000
Equipment	<u>6,973,549</u>	<u>-</u>	<u>-</u>	<u>6,973,549</u>
Total depreciable capital assets	<u>8,887,549</u>	<u>-</u>	<u>-</u>	<u>8,887,549</u>
Less accumulated depreciation for:				
Water rights	516,780	19,140	-	535,920
Equipment	<u>2,313,841</u>	<u>116,605</u>	<u>-</u>	<u>2,430,446</u>
Total accumulated depreciation	<u>2,830,621</u>	<u>135,745</u>	<u>-</u>	<u>2,966,366</u>
Total depreciable capital assets, net	<u>6,056,928</u>	<u>(135,745)</u>	<u>-</u>	<u>5,921,183</u>
Total capital assets, net	<u>\$7,067,928</u>	<u>(135,745)</u>	<u>-</u>	<u>6,932,183</u>

Depreciation expense was charged in the following functions in the Statement of Activities:

Business-Type Activities	
Water	<u>\$135,745</u>
Total	<u>\$135,745</u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(6) Long-term Liabilities

(a) **Governmental Activities**

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
2015 Lease revenue					
refunding bonds	\$ 5,530,000	-	160,000	5,370,000	170,000
Unamortized bond premium	581,918	-	24,127	557,791	24,127
Notes payable:					
County of Los Angeles -					
Section 108	1,112,000	-	541,000	571,000	571,000
So Cal Edison Bill Financing	25,179	-	8,901	16,278	6,782
Compensated absences	3,656,866	1,655,672	1,779,525	3,533,013	1,201,224
CJPIA Retrospective Deposit Liability (Asset)	<u>(105,719)</u>	<u>198,786</u>	<u>405,807</u>	<u>(312,740)</u>	<u>-</u>
Total governmental activities	<u>\$10,800,244</u>	<u>1,854,458</u>	<u>2,919,360</u>	<u>9,735,342</u>	<u>1,973,133</u>

2015 Lease Revenue Refunding Bonds:

On April 14, 2015, the Authority issued \$5,830,000 of Lease Revenue Refunding Bonds. The proceeds were used to refund 2006 Certificates of Participation, to fund various capital projects within the City, to fund a reserve account and to finance the costs of the transaction. The bond refunded \$3,260,000 in principal with a \$32,600 premium for a total cost to refund the 2006 Certificates of Participation of \$3,292,600. This refunding resulted in a net present value savings for the City of approximately \$335,270. Interest rates range from 3.0% to 5.0% and is payable semiannually on each June 1 and December 1, commencing on June 1, 2016. Principal payments range from \$135,000 to \$270,000. As of June 30, 2018, the unamortized premium outstanding was \$557,791 and the total principal balance outstanding was \$5,370,000.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 170,000	244,813	414,813
2020	180,000	238,013	418,013
2021	185,000	230,813	415,813
2022	190,000	223,413	413,413
2023	200,000	215,813	415,813
2024-2028	1,140,000	945,113	2,085,113
2029-2033	1,440,000	638,813	2,078,813
2034-2038	1,445,000	252,500	1,697,500
2039-2040	<u>420,000</u>	<u>23,813</u>	<u>443,813</u>
Total	<u>\$5,370,000</u>	<u>3,013,104</u>	<u>8,383,104</u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(6) Long-term Liabilities (continued)

Section 108 Loan with the County of Los Angeles:

During the fiscal year 2004-05, the City of Bell Gardens entered into a loan agreement with the County of Los Angeles for the construction of public improvements to develop a sport complex and cultural community center at John Anson Ford Park for \$5,000,000. The proceeds were used to pay for construction of public improvements, construction management, loan underwriting and issuance fees. The interest rate is derived from the 3-month LIBOR plus 20 basis points during interim financing period, then actual HUD offering rate plus 75 basis points. As of June 30, 2018, the principal balance outstanding was \$571,000.

As of June 30, 2018, the annual requirements to repay the outstanding indebtedness were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 571,000	15,360	586,360
Total	\$ 571,000	15,360	586,360

Southern California Edison On Bill Financing:

Starting on March 16, 2011 until March 5, 2012, the City engaged in a total of 7 loans totaling \$240,626 from Southern California Edison for various lighting upgrades installed throughout the City. The loan is non-interest bearing, and principal payments are made monthly as part of the City's regular utility bill. At June 30, 2018, the total principal balance outstanding was \$16,278.

At June 30, 2018, the annual requirements to repay the outstanding indebtedness were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 6,782	-	6,782
2020	9,496	-	9,496
Total	\$16,278	-	16,278

Accrued Leave Payable (Compensated Absences)

For governmental funds, accrued leave payable amounted to \$3,533,013 as of June 30, 2018. The balance is broken down as follows: \$900,756 in vacation leave, \$2,309,405 in sick leave, \$76,531 in compensatory time, \$218,531 in holiday, and \$27,790 in administrative leave.

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(6) Long-term Liabilities (continued)

CJPIA Retrospective Deposit Liability

Retrospective deposits are cost allocation adjustments to prior coverage periods. Some claims take many years to resolve and over time their estimated value changes. The retrospective adjustments are calculated annually and take into consideration all the changes in claim values that occurred during the most recent year. The formula is designed to adequately cover the cost of claims brought against members and to ensure the overall financial strength and security of the Authority. The formula was developed to be as equitable as possible by taking into consideration both risk exposure and claims experience of individual members. CJPIA has temporarily deferred the payment on retrospective deposits owed to the Authority by members. The payment deferral period extends until July 1, 2013 for the Liability program and July 1, 2015 for the Workers' Compensation program. Retrospective deposit payments are scheduled to resume on these dates. The October 2018 annual retrospective adjustment is included in these balances. As of June 30, 2018, the City has a retrospective prepayment of \$312,740.

Optional Payment Plans:

When retrospective deposit payments resume as indicated above, members will have the opportunity to select from a variety of optional payment plans. Discounts under the incentive plan are available to members choosing to voluntarily accelerate payment during the deferral period. The City has chosen not to voluntarily accelerate payment at this time.

After the deferral period, members choosing from among the optional payment plans will be subject to a moderate annual fee. The fee is intended to provide a means for the Authority to recover otherwise foregone investment earnings and to serve as a minor disincentive for the selection of longer financing terms.

Retrospective Balances will Change Annually:

Retrospective balances will change with each annual computation during the payment deferral period. Member balances may increase or decrease as a result of the most recent year's claim development. Accordingly, some members who chose to pay off their balance in full may be required to pay additional retrospective deposits in the future based on the outcome of actual claim development reflected in subsequent retrospective deposit computations.

Conversely, if claim development is favorable then subsequent retrospective adjustments could potentially result in refunds to the member.

More information on the CJPIA retrospective balances can be found on the CJPIA website at: <http://www.cjpia.org>.

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(6) Long-term Liabilities (continued)

(b) Business-Type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Business-type Activities:					
2004 Revenue bonds	\$2,590,000	-	275,000	2,315,000	285,000
Unamortized bond premium	<u>2,926</u>	<u>-</u>	<u>389</u>	<u>2,537</u>	<u>387</u>
Total business-type activities	<u>\$2,592,926</u>	<u>-</u>	<u>275,389</u>	<u>2,317,537</u>	<u>285,387</u>

2004 Water Refunding Revenue Bonds

During fiscal year 2004-2005, the Bell Gardens Financing Authority issued \$5,240,000 of refunding revenue bonds to refund the 1994 Water Revenue Bonds and pay the cost of issuing the bonds (insurance, underwriter discount, and other costs). The maturity date of the bonds is October 1, 2024. The interest rate ranges from 1.75% to 4.875%. As of June 30, 2018, the unamortized premium on the 2004 Water Refunding Revenue Bonds was \$2,537 and the outstanding balance was \$2,315,000.

The debt service requirements to maturity for the revenue bonds outstanding as of June 30, 2018, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 285,000	110,418	395,418
2020	300,000	96,880	396,880
2021	315,000	82,255	397,255
2022	330,000	67,608	397,608
2023	345,000	52,098	397,098
2024-2025	<u>740,000</u>	<u>54,140</u>	<u>794,140</u>
Total	<u>\$2,315,000</u>	<u>463,399</u>	<u>2,778,399</u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Defined Benefit Pension Plans

Plan Description: All qualified permanent and probationary employees are eligible to participate in the City of Bell Garden’s Safety and Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City of Bell Garden resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Public Employees’ Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. These PEPRA members in pooled plans are reflected in the new Miscellaneous and Safety risk pools created by the CalPERS Board in response to the passage of PEPRA, beginning with the June 30, 2013, risk-pool valuations.

The Plans’ provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	17.37%	6.25%
	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	12.25%
Required employer contribution rates	50.82%	12.25%

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Defined Benefit Pension Plans (continued)

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City of Bell Gardens is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plans were \$1,304,852 and \$3,299,926 for the Miscellaneous and Safety plans, respectively, for the year ended June 30, 2018.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2017, the City of Bell Gardens reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$13,642,621
Safety	<u>26,242,972</u>
Total Net Pension Liability	<u><u>\$39,885,593</u></u>

As of June 30, 2018, \$686,518 of the proportionate share of net pension liability of the miscellaneous plan has been allocated to the Successor Agency of the Former Community Development Commission.

The City of Bell Gardens’ net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2017, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The City of Bell Gardens’ proportion of the net pension liability was based on a projection of the City of Bell Gardens’ long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City of Bell Gardens’ proportionate share of the net pension liability for each Plan as of June 30, 2016 and 2017 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion – June 30, 2017	0.33986%	0.46143%
Proportion – June 30, 2018	0.34608%	0.43920%
Change – Increase (Decrease)	0.00622%	(0.02223%)

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Defined Benefit Pension Plans (continued)

For the year ended June 30, 2018, the City of Bell Gardens recognized pension expense of \$2,353,433. At June 30, 2018, the City of Bell Gardens reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,306,442	-
Change in proportion	512,472	-
Net difference in actual contributions vs. proportionate share of contributions		(285,615)
Net difference between expected and actual experience	181,874	(222,971)
Net differences between projected and actual earnings on plan investments	469,487	-
Change in assumptions	1,917,627	-
Total	<u>\$ 4,206,028</u>	<u>(508,586)</u>
	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,299,926	-
Change in proportion	266,898	-
Net difference in actual contributions vs. proportionate share of contributions	1,265,047	-
Net difference between expected and actual experience	181,874	-
Net differences between projected and actual earnings on plan investments	777,934	-
Change in assumptions	3,294,126	-
Total	<u>\$ 9,085,805</u>	<u>-</u>

\$4,606,368 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Defined Benefit Pension Plans (continued)

Year Ended June 30	
2019	\$2,674,790
2020	3,851,054
2021	2,384,974
2022	<u>(733,939)</u>
	<u>\$8,176,879</u>

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
<i>Actuarial Assumptions:</i>		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	Varies by Entry Age	Varies by Entry Age
Investment Rate of Return	7.5% (1)	7.5% (2)
Mortality	Varies (2)	Varies (2)

- (1) Net of pension plan investment expenses, including inflation.
(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Change of Assumptions – In fiscal year 2017-2018, the financial reporting discount rate was reduced from 7.65% to 7.15%. Deferred outflows of resources and deferred inflow of resources for changes of assumptions represent the unamortized portion of the assumption change and the unamortized portion of the changes of assumptions related to prior measurement periods.

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Defined Benefit Pension Plans (continued)

plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In determining the long-term expected 7.15 percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees' Retirement Fund, CalPERS indicated that a 19 year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for the Plan. These geometric rates of return are net of administrative expenses and are summarized in the following table:

Asset Class	New Strategic Allocation
Global Equity	50.0%
Fixed Income	28.0%
Real Assets	13.0%
Private Equity	8.0%
Liquidity	1.0%
Total	100.0%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Bell Gardens' proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Bell Garden's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	6.15%	6.15%
Net Pension Liability	\$20,485,441	\$38,029,710
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$13,642,621	\$26,242,972
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 7,975,274	\$16,607,902

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(8) Other Post Employment Benefits (OPEB)

Plan Description - In addition to the pension benefits described above, the City provides retiree health insurance benefits. In accordance with the plan, which was approved by the City Council, these benefits are available to all employees who are eligible for normal PERS retirement and who retire after January 1, 1990. The City pays for monthly medical, dental and vision premium. The portion paid is based on years of service at retirement. The plans vary based on date of hire and bargaining unit.

Employee Covered – As of June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active employees	131
Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u>175</u>

Contributions - Currently, the City funds retiree healthcare benefits on a pay-as-you-go basis. The City recognizes expenditure for its share of the annual premiums as these benefits become due. For fiscal year 2017-2018, the City paid \$600,601 for benefits of 44 retired employees.

Net OPEB Liability - The City of Bell Gardens net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OEPB liability was determined by an actuarial valuation date June 30, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	
Discount Rate	3.50%
Projected Salary Increase	Salary Scale
General Inflation	2.75%
Mortality	Varies (1)

(1) The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the OPEB liability was 3.50 percent, using the average of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, Fidelity GO AA 20 Year Bond Index.

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(8) Other Post Employment Benefits (OPEB) (continued)

The Changes in the net OPEB liability for the plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (c)=(a)-(b)
Balance at Fiscal Year Ending 6/30/17 <i>Measurement Date 6/30/16</i>	\$58,036,393	\$ 214,243	\$57,822,150
Changes During the Period:			
Service Cost	2,325,434	-	2,325,434
Interest Cost	2,038,237	-	2,038,237
Expected Investment Income	-	-	-
Employer Contributions	-	827,361	(827,361)
Changes of Benefit Terms	-	-	-
Benefit Payments	(827,361)	(827,361)	-
Assumption Changes	(1,183,098)	-	(1,183,098)
Plan Experience	-	-	-
Investment Experience	-	13,744	(13,744)
Recognized Deferred Resources	-	-	-
Administrative Expenses	-	(559)	559
Net Changes in Fiscal Year 2017-18	2,353,212	13,185	2,340,027
Balance at Fiscal Year Ending 6/30/18 <i>Measurement Date 6/30/17</i>	\$60,389,605	\$ 227,428	\$60,162,177

As of June 30, 2018, \$1,165,830 of the net OPEB liability has been allocated to the Successor Agency of the Former Community Development Commission.

Sensitivity of the Proportionate Share of the OPEB Liability to Changes in the Discount Rate – The following presents the City of Bell Gardens’ OPEB liability, calculated using the discount rate, as well as what the City’s OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	2.50%
Net OPEB Liability	\$73,518,057
Current Discount Rate	3.50%
Net OPEB Liability	\$60,162,177
1% Increase	4.50%
Net OPEB Liability	\$49,855,721

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(8) Other Post Employment Benefits (OPEB) (continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trends – The following presents the net OPEB liability of the City of Bell Gardens’ if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for the measurement period June 30, 2018:

1% Decrease	5.5%HMO/6.0%PPO Decreasing to 4.0%HMO/4.0%PPO
Net OPEB Liability	\$48,723,065
Current Healthcare Cost Trend Rates	6.5%HMO/7.0%PPO Decreasing to 5.0%HMO/5.0%PPO
Net OPEB Liability	\$60,162,177
1% Increase	7.5%HMO/8.0%PPO Decreasing to 6.0%HMO/6.0%PPO
Net OPEB Liability	\$75,395,444

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the fiscal year ended June 30, 2018, the City of Bell Gardens recognized OPEB expense of \$4,154,028. As of the fiscal year ended June 30, 2018, the City of Bell Gardens reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on OPEB	\$ -	(906)
Change in assumptions	-	(1,183,098)
Total	<u>\$ -</u>	<u>(1,184,004)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2019	\$ (197,364)
2020	(197,364)
2021	(197,364)
2022	(197,364)
2023	(197,365)
Thereafter	<u>(197,183)</u>
	<u><u>\$ (1,184,004)</u></u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(9) California Joint Powers Insurance Authority Insurance Program

a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Bell Gardens is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 117 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

b. Self-Insurance Program of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-2013 and prior. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-2013 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

The total funding requirement for self-insurance program is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

In the liability program the overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. The claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(9) California Joint Powers Insurance Authority Insurance Program (continued)

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of others members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2017-18 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Worker's Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

c. Purchased Insurance

Pollution Legal Liability Insurance

The City of Bell Gardens participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets and storm drains owned by the City of Bell Gardens. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3- year period from July 1, 2015 through July 1, 2018. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of Bell Gardens participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Bell Gardens property is currently insured according to a schedule of covered property submitted by the City of Bell Gardens to the Authority. City of Bell Gardens property currently has all-risk property insurance protection in the amount of \$72,387,123. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City of Bell Gardens purchases crime insurance coverage in the amount of \$3,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(10) Contingent Liabilities

a. *Lawsuits in the Normal Course of Business*

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

b. *Federal and State Grant Programs*

The City participates in several federal and state grant programs. These programs have been audited by the City's independent auditors in accordance with the provisions of the federal Single Audit Act, as amended and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time.

(11) Operating Lease Agreements

a. On November 9, 1987, the Bell Gardens former RDA approved a Lease Agreement with the Bicycle Club. The Bicycle Club agreed to lease property from the former RDA for use as a parking lot. The lease term is 15 years at an annual minimum rent of \$559,200 per year, adjusted every five years by the greater of the Consumer Price Index or 120%. During 1989-90 the parking lot was transferred to the City of Bell Gardens as a repayment of City loans. The lease agreement was assigned to the City along with the transfer. On July 1, 2005, the Bell Gardens former RDA approved an amendment to the original lease in the amount of \$633,535 and \$239,179 for Parcel D and C, respectively. Rent paid to the City under this agreement was \$2,210,003 for the year ended June 30, 2018.

b. On November 11, 1987, the Bell Gardens former RDA approved a Lease Agreement with the Bell Gardens Hotel Partnership. The Hotel Partnership agreed to lease property with all buildings, structures, improvements and fixtures thereon for the use as a hotel and restaurant. The lease term is 99 years at a revised rate of \$81,510 per year, adjusted every five years by the Consumer Price Index, plus the excess, if any, of the sum of the following over the annual rate: 6.25% of gross room revenues, 3% of gross food and beverage revenues, and 10% of all other revenues. During 1991-92, the property was transferred to the City of Bell Gardens as a repayment of City loans. The lease agreement was assigned to the City along with the transfer. Rent paid to the City under this agreement was \$151,885 for the year ended June 30, 2018.

CITY OF BELL GARDENS
 NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(11) Operating Lease Agreements (continued)

- c. On February 22, 1988, the Bell Gardens former RDA approved a Lease Agreement with the Bell Gardens Associates. The agreement is to lease property with all buildings, structures, improvements and fixtures thereon for use as a shopping center. The lease term is 55 years at a revised rate of \$736,830, adjusted every five years by 4% from the prior increase, plus one percent of gross revenues for the preceding year. During 1991-92, the property was transferred to the City of Bell Gardens as a repayment of City loans. Rent paid to the City under this agreement was \$1,373,350 for the year ended June 30, 2018.

Future minimum lease payments due to the City are as follows:

<u>Fiscal Year</u>	<u>Parking Lot</u>	<u>Hotel</u>	<u>Shopping Center</u>
2019	\$ 2,206,853	151,885	1,373,350
2020	2,206,853	151,885	1,373,350
2021	2,206,853	151,885	1,373,350
2022	2,206,853	151,885	1,373,350
2023	2,206,853	151,885	1,373,350
Thereafter	<u>99,308,168</u>	<u>11,543,266</u>	<u>-</u>
Total	<u>\$110,342,433</u>	<u>12,302,691</u>	<u>6,866,750</u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(12) Classification of Fund Balances

The City has adopted the provisions of GASB Statement No. 54, "Fund Balance and Governmental Fund Type Definitions". GASB 54 establishes fund balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The governmental fund statements conform to this classification and are summarized as follows as of June 30, 2018:

	<u>General Fund</u>	<u>Low and Moderate Housing Special Revenue Fund</u>	<u>Capital Improvement Projects Capital Project Fund</u>	<u>Non-major Governmental Funds</u>	<u>Totals</u>
<i>Nonspendable</i>					
Prepaid expenses	\$ 33,175	-	-	5,537	38,712
Notes and loans	155,780	-	-	-	155,780
Due from Water Fund	<u>1,960,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,960,037</u>
<i>Total Nonspendable</i>	<u>2,148,992</u>	<u>-</u>	<u>-</u>	<u>5,537</u>	<u>2,154,529</u>
<i>Restricted</i>					
Housing	-	536,826	-	-	536,826
Recreation and community services	-	-	-	120,884	120,884
Public safety	-	-	-	918,275	918,275
Transportation	-	-	-	1,827,769	1,827,769
Environmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>390,510</u>	<u>390,510</u>
<i>Total Restricted</i>	<u>-</u>	<u>536,826</u>	<u>-</u>	<u>3,257,438</u>	<u>3,794,264</u>
<i>Committed</i>					
Contingencies	<u>2,900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,900,000</u>
<i>Total Committed</i>	<u>2,900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,900,000</u>
<i>Assigned</i>					
Post employment benefits	8,526,872	-	-	150,632	8,677,504
Compensated absences	3,533,013	-	-	-	3,533,013
Interfund loans receivable	<u>847,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>847,437</u>
<i>Total Assigned</i>	<u>12,907,322</u>	<u>-</u>	<u>-</u>	<u>150,632</u>	<u>13,057,954</u>
<i>Unassigned</i>	<u>-</u>	<u>-</u>	<u>(463,974)</u>	<u>(38,708)</u>	<u>(502,682)</u>
<i>Totals</i>	<u>\$ 17,956,314</u>	<u>536,826</u>	<u>(463,974)</u>	<u>3,374,899</u>	<u>21,404,065</u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(13) Successor Agency Trust For Assets of Former Community Development Commission

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Bell Gardens that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former community development commission due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

a. Cash and investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments	\$2,326,373
Cash and investments with fiscal agent	<u>2,790,439</u>
Total cash and investments	<u>\$5,116,812</u>

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(13) Successor Agency Trust For Assets of Former Community Development Commission
(continued)

b. Notes and Loans Receivable

Notes and loans receivable as of June 30, 2018, consist of the following:

In October 11, 2004, Primestor El Portal, LLP, a California limited liability company (the Borrower) and the former Bell Gardens Community Development Commission (the Commission) have entered into a disposition and development agreement and a ground lease for the Borrower to lease from the former Commission certain real property. Pursuant to the agreement, the former Commission has agreed to provide a \$3,000,000 loan to be used in connection with the construction and development of the property. The promissory note shall be for the term of the ground lease and accrue interest at six percent (6%) simple interest which are recorded as deferred revenue. Borrower's obligation to repay shall be limited to fifteen percent (15%) of any and all net proceeds of any refinancing events and to fifty percent (50%) of any net profit resulting from the first sale event. The balance as of June 30, 2018, including accrued interest of \$2,452,500, is \$5,452,500.

On April 1, 2005, Bell Gardens Housing Partners, L.P., a California limited partnership entered into a promissory note to pay the former Bell Gardens Community Development Commission \$3,812,203 for the payment of public and private debts. The former Commission has provided certain financial assistance in construction of a 72-unit senior affordable housing project by providing a Commission Loan (which is represented by this Promissory Note) in the amount of \$3,812,203 for the acquisition and clearing of the site and to help defray Developer's costs. The promissory note amount shall bear simple interest at the rate of 3% per annum, and 10% per annum shall accrue upon the amount of each payment required upon the date each such payment is due. The Promissory Note shall be paid from "Residual Receipts", defined as an amount equal to sixty-five percent (65%) of the net profits produced from the project (on a prorate basis), until the note amount has been repaid in full. Any remaining principal, interest and other amounts due and owing under this promissory note shall be paid in full on or before the fifty-fifth (55th) anniversary of the date of the promissory note. The Successor Agency's outstanding balance as of June 30, 2018, including interest of \$571,750, is \$2,086,710.

Total notes and loans receivable at June 30, 2018, were \$7,539,210.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(13) Successor Agency Trust For Assets of Former Community Development Commission
(continued)

c. Capital Assets

An analysis of capital assets as of June 30, 2018, follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$ 1,773,001	-	-	1,773,001
Construction in process	<u>112,246</u>	<u>-</u>	<u>(112,246)</u>	<u>-</u>
Total non-depreciable	<u>\$ 1,885,247</u>	<u>-</u>	<u>(112,246)</u>	<u>1,773,001</u>

d. Long-Term Debt

The following debt was transferred from the Community Development Commission to the Successor Agency as of February 1, 2012 as a result of the dissolution. A description of long-term debt outstanding of the Successor Agency as of June 30, 2018, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Advances from City	\$39,577,877	414,255	515,929	39,476,203	-
Tax Allocation Bonds Payable:					
2014 Refunding Series A	2,790,000	-	415,000	2,375,000	430,000
2014 Refunding Series B	6,100,000	-	370,000	5,730,000	380,000
2014 Refunding Series C	10,325,000	-	435,000	9,890,000	440,000
Unamortized Bond Premium	561,787	-	79,748	482,039	79,748
Unamortized Bond Discount	(20,227)	-	(1,445)	(18,782)	(1,445)
Revenue Bonds Payable:					
2005 Series A Project Area No. 1	890,000	-	120,000	770,000	130,000
Central City Project Area	2,320,000	-	110,000	2,210,000	120,000
Unamortized Bond Premium	<u>93,703</u>	<u>-</u>	<u>18,163</u>	<u>75,540</u>	<u>6,868</u>
Subtotal	<u>\$62,638,140</u>	<u>414,255</u>	<u>2,062,395</u>	<u>60,990,000</u>	<u>1,585,171</u>

The advances from the City consist of \$39,476,203 loans including accrued interest of \$14,574,187. Accrued interest is calculated in accordance with HSC Section 34191.416 which states that interest shall be calculated from the origin of the loan at a simple interest rate of three percent.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(13) Successor Agency Trust For Assets of Former Community Development Commission (continued)

d. Long-Term Debt, (Continued)

On October 20, 2012, the Department of Finance did not qualify the advance as an enforceable obligation. Health and Safety Code (HSC) section 34177 (d) (2) states that agreements, contracts, or arrangements between the City that created the Community Development Commission and the former Community Development Commission are not enforceable, unless issued within two years of the Agency’s creation date or for issuance of indebtedness to third-party investors or bondholders. The Commission was established in 1972 and the reimbursement agreements were entered into in 1973 through 1991 and in 2011, therefore, it is not considered an enforceable obligation. The Successor Agency is in the process of having the advance approved as an enforceable obligation.

2005 Revenue Bonds, Series A

On June 22, 2005, the Commission issued \$4,775,000 of revenue bonds with an interest rate of 7.75%. The proceeds were used to finance redevelopment activities to benefit Project No. 1 Redevelopment Area and Central City Redevelopment Area, to fund a reserve fund, and to pay for the costs of issuing the bonds (insurance, underwriter discount, and other costs). Interest is paid semi-annually on April 1 and October 1 with a final maturity date of October 1, 2029. As of June 30, 2018, the unamortized premium outstanding was \$75,540 and the total principal outstanding was \$2,980,000.

At June 30, 2018, the annual requirements to repay the outstanding indebtedness were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 250,000	230,950	480,950
2020	265,000	211,575	476,575
2021	290,000	191,038	481,038
2022	315,000	168,562	483,562
2023	340,000	144,150	484,150
2024-2028	1,000,000	445,625	1,445,625
2029-2030	<u>520,000</u>	<u>61,225</u>	<u>581,225</u>
Total	<u>\$2,980,000</u>	<u>1,453,125</u>	<u>4,433,125</u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(13) Successor Agency Trust For Assets of Former Community Development Commission
(continued)

d. Long-Term Debt, (Continued)

2014 Tax Allocation Revenue Refunding Bonds, Series A, B & C

On June 18, 2014, the Successor Agency issued a total of \$21,455,000 of revenue refunding bonds, Series A, B, and C.

The 2014 Series A and B revenue refunding bonds were issued for \$10,330,000 with an average interest rate of 4.41% and were used to advance refund the \$12.5 million of outstanding 2003 Series A and B revenue bonds with an average interest rate of 5.32%. This refunding resulted in a net present value savings for the Successor Agency of approximately \$1.5 million.

The 2014 Series C, Second Subordinate Tax Allocation Revenue Refunding Bonds were issued for a total of \$11,125,000 with an average interest rate of 4.8%. The bond proceeds were used to pay off the Bear Sterns note in the amount of \$8.3 million which had been in default and to pay the related other cost of issuance. The estimated remaining \$1.1 million was put into a reserve account with the trustee per the bond indenture agreement.

At June 30, 2018, the total principal outstanding for the 2014 Series A, B, and C were \$17,995,000.

As of June 30, 2018, the annual requirements to repay the outstanding indebtedness for the 2014 Series A bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 430,000	108,000	538,000
2020	455,000	85,875	540,875
2021	475,000	62,625	537,625
2022	495,000	38,375	533,375
2023	<u>520,000</u>	<u>13,000</u>	<u>533,000</u>
Total	<u>\$2,375,000</u>	<u>307,875</u>	<u>2,682,875</u>

CITY OF BELL GARDENS
 NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(13) Successor Agency Trust For Assets of Former Community Development Commission
 (continued)

d. Long-Term Debt, (Continued)

2014 Tax Allocation Revenue Refunding Bonds, Series A, B & C, (Continued)

As of June 30, 2018, the annual requirements to repay the outstanding indebtedness for the 2014 Series B bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 380,000	220,900	600,900
2020	400,000	203,400	603,400
2021	415,000	187,100	602,100
2022	430,000	172,350	602,350
2023	445,000	159,225	604,225
2024-2028	2,505,000	505,431	3,010,431
2029-2030	<u>1,155,000</u>	<u>43,781</u>	<u>1,198,781</u>
Total	<u>\$5,730,000</u>	<u>1,492,187</u>	<u>7,222,187</u>

As of June 30, 2018, the annual requirements to repay the outstanding indebtedness for the 2014 Series C bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 440,000	452,816	892,816
2020	455,000	440,491	895,491
2021	470,000	425,735	895,735
2022	485,000	408,710	893,710
2023	500,000	389,304	889,304
2024-2028	2,845,000	1,578,459	4,423,459
2029-2032	<u>4,695,000</u>	<u>588,488</u>	<u>5,283,488</u>
Total	<u>\$9,890,000</u>	<u>4,284,003</u>	<u>14,174,003</u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(13) Successor Agency Trust For Assets of Former Community Development Commission
(continued)

d. Long-Term Debt, (Continued)

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$28,512,190 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$3,359,897 and the debt service obligation on the bonds was \$2,524,441. The Successor Agency was able to cover the debt service obligations for the year ended June 30, 2018.

e. Successor Agency Unfunded Liabilities

When redevelopment agencies dissolved, there was a certain level of unfunded accrued liabilities related to other post-employment benefits (retiree healthcare) and pension benefits that the employees of the former redevelopment agency had accrued. In order to keep these liabilities with the Successor Agency, the liabilities need to be placed on a recognized obligation payment schedule (ROPS) and obtain approval from the Successor Agency Board, the Oversight Board and the State Department of Finance in order to become an enforceable obligation.

During the ROPS 15-16B process, the unfunded accrued liability was calculated, placed on the ROPS and approved by all three entities including the State Department of Finance. The total approved liability is \$2,053,404, is made up of \$1,366,885 for the OPEB; \$660,681 for the CalPERS pension; and \$25,837 for the CalPERS side fund and is being amortized over a 20 year; 22 year; and 12 year period, respectively. As of June 30, 2018 the unfunded accrued liability is \$1,852,348.

f. Insurance

The Successor Agency is covered under the City of Bell Garden's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 9.

CITY OF BELL GARDENS
 NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(14) Other Required Disclosures

Expenditures in Excess of Appropriations

The following departments / funds reported expenditures in excess of appropriations:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance Favorable (Unfavorable)</u>
Low and Moderate Housing Special Revenue Fund			
Current:			
Community development	\$ -	8,000	(8,000)
Non-major Special Revenue Funds:			
ABC Grant	-	8,021	(8,021)

Budgets are not adopted for the Recreation Special Revenue Fund.

Deficit Fund Balances

The following funds had deficit fund balances as of June 30, 2018:

Non-major Special Revenue Funds:

Waste Management	\$ 33,537 (a)
ABC Grants	3,002 (a)
JAG Grants	1,519 (a)

(a) The deficit fund balance will be eliminated over time as revenues exceed expenditures.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(15) Fund Balance and Net Position Restatements

The following schedule summarizes the effects of the prior period adjustment to the Government-wide Statements.

Government-wide:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net position at June 30, 2017, as previously reported	\$114,287,733	3,136,419
Adjustment made to prior year:		
Change in accounting principal for adoption of GASB No. 75	(29,514,912)	(448,390)
Change in accounting principal for adoption of GASB No. 86	<u> -</u>	<u> (87,818)</u>
Net position as July 1, 2017, as restated	<u>\$ 84,772,821</u>	<u>2,600,214</u>

Governmental Funds:

	<u>General Fund</u>	<u>Low and Moderate Housing Fund</u>
Fund balance at June 30, 2017, as previously reported	\$33,238,932	997,199
Adjustment made to prior year:		
To record principal advances to Successor as unavailable revenues to conform with City's accounting for related transactions	(13,928,915)	(595,290)
Fund balance as July 1, 2017, as restated	<u>\$19,310,017</u>	<u>401,909</u>

Proprietary Funds:

	<u>Water Fund</u>
Net position at June 30, 2017, as previously reported	\$3,107,327
Adjustment made to prior year:	
Change in accounting principal for adoption of GASB No. 75	(448,390)
Change in accounting principal for adoption of GASB No. 86	<u> (87,815)</u>
Net position, (deficit) as July 1, 2017, as restated	<u>\$2,571,122</u>

(16) Subsequent Events

Management has evaluated subsequent events through December 20, 2018 which is the date the financial statements were available to be issued, and has determined that there are no transactions that will have a significant impact on the City.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BELL GARDENS

General Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 20,676,913	20,676,913	18,786,091	(1,890,822)
Licenses and permits	435,750	435,750	410,701	(25,049)
Intergovernmental	4,506,000	4,506,000	4,374,440	(131,560)
Charges for services	406,295	406,295	330,033	(76,262)
Use of money and property	4,168,309	4,168,309	4,332,455	164,146
Fines and forfeitures	516,000	516,000	456,391	(59,609)
Contributions	-	-	250,000	250,000
Other revenue	190,000	190,000	950,490	760,490
Total revenues	<u>30,899,267</u>	<u>30,899,267</u>	<u>29,890,601</u>	<u>(1,008,666)</u>
Expenditures:				
Current:				
General government	6,076,009	6,089,809	5,651,720	438,089
Public works	4,010,171	4,004,508	4,092,887	(88,379)
Public safety	15,570,730	15,544,224	15,412,095	132,129
Community development	1,133,195	1,133,195	1,111,201	21,994
Parks and recreation	2,780,327	2,779,608	2,756,593	23,015
Capital outlay	660,148	947,427	885,608	61,819
Debt service:				
Interest and fiscal charges	265,712	265,712	255,062	10,650
Principal retirement	176,877	176,877	168,901	7,976
Total expenditures	<u>30,673,169</u>	<u>30,941,360</u>	<u>30,334,067</u>	<u>607,293</u>
Excess (deficiency) of revenues over (under) expenditures	<u>226,098</u>	<u>(42,093)</u>	<u>(443,466)</u>	<u>(401,373)</u>
Other financing sources (uses):				
Transfers in	1,207,000	1,207,000	823,623	(383,377)
Transfers out	(1,297,460)	(1,297,460)	(1,733,860)	(436,400)
Total other financing sources (uses)	<u>(90,460)</u>	<u>(90,460)</u>	<u>(910,237)</u>	<u>(819,777)</u>
Net change in fund balances	<u>135,638</u>	<u>(132,553)</u>	<u>(1,353,703)</u>	<u>(1,221,150)</u>
Fund balance, beginning of year, as restated (note 15)	<u>19,310,017</u>	<u>19,310,017</u>	<u>19,310,017</u>	<u>-</u>
Fund balance, end of year	<u>\$ 19,445,655</u>	<u>19,177,464</u>	<u>17,956,314</u>	<u>(1,221,150)</u>

CITY OF BELL GARDENS

Low and Moderate Housing Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Use of money and property	\$ 57,000	57,000	39,731	(17,269)
Total revenues	<u>57,000</u>	<u>57,000</u>	<u>39,731</u>	<u>(17,269)</u>
Expenditures:				
Current:				
Community development	-	-	8,000	(8,000)
Total expenditures	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>(8,000)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>57,000</u>	<u>57,000</u>	<u>31,731</u>	<u>(25,269)</u>
Other financing sources (uses):				
Transfers in	-	-	103,186	103,186
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>103,186</u>	<u>103,186</u>
Net change in fund balances	57,000	57,000	134,917	77,917
Fund balance, beginning of year, as restated (note 15)	<u>401,909</u>	<u>401,909</u>	<u>401,909</u>	<u>-</u>
Fund balance, end of year	<u>\$ 458,909</u>	<u>458,909</u>	<u>536,826</u>	<u>77,917</u>

CITY OF BELL GARDENS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

Stewardship, Compliance and Accountability

General Budget Policies

The City's budget is prepared under the direction of the City Manager. Revenues are budgeted based on source. Expenditures are budgeted by functions, with sub classification by department and object of expenditures.

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. It includes proposed expenditures and estimated revenues and is legally adopted on a basis consistent with generally accepted accounting principles. Presentations are provided to the Council prior to the adoption of the budget. The City Manager is authorized to transfer budgeted amounts between departments and object categories, and also between programs. Council approval is required only for transfers of budgeted amounts between funds, or for an increase in total appropriations. Supplemental appropriations, where required during the period are also approved by the Council. Budgeted expenditures are controlled at the fund level. During the year, several supplemental appropriations were necessary. At fiscal year-end, all operating budget appropriations lapse. Capital related appropriations may be carried forward to subsequent years.

CITY OF BELL GARDENS

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios ¹ June 30, 2018

Cost Sharing Defined Benefit Pension Plan - Miscellaneous Last 10 Fiscal Years *

	June 30, 2017 ¹ Fiscal Year 2017-18	June 30, 2016 ¹ Fiscal Year 2016-17	June 30, 2015 ¹ Fiscal Year 2015-16	June 30, 2014 ¹ Fiscal Year 2014-15
Proportion of the net pension liability (asset)	0.34608%	0.33986%	0.34005%	33.29241%
Proportionate share of the net pension liability (asset)	\$ 13,642,621	\$ 11,806,379	\$ 9,329,085	\$ 7,226,815
Covered - employee payroll ²	\$ 6,527,431	\$ 5,988,354	\$ 5,673,946	\$ 5,534,792
Proportionate Share of the net pension liability (asset) as percentage of covered-employee payroll	209.00%	197.16%	164.42%	130.57%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	72.58%	73.42%	77.67%	82.23%
Proportionate Share of Aggregate Employer Contributions	\$ 1,366,134	\$ 12,143,442	\$ 1,122,673	\$ 904,303

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes)

Changes in assumptions: The discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent to correct for an adjustment to exclude administrative expense.

* - Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

CITY OF BELL GARDENS
Schedule of Plan Contributions - Defined Benefit Pension Plan ¹
June 30, 2018

Cost Sharing Defined Benefit Pension Plan - Miscellaneous
Last 10 Fiscal Years ^{*}

	Fiscal Year 2017-18 ¹	Fiscal Year 2016-17 ¹	Fiscal Year 2015-16 ¹	Fiscal Year 2014-15 ¹
Actuarially determined contribution ²	\$ 1,172,671	\$ 1,093,871	\$ 994,193	\$ 828,117
Contributions in relation to the actuarially determined contributions ²	<u>\$ (1,172,671)</u>	<u>\$ (1,037,530)</u>	<u>\$ (828,786)</u>	<u>\$ (828,117)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 56,341</u>	<u>\$ 165,407</u>	<u>\$ -</u>
Covered payroll ³	\$ 6,527,431	\$ 5,988,354	\$ 5,673,946	\$ 5,534,792
Contributions as a percentage of covered employee payroll ³	17.97%	17.33%	14.61%	14.96%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Employee are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal 2015-16 were from the June 30, 2013 public agency valuations.

Actuarial cost method	Entry-age
Amortization method/period	For detail, see June 30, 2013 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.5% Net of Pension Plan Investment and Administrative expenses, includes inflation
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-Retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* - Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

CITY OF BELL GARDENS

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios ¹ June 30, 2018

Cost Sharing Defined Benefit Pension Plan - Safety Last 10 Fiscal Years *

	June 30, 2017 ¹ Fiscal Year 2017-18	June 30, 2016 ¹ Fiscal Year 2016-17	June 30, 2015 ¹ Fiscal Year 2015-16	June 30, 2014 ¹ Fiscal Year 2014-15
Proportion of the net pension liability (asset)	0.43920%	0.46143%	0.49401%	0.50027%
Proportionate share of the net pension liability (asset)	\$ 26,242,972	\$ 23,898,271	\$ 20,355,288	\$ 18,765,190
Covered - employee payroll ²	\$ 5,685,550	\$ 5,339,083	\$ 5,076,167	\$ 4,756,423
Proportionate Share of the net pension liability (asset) as percentage of covered-employee payroll	461.57%	447.61%	401.00%	394.52%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	68.85%	68.48%	71.66%	73.81%
Proportionate Share of Aggregate Employer Contributions	\$ 2,001,511	\$ 1,793,929	\$ 1,751,135	\$ 1,496,855

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes)

Changes in assumptions: The discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent to correct for an adjustment to exclude administrative expense.

* - Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

CITY OF BELL GARDENS
Schedule of Plan Contributions - Defined Benefit Pension Plan ¹
June 30, 2018

Cost Sharing Defined Benefit Pension Plan - Safety
Last 10 Fiscal Years *

	Fiscal Year 2017-18 ¹	Fiscal Year 2016-17 ¹	Fiscal Year 2015-16 ¹	Fiscal Year 2014-15 ¹
Actuarially determined contribution ²	\$ 2,972,647	\$ 2,760,341	\$ 2,638,578	\$ 2,189,458
Contributions in relation to the actuarially determined contributions ²	<u>\$ (2,972,647)</u>	<u>\$ (2,712,978)</u>	<u>\$ (2,355,379)</u>	<u>\$ (2,189,458)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 47,363</u>	<u>\$ 283,199</u>	<u>\$ -</u>
Covered payroll ³	\$ 5,685,550	\$ 5,339,083	\$ 5,076,167	\$ 4,756,423
Contributions as a percentage of covered employee payroll ³	52.28%	50.81%	46.40%	46.03%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Employee are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal 2015-16 were from the June 30, 2013 public agency valuations.

Actuarial cost method	Entry-age
Amortization method/period	For detail, see June 30, 2013 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.5% Net of Pension Plan Investment and Administrative expenses, includes inflation
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-Retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* - Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

CITY OF BELL GARDENS
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last 10 Fiscal Years *

	Fiscal Year 2017-18
Total OPEB Liability	
Service cost	\$ 2,325,434
Interest on the total OPEB Liability	2,038,237
Changes in assumptions	(1,183,098)
Benefit payments **	(827,361)
Net change in total OPEB liability	2,353,212
Total OPEB liability - beginning	58,036,393
Total OPEB liability - ending (a)	\$ 60,389,605
 Plan Fiduciary Net Position	
Contribution - employer	\$ 827,361
Net investment income	13,744
Benefit payments **	(827,361)
Administrative expense	(559)
Net change in plan fiduciary net position	13,185
Plan fiduciary net position - beginning	214,243
Plan fiduciary net position - ending (b)	\$ 227,428
 Net OPEB liability - ending (a)-(b)	\$ 60,162,177
 Covered-employee payroll	\$ 12,895,877
 Net OPEB liability as a percentage of covered-employee payroll	466.52%

Notes to Schedule

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

* - Fiscal year 2017-18 was the 1st year of implementation, therefore only one year is shown.

** - Benefit payments include refunds and the implied subsidy benefit payments.

CITY OF BELL GARDENS
Schedule of Contributions - OPEB Plan
Last 10 Fiscal Years *

	Fiscal Year 2017-18
Actuarially determine contribution	\$ 881,139
Contribution in relation to the actuarially determined contributions	(881,139)
Contribution excess	\$ -
 Covered-employee payroll	 \$ 12,985,877
 Contributions as a percentage of covered-employee payroll	 6.79%

Notes to Schedule

Actuarial cost method	Entry-age
Amortization method/ period	Level percent of pay
Asset valuation method	Market value of assets
Inflation	2.75%
Payroll growth	3% per year
Investment rate of return	6% Net of Pensions Plan Investment and Administrative expenses, includes inflation
Healthcare Cost-Trend Rates	Assumed increases occur once each year with premium increases of 7.0% on 1/1/19 with increases of 0.5% less each January 1 thereafter through 2024. Assumed 5% increases for year 2024 and later.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-Retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* - Fiscal year 2017-18 was the 1st year of implementation, therefore only one year is shown.

** - Benefit payments include refunds and the implied subsidy benefit payments.

SUPPLEMENTARY INFORMATION

CITY OF BELL GARDENS
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

	Special Revenue Funds				
	Recreation	Public Safety Augmentation	COPS State (SLESF)	State Gas Tax	Asset Forfeiture
<u>ASSETS</u>					
Cash and investments	\$ 482	148,132	115,385	69,015	608,386
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	-	-	-	-	-
Interest	-	-	1,067	-	1,960
Due from other governments	-	20,971	-	-	15,680
Prepaid items	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
Total assets	\$ 482	169,103	116,452	69,015	626,026
<u>LIABILITIES</u>					
Accounts payable	\$ -	1,995	-	68,417	24,102
Accrued liabilities	-	-	-	596	-
Deposits payable	-	-	-	-	44,161
Due to other funds	-	-	-	-	-
Total liabilities	-	1,995	-	69,013	68,263
<u>DEFERRED IN FLOWS OF RESOURCES</u>					
Unavailable revenue	-	-	-	-	-
Total deferred in flows (outflows) of resources	-	-	-	-	-
<u>FUND BALANCES</u>					
Nonspendable	-	-	-	-	-
Restricted	482	167,108	116,452	2	557,763
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	482	167,108	116,452	2	557,763
Total liabilities, deferred inflows and fund balances	\$ 482	169,103	116,452	69,015	626,026

Special Revenue Funds

Waste Management	Community Development Block Grant	Proposition A	Proposition C	Air Quality Improvement	Recycling Grants	Academic Pursuit
69,955	592	452,469	774,824	220,836	151,817	-
-	-	-	-	-	10,905	-
-	1,695,339	-	-	-	-	420,945
-	-	1,087	1,918	723	549	-
107,552	-	64,210	-	14,099	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>177,507</u>	<u>1,695,931</u>	<u>517,766</u>	<u>776,742</u>	<u>235,658</u>	<u>163,271</u>	<u>420,945</u>
210,823	592	39,531	133,415	4,916	3,503	-
221	-	198	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>211,044</u>	<u>592</u>	<u>39,729</u>	<u>133,415</u>	<u>4,916</u>	<u>3,503</u>	<u>-</u>
-	1,695,339	64,210	-	-	-	420,945
-	1,695,339	64,210	-	-	-	420,945
-	-	-	-	-	-	-
-	-	413,827	643,327	230,742	159,768	-
-	-	-	-	-	-	-
(33,537)	-	-	-	-	-	-
<u>(33,537)</u>	<u>-</u>	<u>413,827</u>	<u>643,327</u>	<u>230,742</u>	<u>159,768</u>	<u>-</u>
<u>177,507</u>	<u>1,695,931</u>	<u>517,766</u>	<u>776,742</u>	<u>235,658</u>	<u>163,271</u>	<u>420,945</u>

CITY OF BELL GARDENS
Nonmajor Governmental Funds, Continued
Combining Balance Sheet
June 30, 2018

	Special Revenue Funds					
	Post Employment Benefits	Measure R	ABC Grant	JAG Grants	COPS Grant	Anson Ford Park
<u>ASSETS</u>						
Cash and investments	\$ 150,192	436,506	-	-	76,693	135,762
Receivables:						
Accounts	1,651	-	-	-	-	-
Notes and loans	-	-	-	-	-	-
Interest	-	400	-	-	259	-
Due from other governments	-	-	1,619	-	-	8,737
Prepaid items	-	4,887	650	-	-	-
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-	-	-
Total assets	<u>\$ 151,843</u>	<u>441,793</u>	<u>2,269</u>	<u>-</u>	<u>76,952</u>	<u>144,499</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 1,211	74,857	-	-	-	24,097
Accrued liabilities	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	5,271	1,519	-	-
Total liabilities	<u>1,211</u>	<u>74,857</u>	<u>5,271</u>	<u>1,519</u>	<u>-</u>	<u>24,097</u>
<u>DEFERRED IN FLOWS OF RESOURCES</u>						
Unavailable revenue	-	-	-	-	-	-
Total deferred in flows (outflows) of resources	-	-	-	-	-	-
<u>FUND BALANCES</u>						
Nonspendable	-	4,887	650	-	-	-
Restricted	-	362,049	-	-	76,952	120,402
Assigned	150,632	-	-	-	-	-
Unassigned	-	-	(3,652)	(1,519)	-	-
Total fund balances (deficits)	<u>150,632</u>	<u>366,936</u>	<u>(3,002)</u>	<u>(1,519)</u>	<u>76,952</u>	<u>120,402</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 151,843</u>	<u>441,793</u>	<u>2,269</u>	<u>-</u>	<u>76,952</u>	<u>144,499</u>

Special Revenue Funds			Capital Projects Fund	Total
SB 1 Road Maintenance	TCRF Loan Repayment	Measure M	Transportation Development Act	Non-major Governmental Funds
-	-	432,995	48,746	3,892,787
-	-	-	2,332	14,888
-	-	-	-	2,116,284
-	-	1,309	317	9,589
90,765	-	-	-	323,633
-	-	-	-	5,537
-	-	-	-	-
<u>90,765</u>	<u>-</u>	<u>434,304</u>	<u>51,395</u>	<u>6,362,718</u>
-	-	25,740	51,395	664,594
-	-	-	-	1,015
-	-	-	-	44,161
90,765	-	-	-	97,555
<u>90,765</u>	<u>-</u>	<u>25,740</u>	<u>51,395</u>	<u>807,325</u>
-	-	-	-	2,180,494
-	-	-	-	2,180,494
-	-	-	-	5,537
-	-	408,564	-	3,257,438
-	-	-	-	150,632
-	-	-	-	(38,708)
-	-	408,564	-	3,374,899
<u>90,765</u>	<u>-</u>	<u>434,304</u>	<u>51,395</u>	<u>6,362,718</u>

CITY OF BELL GARDENS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2018

	Special Revenue Funds				
	Recreation	Public Safety Augmentation	COPS State (SLESF)	State Gas Tax	Asset Forfeiture
Revenues:					
Taxes and assessments	\$ -	-	-	-	-
Intergovernmental	-	125,738	100,000	896,786	-
Charges for services	-	-	-	-	-
Use of money and property	-	-	3,347	-	7,519
Fines and forfeitures	-	-	-	-	54,321
Other revenue	-	1,461	-	-	-
Total revenues	<u>-</u>	<u>127,199</u>	<u>103,347</u>	<u>896,786</u>	<u>61,840</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	1,448,549	-
Public safety	-	265,155	-	-	75,077
Community development	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital outlay	-	-	-	16,687	123,074
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Principal retirement	-	-	-	-	-
Total expenditures	<u>-</u>	<u>265,155</u>	<u>-</u>	<u>1,465,236</u>	<u>198,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(137,956)</u>	<u>103,347</u>	<u>(568,450)</u>	<u>(136,311)</u>
Other financing sources (uses):					
Transfers in	-	137,932	-	629,197	-
Transfers out	-	-	(100,000)	(60,746)	-
Total other financing sources (uses)	<u>-</u>	<u>137,932</u>	<u>(100,000)</u>	<u>568,451</u>	<u>-</u>
Net change in fund balances	-	(24)	3,347	1	(136,311)
Fund balances (deficit), beginning of year	<u>482</u>	<u>167,132</u>	<u>113,105</u>	<u>1</u>	<u>694,074</u>
Fund balances (deficit), end of year	<u>\$ 482</u>	<u>167,108</u>	<u>116,452</u>	<u>2</u>	<u>557,763</u>

Special Revenue Funds

Waste Management	Community Development Block Grant	Proposition A	Proposition C	Air Quality Improvement	Recycling Grants	Academic Pursuit
2,917,709	-	801,195	660,938	-	-	-
-	586,060	-	-	52,564	21,061	-
-	-	-	60,975	-	-	-
-	-	3,102	5,004	2,435	1,893	-
-	-	-	-	-	-	-
-	-	-	48,000	-	-	-
<u>2,917,709</u>	<u>586,060</u>	<u>804,297</u>	<u>774,917</u>	<u>54,999</u>	<u>22,954</u>	<u>-</u>
-	-	-	-	-	-	-
2,865,561	-	665,119	619,843	23,545	21,137	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	201,518	30,629	-	-
-	45,056	-	-	-	-	-
-	541,000	-	-	-	-	-
<u>2,865,561</u>	<u>586,056</u>	<u>665,119</u>	<u>821,361</u>	<u>54,174</u>	<u>21,137</u>	<u>-</u>
<u>52,148</u>	<u>4</u>	<u>139,178</u>	<u>(46,444)</u>	<u>825</u>	<u>1,817</u>	<u>-</u>
-	395	-	-	2,765	-	-
-	-	-	-	-	-	(613,529)
<u>-</u>	<u>395</u>	<u>-</u>	<u>-</u>	<u>2,765</u>	<u>-</u>	<u>(613,529)</u>
52,148	399	139,178	(46,444)	3,590	1,817	(613,529)
<u>(85,685)</u>	<u>(399)</u>	<u>274,649</u>	<u>689,771</u>	<u>227,152</u>	<u>157,951</u>	<u>613,529</u>
<u>(33,537)</u>	<u>-</u>	<u>413,827</u>	<u>643,327</u>	<u>230,742</u>	<u>159,768</u>	<u>-</u>

CITY OF BELL GARDENS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
For the Year ended June 30, 2018

	Special Revenue Funds					
	Post Employment Benefits	Measure R	ABC Grant	JAG Grants	COPS Grant	Anson Ford Park
Revenues:						
Taxes and assessments	\$ -	-	-	-	-	-
Intergovernmental	-	497,756	-	-	-	-
Charges for services	50,768	-	-	-	-	127,595
Use of money and property	-	5,858	14	-	917	240,940
Fines and forfeitures	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>50,768</u>	<u>503,614</u>	<u>14</u>	<u>-</u>	<u>917</u>	<u>368,535</u>
Expenditures:						
Current:						
General government	651,489	-	-	-	-	-
Public works	-	55,337	-	-	-	-
Public safety	-	-	8,021	-	-	-
Community development	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	190,539
Capital outlay	-	968,711	-	-	-	25,045
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Total expenditures	<u>651,489</u>	<u>1,024,048</u>	<u>8,021</u>	<u>-</u>	<u>-</u>	<u>215,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(600,721)</u>	<u>(520,434)</u>	<u>(8,007)</u>	<u>-</u>	<u>917</u>	<u>152,951</u>
Other financing sources (uses):						
Transfers in	600,601	-	-	-	-	-
Transfers out	-	-	-	-	-	(149,348)
Total other financing sources (uses)	<u>600,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,348)</u>
Net change in fund balances	(120)	(520,434)	(8,007)	-	917	3,603
Fund balances (deficit), beginning of year	<u>150,752</u>	<u>887,370</u>	<u>5,005</u>	<u>(1,519)</u>	<u>76,035</u>	<u>116,799</u>
Fund balances (deficit), end of year	<u>\$ 150,632</u>	<u>366,936</u>	<u>(3,002)</u>	<u>(1,519)</u>	<u>76,952</u>	<u>120,402</u>

Special Revenue Funds			Capital Projects Fund	Total
SB 1 Road Maintenance	TCRF Loan Repayment	Measure M	Transportation Development Act	Non-major Governmental Funds
-	-	-	-	4,379,842
250,930	48,639	451,081	98,113	3,128,728
-	-	-	-	239,338
-	-	2,723	603	274,355
-	-	-	-	54,321
-	-	-	-	49,461
<u>250,930</u>	<u>48,639</u>	<u>453,804</u>	<u>98,716</u>	<u>8,126,045</u>
-	-	-	-	651,489
-	-	-	-	5,699,091
-	-	-	-	348,253
-	-	-	-	-
-	-	-	-	190,539
-	-	45,240	98,748	1,509,652
-	-	-	-	45,056
-	-	-	-	541,000
<u>-</u>	<u>-</u>	<u>45,240</u>	<u>98,748</u>	<u>8,985,080</u>
<u>250,930</u>	<u>48,639</u>	<u>408,564</u>	<u>(32)</u>	<u>(859,035)</u>
-	-	-	-	1,370,890
<u>(250,930)</u>	<u>(48,639)</u>	<u>-</u>	<u>-</u>	<u>(1,223,192)</u>
<u>(250,930)</u>	<u>(48,639)</u>	<u>-</u>	<u>-</u>	<u>147,698</u>
-	-	408,564	(32)	(711,337)
-	-	-	32	4,086,236
<u>-</u>	<u>-</u>	<u>408,564</u>	<u>-</u>	<u>3,374,899</u>

CITY OF BELL GARDENS
Public Safety Augmentation Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	<u>Budget</u> Final	<u>Actual</u> Amounts	<u>Variance with</u> Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 114,000	125,738	11,738
Use of money and property	50	-	(50)
Other revenue	<u>1,500</u>	<u>1,461</u>	<u>(39)</u>
 Total revenues	 <u>115,550</u>	 <u>127,199</u>	 <u>11,649</u>
 Expenditures:			
Current:			
Public safety	<u>271,440</u>	<u>265,155</u>	<u>6,285</u>
 Total expenditures	 <u>271,440</u>	 <u>265,155</u>	 <u>6,285</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(155,890)</u>	 <u>(137,956)</u>	 <u>17,934</u>
 Other financing sources (uses):			
Transfers in	<u>155,890</u>	<u>137,932</u>	<u>(17,958)</u>
 Total other financing sources (uses)	 <u>155,890</u>	 <u>137,932</u>	 <u>(17,958)</u>
 Net change in fund balances	 -	 (24)	 (24)
 Fund balance, beginning of year	 <u>167,132</u>	 <u>167,132</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 167,132</u>	 <u>167,108</u>	 <u>(24)</u>

CITY OF BELL GARDENS
COPS State (SLESF) Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 100,000	100,000	-
Use of money and property	<u>150</u>	<u>3,347</u>	<u>3,197</u>
Total revenues	<u>100,150</u>	<u>103,347</u>	<u>3,197</u>
Expenditures:			
Current:			
Public safety	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,150</u>	<u>103,347</u>	<u>3,197</u>
Other financing sources (uses):			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balances	150	3,347	3,197
Fund balance, beginning of year	<u>113,105</u>	<u>113,105</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 113,255</u></u>	<u><u>116,452</u></u>	<u><u>3,197</u></u>

CITY OF BELL GARDENS

State Gas Tax Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ 954,853	896,786	(58,067)
Total revenues	<u>954,853</u>	<u>896,786</u>	<u>(58,067)</u>
Expenditures:			
Current:			
Public works	1,511,852	1,448,549	63,303
Capital outlay	<u>20,000</u>	<u>16,687</u>	<u>3,313</u>
Total expenditures	<u>1,531,852</u>	<u>1,465,236</u>	<u>66,616</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(576,999)</u>	<u>(568,450)</u>	<u>8,549</u>
Other financing sources (uses):			
Transfers in	311,034	629,197	318,163
Transfers out	<u>-</u>	<u>(60,746)</u>	<u>(60,746)</u>
Total other financing sources (uses)	<u>311,034</u>	<u>568,451</u>	<u>257,417</u>
Net change in fund balances	(265,965)	1	265,966
Fund balance, beginning of year	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance, (deficit) end of year	<u>\$ (265,964)</u>	<u>2</u>	<u>265,966</u>

CITY OF BELL GARDENS

Asset Forfeiture Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 2,000	7,519	5,519
Fines and forfeitures	<u>70,000</u>	<u>54,321</u>	<u>(15,679)</u>
 Total revenues	 <u>72,000</u>	 <u>61,840</u>	 <u>(10,160)</u>
 Expenditures:			
Current:			
Public safety	95,051	75,077	19,974
Capital outlay	<u>379,949</u>	<u>123,074</u>	<u>256,875</u>
 Total expenditures	 <u>475,000</u>	 <u>198,151</u>	 <u>276,849</u>
 Net change in fund balances	 (403,000)	 (136,311)	 266,689
 Fund balance, beginning of year	 <u>694,074</u>	 <u>694,074</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 291,074</u>	 <u>557,763</u>	 <u>266,689</u>

CITY OF BELL GARDENS

Waste Management Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	Budget	Actual	Variance with
	Final	Amounts	Final Budget
			Positive
			(Negative)
	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
Revenues:			
Taxes and assessments	\$ 3,046,230	2,917,709	(128,521)
Use of money and property	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total revenues	<u>3,047,230</u>	<u>2,917,709</u>	<u>(129,521)</u>
Expenditures:			
Current:			
Public works	<u>2,998,346</u>	<u>2,865,561</u>	<u>132,785</u>
Total expenditures	<u>2,998,346</u>	<u>2,865,561</u>	<u>132,785</u>
Net change in fund balances	48,884	52,148	3,264
Fund balance (deficit), beginning of year	<u>(85,685)</u>	<u>(85,685)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (36,801)</u></u>	<u><u>(33,537)</u></u>	<u><u>3,264</u></u>

CITY OF BELL GARDENS

Community Development Block Grant Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	<u>Budget Final</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	<u>\$ 586,057</u>	<u>586,060</u>	<u>3</u>
Total revenues	<u>586,057</u>	<u>586,060</u>	<u>3</u>
Expenditures:			
Debt service:			
Interest and fiscal charges	45,056	45,056	-
Principal retirement	<u>541,000</u>	<u>541,000</u>	<u>-</u>
Total expenditures	<u>586,056</u>	<u>586,056</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1</u>	<u>4</u>	<u>3</u>
Other financing sources (uses):			
Transfers in	<u>-</u>	<u>395</u>	<u>395</u>
Total other financing sources (uses)	<u>-</u>	<u>395</u>	<u>395</u>
Net change in fund balances	1	399	398
Fund balance (deficit), beginning of year	<u>(399)</u>	<u>(399)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (398)</u></u>	<u><u>-</u></u>	<u><u>398</u></u>

CITY OF BELL GARDENS
Proposition "A" Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Taxes and assessments	\$ 798,849	801,195	2,346
Intergovernmental	68,000	-	(68,000)
Use of money and property	<u>600</u>	<u>3,102</u>	<u>2,502</u>
 Total revenues	 <u>867,449</u>	 <u>804,297</u>	 <u>(63,152)</u>
 Expenditures:			
Current:			
Public works	<u>871,722</u>	<u>665,119</u>	<u>206,603</u>
 Total expenditures	 <u>871,722</u>	 <u>665,119</u>	 <u>206,603</u>
 Net change in fund balances	 (4,273)	 139,178	 143,451
 Fund balance, beginning of year	 <u>274,649</u>	 <u>274,649</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 270,376</u>	 <u>413,827</u>	 <u>143,451</u>

CITY OF BELL GARDENS
Proposition "C" Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 662,624	660,938	(1,686)
Charges for services	74,000	60,975	(13,025)
Use of money and property	1,000	5,004	4,004
Other revenue	<u>48,000</u>	<u>48,000</u>	<u>-</u>
 Total revenues	 <u>785,624</u>	 <u>774,917</u>	 <u>(10,707)</u>
 Expenditures:			
Current:			
Public works	798,193	619,843	178,350
Capital outlay	<u>227,572</u>	<u>201,518</u>	<u>26,054</u>
 Total expenditures	 <u>1,025,765</u>	 <u>821,361</u>	 <u>204,404</u>
 Net change in fund balances	 (240,141)	 (46,444)	 193,697
 Fund balance, beginning of year	 <u>689,771</u>	 <u>689,771</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 449,630</u>	 <u>643,327</u>	 <u>193,697</u>

CITY OF BELL GARDENS

Air Quality Improvement Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	<u>Budget Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 53,000	52,564	(436)
Use of money and property	<u>800</u>	<u>2,435</u>	<u>1,635</u>
Total revenues	<u>53,800</u>	<u>54,999</u>	<u>1,199</u>
Expenditures:			
Current:			
Public works	23,000	23,545	(545)
Capital outlay	<u>131,000</u>	<u>30,629</u>	<u>100,371</u>
Total expenditures	<u>154,000</u>	<u>54,174</u>	<u>99,826</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(100,200)</u>	<u>825</u>	<u>101,025</u>
Other financing sources (uses):			
Transfers in	<u>-</u>	<u>2,765</u>	<u>2,765</u>
Total other financing sources (uses)	<u>-</u>	<u>2,765</u>	<u>2,765</u>
Net change in fund balances	(100,200)	3,590	103,790
Fund balance, beginning of year	<u>227,152</u>	<u>227,152</u>	<u>-</u>
Fund balance, end of year	<u>\$ 126,952</u>	<u>230,742</u>	<u>103,790</u>

CITY OF BELL GARDENS

Recycling Grants Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ 24,750	21,061	(3,689)
Use of money and property	<u>800</u>	<u>1,893</u>	<u>1,093</u>
Total revenues	<u>25,550</u>	<u>22,954</u>	<u>(2,596)</u>
Expenditures:			
Current:			
Public works	<u>23,159</u>	<u>21,137</u>	<u>2,022</u>
Total expenditures	<u>23,159</u>	<u>21,137</u>	<u>2,022</u>
Net change in fund balances	2,391	1,817	(574)
Fund balance, beginning of year	<u>157,951</u>	<u>157,951</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 160,342</u></u>	<u><u>159,768</u></u>	<u><u>(574)</u></u>

CITY OF BELL GARDENS

Academic Pursuit Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Other revenue	\$ -	-	-
	<u> </u>	<u> </u>	<u> </u>
Total revenues	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Current:			
General government	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Other financing sources (uses):			
Transfers out	-	(613,529)	613,529
	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	-	(613,529)	613,529
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	-	(613,529)	613,529
	<u> </u>	<u> </u>	<u> </u>
Fund balance, beginning of year	613,529	613,529	-
	<u> </u>	<u> </u>	<u> </u>
Fund balance, end of year	\$ 613,529	-	613,529
	<u> </u>	<u> </u>	<u> </u>

CITY OF BELL GARDENS
Post Employment Benefits Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	<u>Budget</u> Final	<u>Actual</u> Amounts	<u>Variance with</u> Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 49,823	50,768	945
Total revenues	<u>49,823</u>	<u>50,768</u>	<u>945</u>
Expenditures:			
Current:			
General government	<u>652,360</u>	<u>651,489</u>	<u>871</u>
Total expenditures	<u>652,360</u>	<u>651,489</u>	<u>871</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(602,537)</u>	<u>(600,721)</u>	<u>1,816</u>
Other financing sources (uses):			
Transfers in	<u>602,536</u>	<u>600,601</u>	<u>(1,935)</u>
Total other financing sources (uses)	<u>602,536</u>	<u>600,601</u>	<u>(1,935)</u>
Net change in fund balances	(1)	(120)	(119)
Fund balance, beginning of year	<u>150,752</u>	<u>150,752</u>	<u>-</u>
Fund balance, end of year	<u>\$ 150,751</u>	<u>150,632</u>	<u>(119)</u>

CITY OF BELL GARDENS

Measure R Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 496,978	497,756	778
Use of money and property	<u>2,000</u>	<u>5,858</u>	<u>3,858</u>
Total revenues	<u>498,978</u>	<u>503,614</u>	<u>4,636</u>
Expenditures:			
Current:			
Public works	232,459	55,337	177,122
Capital outlay	<u>1,008,000</u>	<u>968,711</u>	<u>39,289</u>
Total expenditures	<u>1,240,459</u>	<u>1,024,048</u>	<u>216,411</u>
Net change in fund balances	(741,481)	(520,434)	221,047
Fund balance, beginning of year	<u>887,370</u>	<u>887,370</u>	<u>-</u>
Fund balance, end of year	<u>\$ 145,889</u>	<u>366,936</u>	<u>221,047</u>

CITY OF BELL GARDENS
ABC Grants Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	<u>Budget</u> Final	<u>Actual</u> Amounts	<u>Variance with</u> Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	14	14
Total revenues	<u>-</u>	<u>14</u>	<u>14</u>
Expenditures:			
Current:			
Public safety	<u>-</u>	<u>8,021</u>	<u>(8,021)</u>
Total expenditures	<u>-</u>	<u>8,021</u>	<u>(8,021)</u>
Net change in fund balances	-	(8,007)	(8,007)
Fund balance, beginning of year	<u>5,005</u>	<u>5,005</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ 5,005</u></u>	<u><u>(3,002)</u></u>	<u><u>(8,007)</u></u>

CITY OF BELL GARDENS
COPS Grant Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	<u>Budget</u> <u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:			
Use of money and property	\$ 300	917	617
Total revenues	<u>300</u>	<u>917</u>	<u>617</u>
Expenditures:			
Current:			
Public safety	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	300	917	617
Fund balance, beginning of year	<u>76,035</u>	<u>76,035</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 76,335</u></u>	<u><u>76,952</u></u>	<u><u>617</u></u>

CITY OF BELL GARDENS

Anson Ford Park Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for services	\$ 130,000	127,595	(2,405)
Use of money and property	<u>215,000</u>	<u>240,940</u>	<u>25,940</u>
 Total revenues	 <u>345,000</u>	 <u>368,535</u>	 <u>23,535</u>
 Expenditures:			
Current:			
Parks and recreation	328,000	190,539	137,461
Capital outlay	<u>60,000</u>	<u>25,045</u>	<u>34,955</u>
 Total expenditures	 <u>388,000</u>	 <u>215,584</u>	 <u>172,416</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(43,000)</u>	 <u>152,951</u>	 <u>195,951</u>
 Other financing sources (uses):			
Transfers out	<u>-</u>	<u>(149,348)</u>	<u>(149,348)</u>
 Total other financing sources (uses)	 <u>-</u>	 <u>(149,348)</u>	 <u>(149,348)</u>
 Net change in fund balances	 (43,000)	3,603	46,603
 Fund balance, beginning of year	 <u>116,799</u>	 <u>116,799</u>	 <u>-</u>
 Fund balance, end of year	 <u><u>\$ 73,799</u></u>	 <u><u>120,402</u></u>	 <u><u>46,603</u></u>

CITY OF BELL GARDENS

SB 1 Road Maintenance Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 247,692	250,930	3,238
Total revenues	<u>247,692</u>	<u>250,930</u>	<u>3,238</u>
Expenditures:			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>247,692</u>	<u>250,930</u>	<u>3,238</u>
Other financing sources (uses):			
Transfers out	<u>-</u>	<u>(250,930)</u>	<u>(250,930)</u>
Total other financing sources (uses)	<u>-</u>	<u>(250,930)</u>	<u>(250,930)</u>
Net change in fund balances	247,692	-	(247,692)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 247,692</u></u>	<u><u>-</u></u>	<u><u>(247,692)</u></u>

CITY OF BELL GARDENS
TCRF Loan Repayment Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	<u>Budget</u> <u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:			
Intergovernmental	\$ -	48,639	48,639
Total revenues	<u>-</u>	<u>48,639</u>	<u>48,639</u>
Expenditures:			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>48,639</u>	<u>48,639</u>
Other financing sources (uses):			
Transfers out	<u>-</u>	<u>(48,639)</u>	<u>(48,639)</u>
Total other financing sources (uses)	<u>-</u>	<u>(48,639)</u>	<u>(48,639)</u>
Net change in fund balances	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

CITY OF BELL GARDENS

Measure M Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ 535,069	451,081	(83,988)
Use of money and property	<u> -</u>	<u> 2,723</u>	<u> 2,723</u>
Total revenues	<u> 535,069</u>	<u> 453,804</u>	<u> (81,265)</u>
Expenditures:			
Capital outlay	<u> 870,000</u>	<u> 45,240</u>	<u> 824,760</u>
Total expenditures	<u> 870,000</u>	<u> 45,240</u>	<u> 824,760</u>
Net change in fund balances	(334,931)	408,564	743,495
Fund balance, beginning of year	<u> -</u>	<u> -</u>	<u> -</u>
Fund balance (deficit), end of year	<u><u> (334,931)</u></u>	<u><u> 408,564</u></u>	<u><u> 743,495</u></u>

CITY OF BELL GARDENS
Transportation Development Act Capital Projects Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 27,980	98,113	70,133
Use of money and property	<u>20</u>	<u>603</u>	<u>583</u>
Total revenues	<u>28,000</u>	<u>98,716</u>	<u>70,716</u>
Expenditures:			
Capital outlay	<u>97,000</u>	<u>98,748</u>	<u>(1,748)</u>
Total expenditures	<u>97,000</u>	<u>98,748</u>	<u>(1,748)</u>
Net change in fund balances	(69,000)	(32)	68,968
Fund balance, beginning of year	<u>32</u>	<u>32</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (68,968)</u></u>	<u><u>-</u></u>	<u><u>68,968</u></u>

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Statistical Section

This part of the City of Bell Gardens comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment with in which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services that the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Bell Gardens
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities										
Net investment in capital assets	\$ 72,643,986	\$ 73,967,264	\$ 74,822,075	\$ 114,874,209	\$ 100,379,238	\$ 99,300,460	\$ 97,439,996	\$ 96,995,245	\$ 97,101,421	\$ 102,917,119
Restricted	17,896,542	17,088,677	17,354,065	6,518,912	7,453,015	20,538,992		6,485,391	14,654,518	11,470,333
Unrestricted	<u>12,851,973</u>	<u>10,390,101</u>	<u>4,804,396</u>	<u>39,268,190</u>	<u>32,521,095</u>	<u>10,361,721</u>	<u>20,271,500</u>	<u>8,141,746</u>	<u>2,531,794</u>	<u>(35,969,103)</u>
Total governmental activities										
net position	<u>\$ 103,392,501</u>	<u>\$ 101,446,042</u>	<u>\$ 96,980,536</u>	<u>\$ 160,661,311</u>	<u>\$ 140,353,348</u>	<u>\$ 130,201,173</u>	<u>\$ 117,711,496</u>	<u>\$ 111,622,382</u>	<u>\$ 114,287,733</u>	<u>\$ 78,418,349</u>
Business-type activities										
Net investment in capital assets	\$ 2,816,150	\$ 3,429,948	\$ 3,480,128	\$ 4,307,348	\$ 4,333,225	\$ 4,383,784	\$ 4,333,240	\$ 4,382,797	\$ 4,475,003	\$ 4,614,646
Restricted	398,665	398,434	399,355	416,340	400,037	399,535	398,744	\$ 398,751	\$ 397,976	\$ 407,014
Unrestricted	<u>(357,093)</u>	<u>397,551</u>	<u>251,365</u>	<u>39,308</u>	<u>(485,221)</u>	<u>(686,717)</u>	<u>(1,048,651)</u>	<u>(1,324,084)</u>	<u>(1,736,560)</u>	<u>(2,458,157)</u>
Total business-type activities										
net position	<u>\$ 2,857,722</u>	<u>\$ 4,225,933</u>	<u>\$ 4,130,848</u>	<u>\$ 4,762,996</u>	<u>\$ 4,248,041</u>	<u>\$ 4,096,602</u>	<u>\$ 3,683,333</u>	<u>\$ 3,457,464</u>	<u>\$ 3,136,419</u>	<u>\$ 2,563,503</u>
Primary government										
Net investment in capital assets	\$ 75,460,136	\$ 77,397,212	\$ 78,302,203	\$ 119,181,557	\$ 104,712,463	\$ 103,684,244	\$ 101,773,236	\$ 101,378,042	\$ 101,576,424	\$ 107,531,765
Restricted	18,295,207	17,487,111	17,753,420	6,935,252	7,853,052	20,938,527	398,744	6,884,142	15,052,494	11,877,347
Unrestricted	<u>12,494,880</u>	<u>10,787,652</u>	<u>5,055,761</u>	<u>39,307,498</u>	<u>32,035,874</u>	<u>9,675,004</u>	<u>19,222,849</u>	<u>6,817,662</u>	<u>795,234</u>	<u>(38,427,260)</u>
Total primary government										
net position	<u>\$ 106,250,223</u>	<u>\$ 105,671,975</u>	<u>\$ 101,111,384</u>	<u>\$ 165,424,307</u>	<u>\$ 144,601,389</u>	<u>\$ 134,297,775</u>	<u>\$ 121,394,829</u>	<u>\$ 115,079,846</u>	<u>\$ 117,424,152</u>	<u>\$ 80,981,852</u>

City of Bell Gardens
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 9,601,844	\$ 10,175,559	\$ 8,821,722	\$ 9,171,894	\$ 8,765,852	\$ 9,335,078	\$ 9,517,139	\$ 7,475,621	\$ 9,428,611	\$ 8,712,219
Public safety	13,071,462	12,965,767	12,393,794	12,740,622	11,962,803	12,130,706	13,055,529	13,809,907	13,805,735	19,969,281
Public works	1,600,209	1,220,075	2,241,756	2,408,181	9,792,085	1,151,619	908,350	1,011,500	975,513	1,119,201
Community Development	2,667,195	2,485,134	2,838,313	2,647,386	1,123,548	2,363,305	2,497,441	2,715,948	2,907,759	2,947,132
Recreation	10,071,329	9,941,721	10,146,753	10,178,663	2,334,788	10,348,627	9,931,312	9,628,821	11,248,611	12,665,811
Interest and fiscal charges	4,996,806	4,857,978	1,972,014	1,164,716	305,236	331,911	476,273	372,171	330,085	263,511
Total governmental activities expenses	<u>42,008,845</u>	<u>41,646,234</u>	<u>38,414,352</u>	<u>38,311,462</u>	<u>34,284,312</u>	<u>35,661,246</u>	<u>36,386,044</u>	<u>35,013,968</u>	<u>38,696,314</u>	<u>45,677,155</u>
Business-type activities:										
Water	1,728,215	1,460,206	1,532,393	1,344,353	1,408,572	1,503,954	1,459,000	1,465,697	1,260,039	1,246,971
Interest and fiscal charges										
Golf Course	335,189	251,694	216,584	241,823	225,224	218,744	227,726	319,165	257,431	216,378
Total business-type activities expenses	<u>2,063,404</u>	<u>1,711,900</u>	<u>1,748,977</u>	<u>1,586,176</u>	<u>1,633,796</u>	<u>1,722,698</u>	<u>1,686,726</u>	<u>1,784,862</u>	<u>1,517,470</u>	<u>1,463,349</u>
Total primary government expenses	<u>\$ 44,072,249</u>	<u>\$ 43,358,134</u>	<u>\$ 40,163,329</u>	<u>\$ 39,897,638</u>	<u>\$ 35,918,108</u>	<u>\$ 37,383,944</u>	<u>\$ 38,072,770</u>	<u>\$ 36,798,830</u>	<u>\$ 40,213,784</u>	<u>\$ 47,140,504</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,474,708	\$ 1,380,147	\$ 1,651,510	\$ 134,994	\$ 171,167	\$ 170,956	\$ 301,769	\$ 338,249	\$ 342,463	\$ 323,653
Publicsafety	-	-	-	705,874	469,800	533,782	782,601	634,835	1,356,767	571,834
Community development	-	-	-	-	-	-	37,618	255,812	280,090	278,614
Parks and recreation	-	-	-	313,946	274,325	274,818	469,769	165,014	164,346	98,339
Public works	-	-	-	368,433	398,705	648,132	322,887	348,916	347,616	394,728
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Operating contributions and grants	1,905,933	3,159,241	2,146,983	5,360,465	1,965,613	1,205,929	4,360,505	3,642,395	4,361,504	4,256,834
Capital contributions and grants	2,524,654	3,791,143	1,839,711	2,563,187	2,410,285	1,964,183	678,093	623,406	1,023,124	2,058,437
Total governmental activities program revenues	<u>5,905,295</u>	<u>8,330,531</u>	<u>5,638,204</u>	<u>9,446,899</u>	<u>5,689,895</u>	<u>4,797,800</u>	<u>6,953,242</u>	<u>6,008,627</u>	<u>7,875,910</u>	<u>7,982,439</u>
Business-type activities:										
Charges for services:										
Water	1,257,433	1,235,559	1,249,287	1,261,619	1,260,620	1,543,072	1,275,948	1,542,145	1,095,560	1,167,953
Golf Course	199,096	186,433	152,569	159,898	140,768	144,718	134,886	177,563	146,113	96,175
Total business-type activities program revenues	<u>1,456,529</u>	<u>1,421,992</u>	<u>1,401,856</u>	<u>1,421,517</u>	<u>1,401,388</u>	<u>1,687,790</u>	<u>1,410,834</u>	<u>1,719,708</u>	<u>1,241,673</u>	<u>1,264,128</u>
Total primary government program revenues	<u>\$ 7,361,824</u>	<u>\$ 9,752,523</u>	<u>\$ 7,040,060</u>	<u>\$ 10,868,416</u>	<u>\$ 7,091,283</u>	<u>\$ 6,485,590</u>	<u>\$ 8,364,076</u>	<u>\$ 7,728,335</u>	<u>\$ 9,117,583</u>	<u>\$ 9,246,567</u>

City of Bell Gardens
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental activities	\$ (36,103,550)	\$ (33,315,703)	\$ (32,776,148)	\$ (28,864,563)	\$ (28,594,417)	\$ (30,863,446)	\$ (29,432,802)	\$ (29,005,341)	\$ (30,820,404)	\$ (37,694,716)
Business-type activities	(591,875)	(289,908)	(347,121)	(164,659)	(232,408)	(34,908)	(275,892)	(65,154)	(275,797)	(199,221)
Total primary government net expense	\$ (36,695,425)	\$ (33,605,611)	\$ (33,123,269)	\$ (29,029,222)	\$ (28,826,825)	\$ (30,898,354)	\$ (29,708,694)	\$ (29,070,495)	\$ (31,096,201)	\$ (37,893,937)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Sales taxes	\$ 2,086,198	2,030,961	2,321,800	\$ 2,844,538	\$ 2,554,034	\$ 2,709,528	2,755,036	2,972,041	2,906,014	2,978,666
Property taxes	4,908,149	4,886,712	4,696,696	2,396,411	1,160,306	1,057,205	1,128,467	1,313,441	1,360,575	1,338,926
Other taxes	19,188,075	18,661,906	17,853,565	17,401,997	17,793,562	18,160,638	17,714,879	20,797,686	22,961,050	21,986,790
Use of money and property	5,175,607	6,630,950	3,281,827	3,888,527	3,966,769	(1,686,213)	4,626,532	3,815,632	3,565,789	4,526,786
Others	167,393	303,354	249,606	66,782,676	519,704	470,113	272,688	384,225	3,497,000	509,076
Total governmental activities	31,525,422	32,513,883	28,403,494	93,314,149	25,994,375	20,711,271	26,497,602	29,283,025	34,290,428	31,340,244
Business-type activities:										
Investment earnings	10,266	6,778	8,664	27,996	577	13,599	3,555	3,562	2,819	12,583
Miscellaneous	-	-	-	-	(130,856)	(130,130)	-	34,788	(48,067)	149,927
Total business-type activities	10,266	6,778	8,664	27,996	(130,279)	(116,531)	3,555	38,350	(45,248)	162,510
Total primary government	\$ 31,535,688	\$ 32,520,661	\$ 28,412,158	\$ 93,342,145	\$ 25,864,096	\$ 20,594,740	\$ 26,501,157	\$ 29,321,375	\$ 34,245,180	\$ 31,502,754
Change in Net Assets										
Governmental activities	\$ (4,578,128)	\$ (801,820)	\$ (4,372,654)	\$ 64,449,586	\$ (2,600,042)	\$ (10,152,175)	\$ (2,935,200)	\$ 277,684	\$ 3,470,024	\$ (6,354,472)
Business-type activities	(581,609)	(283,130)	(338,457)	(136,663)	(362,687)	(151,439)	(272,337)	(26,804)	(321,045)	(36,711)
Total primary government	\$ (5,159,737)	\$ (1,084,950)	\$ (4,711,111)	\$ 64,312,923	\$ (2,962,729)	\$ (10,303,614)	\$ (3,207,537)	\$ 250,880	\$ 3,148,979	\$ (6,391,183)

City of Bell Gardens
Program Revenues by Function/Program,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function/Program										
Governmental activities:										
General government	\$ 791,155	\$ 819,452	\$ 207,740	\$ 203,038	\$ 232,347	\$ 238,627	\$ 481,300	\$ 452,527	\$ 412,444	\$ 323,653
Public safety	1,363,986	1,894,446	1,485,166	1,846,946	1,227,375	758,406	1,558,134	1,019,638	1,693,762	820,587
Public works	2,310,181	4,140,166	2,507,890	3,053,246	3,053,241	2,346,995	68,137	338,110	349,086	318,345
Community Development	1,194,013	1,231,704	1,157,639	3,949,929	879,716	1,178,954	469,769	165,014	164,346	98,339
Recreation	<u>245,960</u>	<u>244,763</u>	<u>279,769</u>	<u>393,740</u>	<u>297,216</u>	<u>274,818</u>	<u>4,375,902</u>	<u>4,033,338</u>	<u>5,256,272</u>	<u>6,421,515</u>
Subtotal governmental activities	<u>5,905,295</u>	<u>8,330,531</u>	<u>5,638,204</u>	<u>9,446,899</u>	<u>5,689,895</u>	<u>4,797,800</u>	<u>6,953,242</u>	<u>6,008,627</u>	<u>7,875,910</u>	<u>7,982,439</u>
Business-type activities:										
Water	1,257,433	1,235,559	1,249,287	1,261,619	1,260,620	1,543,072	1,275,948	1,542,145	1,095,560	1,167,953
Golf Course	<u>214,096</u>	<u>186,433</u>	<u>152,569</u>	<u>159,898</u>	<u>140,768</u>	<u>144,718</u>	<u>134,886</u>	<u>177,563</u>	<u>146,113</u>	<u>96,175</u>
Subtotal business-type activities	<u>1,471,529</u>	<u>1,421,992</u>	<u>1,401,856</u>	<u>1,421,517</u>	<u>1,401,388</u>	<u>1,687,790</u>	<u>1,410,834</u>	<u>1,719,708</u>	<u>1,241,673</u>	<u>1,264,128</u>
Total primary government	<u>\$ 7,376,824</u>	<u>\$ 9,752,523</u>	<u>\$ 7,040,060</u>	<u>\$ 10,868,416</u>	<u>\$ 7,091,283</u>	<u>\$ 6,485,590</u>	<u>\$ 8,364,076</u>	<u>\$ 7,728,335</u>	<u>\$ 9,117,583</u>	<u>\$ 9,246,567</u>

City of Bell Gardens
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Reserved	\$ 29,533,393	\$ 28,192,377								
Unreserved	5,663,390	7,885,063								
Nonspendable	(1) -	-	\$ 31,101,324	\$ 31,063,371	\$ 31,225,087	\$ 15,040,086	\$ 16,026,718	\$ 13,649,022	\$ 13,601,162	\$ 2,148,992
Restricted	(1) -	-	2,653,435	-	-	-	-	-	-	-
Committed	(1) -	-	1,500,000	1,700,000	1,900,000	2,100,000	2,300,000	2,500,000	2,700,000	2,900,000
Assigned	(1) -	-	4,788,238	6,506,443	7,598,763	10,100,279	8,358,491	12,574,042	16,937,770	12,907,322
Unassigned	(1) -	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 35,196,783</u>	<u>\$ 36,077,440</u>	<u>\$ 40,042,997</u>	<u>\$ 39,269,814</u>	<u>\$ 40,723,850</u>	<u>\$ 27,240,365</u>	<u>\$ 26,685,209</u>	<u>\$ 28,723,064</u>	<u>\$ 33,238,932</u>	<u>\$ 17,956,314</u>
All Other Governmental Funds										
Reserved	\$ 6,444,813	\$ 3,790,622								
Unreserved	(36,304,119)	(37,350,419)								
Nonspendable	(1) -	-	\$ 3,907,450	\$ -	\$ -	\$ -	\$ -	\$ 3,387	\$ -	\$ 5,537
Restricted										
Housing	(1) -	-	-	-	-	663,101	693,620	775,919	997,199	536,826
Comm Development Proj	(1) -	-	429,398	442,846	468,060	562,178	-	-	-	-
Recreation and Comm Svcs	(1) -	-	123,854	121,469	117,741	116,019	729,771	730,810	730,810	120,884
Public Works	(1) -	-	2,030,498	1,177,422	1,091,302	1,100,615	-	-	-	-
Public Safety	(1) -	-	805,968	832,532	827,949	837,880	600,476	356,541	1,055,351	918,275
Transportation	(1) -	-	-	-	-	31,474	1,393,310	974,519	1,851,822	1,827,769
Environmental	(1) -	-	-	-	-	-	297,779	327,303	385,104	390,510
Capital Improvement Projects	(1) -	-	792	23,454	80,216	139,849	3,637,951	3,554,948	3,294,209	-
Debt Service	(1) -	-	10,886,625	-	-	-	-	-	-	-
Committed										
Post Employment Benefits	(1) -	-	778,291	-	-	-	-	-	-	-
Assigned	(1) -	-	-	324,016	73,707	131,449	150,653	150,751	150,752	150,632
Unassigned	(1) -	-	(57,463,227)	(316,482)	(122,001)	(213,126)	(338,925)	(170,854)	(87,603)	(502,682)
Total all other governmental funds	<u>\$ (29,859,306)</u>	<u>\$ (33,559,797)</u>	<u>\$ (38,500,351)</u>	<u>\$ 2,605,257</u>	<u>\$ 2,536,974</u>	<u>\$ 3,369,439</u>	<u>\$ 7,164,635</u>	<u>\$ 6,703,324</u>	<u>\$ 8,377,644</u>	<u>\$ 3,447,751</u>

NOTES:

(1) New reporting requirements per GASB 54.

City of Bell Gardens
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues										
Taxes (see Schedule 6)	\$ 23,215,956	\$ 22,397,036	\$ 20,803,506	\$ 18,957,727	\$ 8,186,973	\$ 8,229,740	\$ 19,080,069	\$ 22,415,867	\$ 24,300,284	\$ 23,165,933
Licenses and permits	258,303	271,024	425,579	246,684	296,646	526,682	3,910,865	4,020,146	3,061,686	4,066,421
Fines and forfeitures	569,561	365,602	665,888	658,947	410,651	461,973	746,328	582,265	4,200,624	4,374,440
Use of money and property	4,062,189	4,860,235	5,208,244	3,869,148	3,980,288	4,262,980	4,483,440	4,193,622	649,604	569,371
From other Agencies	7,549,280	9,839,425	8,135,923	8,573,115	8,095,770	7,400,120	3,330,088	2,803,809	4,445,859	4,670,113
Charges for services	534,918	465,309	510,030	575,465	10,255,382	10,406,153	598,817	677,357	1,295,306	510,712
Other revenues	<u>234,092</u>	<u>254,627</u>	<u>424,963</u>	<u>319,264</u>	<u>548,434</u>	<u>491,789</u>	<u>1,194,298</u>	<u>702,143</u>	<u>4,339,168</u>	<u>1,249,951</u>
Total revenues	<u>36,424,299</u>	<u>38,453,258</u>	<u>36,174,133</u>	<u>33,200,350</u>	<u>31,774,144</u>	<u>31,779,437</u>	<u>33,343,905</u>	<u>35,395,209</u>	<u>42,292,531</u>	<u>38,606,941</u>
Expenditures										
General government	6,290,551	6,761,242	5,510,615	5,021,662	4,523,348	4,458,587	5,243,358	5,715,862	5,733,380	6,303,209
Public safety	13,123,483	12,903,219	12,357,221	12,594,893	11,960,492	12,116,850	8,314,613	8,465,041	9,450,700	9,791,978
Public works	8,025,112	8,011,053	8,360,219	7,911,996	7,919,556	8,150,563	13,055,529	13,809,907	14,902,518	15,760,348
Community Development	1,623,507	1,185,669	2,207,786	2,429,742	1,099,124	1,152,346	908,350	1,011,500	975,513	1,119,201
Recreation	2,636,528	2,470,040	2,818,574	2,614,651	2,391,734	2,352,708	2,497,441	2,715,948	2,907,759	2,947,132
Capital Outlay	2,117,959	2,622,433	2,412,065	1,854,584	1,779,346	1,059,727	927,565	1,323,911	754,104	7,213,433
Debt service										
Interest	4,935,072	4,876,961	2,043,241	1,563,700	321,527	325,787	498,571	400,370	329,879	300,118
Principal	1,213,608	1,273,762	1,340,644	1,338,280	530,571	555,571	257,069	647,953	689,876	709,901
Bond Issuance costs	-	-	-	-	-	-	1,043,792	-	-	-
Total expenditures	<u>39,965,820</u>	<u>40,104,379</u>	<u>37,050,365</u>	<u>35,329,508</u>	<u>30,525,698</u>	<u>30,172,139</u>	<u>32,746,288</u>	<u>34,090,492</u>	<u>35,743,729</u>	<u>44,145,320</u>
Excess of revenues over (under) expenditures	(3,541,521)	(1,651,121)	(876,232)	(2,129,158)	1,248,446	1,607,298	597,617	1,304,717	6,548,802	(5,538,379)

City of Bell Gardens
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Other Financing Sources (Uses)										
Bonds issued	-	-	-	-	-	-	5,830,000	-	-	-
Premium on bonds issued	-	-	-	-	-	-	630,175	-	-	-
Payments to escrow agent	-	-	-	-	-	-	(2,452,943)	-	-	-
Other debts issued	-	-	-	-	-	-	-	-	-	-
Transfers in	-	1,636,628	586,071	1,497,933	1,165,595	1,596,377	1,858,093	1,148,793	2,112,928	2,807,125
Transfers out	-	(3,103,184)	(829,443)	(2,266,744)	(1,034,739)	(919,644)	(1,950,963)	(1,183,581)	(2,064,861)	(2,957,052)
Total other financing sources (uses)	-	(1,466,556)	(243,372)	(768,811)	130,856	676,733	3,914,362	(34,788)	48,067	(149,927)
Extraordinary gain/(loss) on dissolution of Red Ag	-	-	-	43,519,044	-	-	-	-	-	-
Net change in fund balances	<u>\$ (3,541,521)</u>	<u>\$ (3,117,677)</u>	<u>\$ (1,119,604)</u>	<u>\$ 40,332,425</u>	<u>\$ 1,385,753</u>	<u>\$ 1,985,818</u>	<u>\$ 4,334,721</u>	<u>\$ 1,377,477</u>	<u>\$ 1,377,477</u>	<u>\$ (5,688,306)</u>
Debt service as a percentage of noncapital expenditures	16.25%	16.41%	9.77%	8.67%	2.96%	3.03%	2.37%	3.20%	2.91%	2.73%

City of Bell Gardens
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales & Use</u>	<u>Occupancy</u>	<u>Franchise</u>	<u>Property Transfer</u>	<u>Other</u>	<u>Total</u>
2009	6,023,238	2,155,134	204,761	414,256	24,163	16,525,839	25,347,391
2010	5,588,240	1,962,040	187,820	323,941	15,858	16,739,536	24,817,435
2011	4,955,009	2,150,865	223,480	517,145	23,999	16,235,880	24,106,378
2012	4,730,399	2,390,885	238,104	518,889	14,738	14,971,352	22,864,367
2013	4,807,151	2,533,682	258,666	589,683	33,368	15,614,309	23,836,859
2014	4,854,325	2,635,981	314,060	582,545	26,768	16,016,240	24,429,919
2015	5,475,800	2,755,036	362,340	675,274	30,883	16,876,306	26,175,639
2016	5,302,713	2,724,441	534,412	634,387	37,364	18,630,606	27,863,923
2017	5,525,193	2,906,014	742,345	704,476	43,383	24,112,701	34,034,112
2018	5,623,586	2,978,666	737,207	737,113	95,964	20,541,169	30,713,705
Change							
2009–2018	-6.6%	38.2%	260.0%	77.9%	297.2%	24.3%	21.2%

**City of Bell Gardens
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years**

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Miscellaneous Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value^a as a Percentage of Actual Taxable Value
2009	981,735,374	202,867,294	136,019,849	119,838,681	1,440,461,198	1	14,404,612	10000.000%
2010	985,095,925	209,182,394	149,475,013	132,497,327	1,476,250,659	1	14,762,507	10000.000%
2011	963,224,292	209,532,596	143,796,745	135,222,931	1,451,776,564	1	14,517,766	10000.000%
2012	955,510,379	204,218,229	150,142,989	137,164,651	1,447,036,248	1	14,470,362	10000.000%
2013	955,933,544	208,065,529	152,823,079	133,730,238	1,450,552,390	1	14,505,524	10000.000%
2014	999,929,015	211,197,686	154,882,700	167,161,033	1,533,170,434	1	15,331,704	10000.000%
2015	1,022,936,332	219,064,657	152,796,983	170,635,741	1,565,433,713	1	15,654,337	10000.000%
2016	1,074,587,956	225,037,146	154,989,143	174,441,992	1,629,056,237	1	16,290,562	10000.000%
2017	1,112,397,761	239,905,413	160,863,704	179,475,910	1,692,642,788	1	16,926,427	10000.000%
2018	1,166,730,523	246,284,076	167,771,117	195,015,390	1,775,801,106	1	17,758,011	10000.000%

City of Bell Gardens
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rates				Los Angeles County	Montebello Unified School District
	Basic Rate	General Obligation Debt Service	Redevelopment Debt Service	Total Direct Rate		
2009	1.00	-	-	1.00	0.2191	0.0806
2010	1.00	-	-	1.00	0.2628	0.0967
2011	1.00	-	-	1.00	0.3279	0.0979
2012	1.00	-	-	1.00	0.2923	0.1000
2013	1.00	-	-	1.00	0.3251	0.0963
2014	1.00	-	-	1.00	0.2855	0.0946
2015	1.00	-	-	1.00	0.3041	0.0875
2016	1.00	-	-	1.00	0.3315	0.0875
2017	1.00	-	-	1.00	0.3323	0.1470
2018	1.00	-	-	1.00	0.3208	0.1351

Source: HDL

Notes: The city's basic property tax rate may be increased only by a majority vote of the city's residents. Rates for debt service are set based on each year's requirements.

**City of Bell Gardens
Principal Property Tax Payers
Current Year and Ten Years Ago**

<u>Taxpayer</u>	<u>2018</u>			<u>2009</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Bell Gardens Casino LP	\$ 81,150,606	1	4.71%	\$ 52,269,078	1	3.63%
Prime CRDF Bell Gardens llc	37,465,293	2	2.17%			
Prime Store El Portal	20,461,461	3	1.19%	37,666,555	2	2.61%
CDC of Bell Gardens	20,319,926	4	1.18%			
IIT Bell Gardens Portfolio LLC	17,165,743	5	1.00%			
Wei Chuan International Inc.	14,280,485	6	0.83%	15,448,863	4	1.07%
James Parkhouaw Trust	10,216,302	7	0.59%			
Giraffe Properties LLC	9,096,167	8	0.53%			
Bell Gardens Hospitality LLC	8,558,961	9	0.50%	7,288,031	7	0.51%
James P. & Judy A. Berg	7,840,436	10	0.46%	6,819,481	9	0.47%
Theodore Liebovich Co Trust						
Burnham Pacific Operating Partnership						
Realty Associates Fund V				11,910,498	5	0.83%
Metal Surfaces Inc.				6,459,416	10	0.45%
Toys R Us				8,416,690	6	0.58%
James Parkhouse Trust						
Suva Montalane Investments Lle				6,819,822	8	0.47%
Florence Eastern Marketplace				37,230,000	3	2.58%
Total	\$ 226,555,380		13.16%	\$ 190,328,434		13.20%

Source: HdL Coren & Cone, Los Angeles County Assessor 2017/18 and 2008/09 Combined Tax Rolls

Bell Gardens Bicycle Club

**City of Bell Gardens
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Collection to date	
		Amount	Percentage of Levy		Amount	Percent of Levy
2009	1,325,224	978,420	73.83%	*	978,420	73.83%
2010	1,358,151	950,706	70.00%	*	950,706	70.00%
2011	1,335,634	961,074	71.96%	*	961,074	71.96%
2012	1,331,273	995,598	74.79%	20,531	1,016,129	76.33%
2013	1,334,508	1,185,167	88.81%	1,191	1,186,358	88.90%
2014	1,372,471	1,077,254	78.49%	975	1,078,229	78.56%
2015	1,401,157	1,127,438	80.46%	1,029	1,128,467	80.54%
2016	1,458,844	1,313,441	90.03%	-	1,313,441	90.03%
2017	1,523,617	1,360,576	89.30%	-	1,360,576	89.30%
2018	1,585,780	1,338,925	84.43%	-	1,338,925	84.43%

Sources: Finance Department records and Los Angeles County Assessors Office

* NOTE:

The City receives limited information from Los Angeles County in connection to tax levies and collections. At the current time the City does not have the resources to retrieve the Collection in Subsequent years data for the periods 2005-2011 and does not currently have the Taxes Levied information for the fiscal year ended June 30, 2014.

City of Bell Gardens
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

	Calendar Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Apparel stores	\$ 26,865	\$ 26,517	\$ 30,437	\$ 33,260	\$ 33,195	\$ 34,319	\$ 31,150	\$ 34,066	\$ 38,781	\$ 37,080
General merchandise	1,056	1,948	2,126	1,909	1,996	2,227	2,342	2,621	2,584	2,473
Food stores	16,980	16,787	16,224	16,802	19,955	24,213	23,719	24,551	17,300	15,248
Eating and drinking establishments	34,281	31,329	31,031	32,795	35,521	37,643	41,548	43,520	46,315	49,484
Building materials and farm tools	5,820	4,594	4,551	5,479	5,976	5,312	5,926	6,529	5,796	6,530
Auto dealers and supplies	6,573	6,215	6,867	6,977	8,316	8,023	8,474	8,613	8,581	8,126
Service stations	42,124	30,536	34,792	44,818	47,503	45,518	47,834	40,986	35,376	41,728
Other retail stores	32,713	29,821	30,717	30,725	30,045	33,140	36,125	37,557	44,368	42,316
All other outlets	<u>61,374</u>	<u>51,563</u>	<u>54,439</u>	<u>61,461</u>	<u>62,658</u>	<u>69,875</u>	<u>75,367</u>	<u>80,909</u>	<u>86,059</u>	<u>89,300</u>
Total	\$ <u>227,786</u>	\$ <u>199,310</u>	\$ <u>211,184</u>	\$ <u>234,226</u>	\$ <u>245,165</u>	\$ <u>260,270</u>	\$ <u>272,485</u>	\$ <u>279,352</u>	\$ <u>285,160</u>	\$ <u>292,285</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: The HdL Companies

**City of Bell Gardens
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years**

Fiscal Year	City Direct Rate	Los Angeles County	State of California
2009	1.00	1.50	7.25
2010	1.00	1.50	7.25
2011	1.00	1.50	7.25
2012	1.00	1.50	7.25
2013	1.00	1.50	6.50
2014	1.00	1.50	6.50
2015	1.00	1.50	6.50
2016	1.00	1.50	6.50
2017	1.00	1.50	7.00
2018	1.00	1.50	7.00

Sources: Los Angeles County

Note: The city sales tax rate may be changed only with the approval of the state legislature.
The most recent Sales Tax rate was October 1, 2017.

**City of Bell Gardens
Principal Sales Tax Remitters
Current Year and Ten Years Ago**

<u>2018</u>		<u>2009</u>	
<u>Tax Remitter</u>	<u>Business Category</u>	<u>Tax Remitter</u>	<u>Business Category</u>
76	Service Stations	Andre Shoes	Shoe Stores
Alfredos Mexican Food	Quick service Restaurants	Applebees	Casual Dining
Applebees	Casual Dining	Arco AM PM	Service Stations
Arco AM PM	Service Stations	Arco AM PM	Service Stations
AutoZone	Automotive Supply Stores	AutoZone	Automotive Supply Stores
Bicycle Casino	Leisure/Entertainment	Bicycle Casino	Leisure/Entertainment
Big 5 Sporting Goods	Sporting Goods/Bike Stores	Big 5 Sporting Goods	Sporting Goods/Bike Stores
Casa Leaders	Home Furnishings	Casa Leaders	Home Furnishings
Chevron Pronto Lube & Tune	Service Stations	Chevron Pronto Lube & Tune	Service Stations
Eastern Bell Oil	Service Stations	El Pollo Loco	Quick service Restaurants
El Pollo Loco	Quick service Restaurants	El Tapatio Foods	Grocery Stores
Food 4 Less	Grocery Stores	Food 4 Less	Grocery Stores
IHOP	Casual Dining	IHOP	Casual Dining
Jack in the Box	Quick service Restaurants	Jack in the Box	Quick service Restaurants
Marahalls	Family Apparel	Marahalls	Family Apparel
McDonalds	Quick service Restaurants	McDonalds	Quick service Restaurants
Mosier	Building Materials	Mosier	Building Materials
Parkhouse Tire Service	Trailers/Auto Parts	Parkhouse Tire Service	Trailers/Auto Parts
Rite Aid	Drug Stores	Rite Aid	Drug Stores
Ross	Family Apparel	Ross	Family Apparel
Super A Foods	Grocery Stores	Speedy Fuel	Service Stations
Toys R Us	Specialty Stores	Super A Foods	Grocery Stores
USA Gasoline	Service Stations	Toys R US	Specialty Stores
Valero/Circle K	Service Stations	Union 76	Service Stations
Westcoast Accudyne	Heavy Industrial	Valero	Service Stations
Percent of FY Total Paid by Top 25		63.58%	61.78%

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

City of Bell Gardens
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business - type Activities			
	Tax Allocation Bonds	Revenue Bonds	Notes Payable	Certificates of Participation	Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2009	15,075,000	4,555,000	13,917,673	3,665,000	4,425,000	37,212,673	10.67%	918
2010	14,480,000	4,430,000	13,458,911	3,590,000	4,220,000	35,958,911	9.72%	855
2011	13,865,000	4,295,000	12,621,267	3,510,000	4,010,000	34,291,267	6.77%	869
2012	-	-	3,360,000	3,430,000	3,795,000	6,790,000	1.84%	240
2013	-	-	3,144,151	3,306,355	3,574,474	6,450,506	2.10%	238
2014	-	-	2,673,580	3,260,000	3,340,000	5,933,580	1.83%	220
2015	-	6,460,172	2,175,009	-	3,103,700	8,635,181	2.18%	252
2016	-	6,301,045	1,662,056	-	2,853,313	7,963,101	1.90%	257
2017	-	6,111,918	1,137,179	-	2,592,926	7,249,097	1.71%	229
2018	-	5,927,791	587,278	-	2,317,537	8,832,606	1.47%	229

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

**City of Bell Gardens
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Redevelopment Bonds	Total		
2009	-	15,075,000	15,075,000	104.65%	322.21
2010	-	14,480,000	14,480,000	98.09%	308.07
2011	-	13,865,000	13,865,000	95.50%	314.73
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-

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

City of Bell Gardens
Direct and Overlapping Governmental Activities Debt

Overlapping Debt:	Outstanding debt 6/30/2018	City Percentage	Estimated Share Overlapping Debt
Govt & Bus Obligation Bonds	8,281,179	100	8,281,179
Metropolitan Water District*	29,354,442	0.112	32,736
Cerritos CCD DS 2004 Series 2009C & 2012D	83,770,988	0.13	54,723
Cerritos CCD DS 2012 Series 2014A	73,900,000	0.065	48,275
Cerritos CCD DS 2014 Ref Bonds Series A & B	91,685,000	0.13	59,893
Cerritos CCD DS 2012 Series 2018B	75,000,000	0.065	48,993
LA CCD DS 2001, 2003 Taxable Series 2004A & B	33,670,000	0.426	71,788
LA CCD DS 2001,2003, 2008 SER E-1 & F-1	15,155,000	0.426	32,312
LA CCD DS 2008, 2009 Taxable Series B & D	200,000,000	0.426	426,421
LA CCD DS 2008, 2010 Tax Ser E (BABS)	900,000,000	0.213	1,918,892
LA CCD DS 2008 2012 Series F	205,000,000	0.213	437,081
LA CCD DS 2013 Ref Bonds	42,305,000	0.213	90,199
LA CCD DS 2008 Series G	1,664,870,000	0.213	3,549,674
LA CCD DS 2015 REF Series A , B & C	529,265,000	0.639	1,128,447
LA CCD DS 2008 Series 1	175,565,000	0.213	374,323
LA CCD DS 2016 Ref Bonds	300,000,000	0.213	639,631
LA CCD DS 2016, 2017 SER A	100,000,000	0.213	213,210
Downey USD DS Refunding 1999 Series A	3,935,256	0.247	9,722
Downey USD DS 2007 Ref BDS	16,720,000	0.247	41,306
Downey USD DS 2011, 2012 Ref Bonds	19,510,000	0.494	48,199
Downey USD DS 2014 Series A	42,995,000	0.247	106,218
Downey USD DS 2016 REF Bonds	6,595,000	0.247	16,293
Los Angeles USD DS 2004 Series A	125,535,000	0.009	10,731
Los Angeles UNIF DS 2005 REF Bonds A-1 & A-2	52,825,000	0.018	4,515
Los Angeles UNIF DS 2002, 2004 & 2005 Series E, J & H	888,355,000	0.027	132,344
LAUSD Measure R Series 2009	47,425,000	0.009	4,054
LAUSD Measure R Series KRY BABS	363,005,000	0.009	31,028
LAUSD Measure Y 2009 Series KRY BABS	806,795,000	0.009	68,960
LAUSD Measure K, R & Y 2010 Series KRY	432,865,000	0.027	36,999
LAUSD Measure R & Y 2010 Series RY BABS	1,250,585,000	0.018	106,893
Los Angeles UNIF DS 2011 Refunding Bond Series A 1 & A 2	271,850,000	0.018	23,237
Los Angeles UNIF DS 2014 REF Bond Series A, B, C & D	1,455,820,000	0.036	124,435
Los Angeles UNIF DS 2005 Series K	8,035,000	0.009	687
Los Angeles UNIF DS 2015 REF Bonds Series A	318,085,000	0.009	27,188
LoS Angeles UNIF DS 2009 Series A 2016	1,162,115,000	0.009	99,331
Los Angeles UNIF DS 2016 REF Bonds Series A & B	1,558,490,000	0.018	133,210
Los Angeles UNIF DS 2017 REF Bonds Ser A Prop BB	1,202,445,000	0.009	102,778
Montebello USD DS 1998 Series 1998, 1999 & 2002	23,961,889	30.738	2,455,138
Montebello USD DS 2004 Series 2008 & 2009-1	2,690,000	20.492	275,617
Montebello USD DS 2004 Series 2009A-2 BABS	12,640,000	10.246	1,295,096
Montebello USD DS 2010 Refunding Bonds	3,380,000	10.246	346,315
Montebello USD DS REF 2004 Series 2013A	18,300,000	10.246	1,875,021
Montebello USD DS REF Bond Series 2015 & 2016 Series A	43,035,000	20.492	4,409,373
Montebello USD DS 2016 Series A	92,205,000	10.246	9,447,339
Total nDirect and Overlapping debt			38,639,804

2017/18 Assessed Valuation: \$1,278,085,934 After Deducting \$444,574,818 Incremental Value.

Debt To Assessed Valuation Ratios:	Direct Debt	0.65%
	Overlapping debt	2.38%
	Total debt	3.030%

*This fund is a portion of a larger agency, and is responsible for debt in areas outside the city.

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is with the city's boundaries and dividing it by each unit's total taxable assessed value.

Data Source: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2017/18 Lien Data Tax Rolls

City of Bell Gardens
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	\$ 1,722,660,752
Debt limit (15% of assessed value)	258,399,113
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	\$ 258,399,113

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 216,069,180	\$ 221,437,599	\$ 217,766,485	\$ 217,055,442	\$ 217,582,859	\$ 223,772,444	\$ 228,455,393	\$ 237,724,320	\$ 248,274,475	\$ 258,399,113
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 216,069,180</u>	<u>\$ 221,437,599</u>	<u>\$ 217,766,485</u>	<u>\$ 217,055,442</u>	<u>\$ 217,582,859</u>	<u>\$ 223,772,444</u>	<u>\$ 228,455,393</u>	<u>\$ 237,724,320</u>	<u>\$ 248,274,475</u>	<u>\$ 258,399,113</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Under state finance law, the city's outstanding general obligation debt should not exceed 15 percent of total assessed property value. The City has no bonded indebtedness.

Source: HDL

City of Bell Gardens
Pledged-Revenue Coverage
Last Ten Fiscal Years

Water Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	1,246,000	2,087,433	(841,433)	205,000	190,052	(2.13)
2010	1,113,594	1,775,816	(662,222)	205,000	190,052	(1.68)
2011	1,139,956	1,423,836	(283,880)	210,000	183,693	(0.72)
2012	1,150,100	1,372,324	(222,224)	215,000	176,518	(0.57)
2013	1,260,620	1,408,572	(147,952)	225,000	168,705	(0.38)
2014	1,543,070	1,365,071	177,999	230,000	160,343	0.46
2015	1,038,752	962,962	75,790	240,000	151,230	0.19
2016	1,545,560	1,318,431	227,129	250,000	140,805	0.58
2017	1,103,221	147,407	955,814	260,000	135,180	2.42
2018	1,167,877	975,029	192,848	275,000	123,480	0.48

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include bond interest, depreciation, or amortization expenses.

City of Bell Gardens
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	Unemployment Rate
2009	46,786	390,295,865	39,794	11.8%
2010	47,002	413,316,582	42,265	11.6%
2011	44,054	565,365,000	43,999	11.3%
2012	42,072	575,045,000	44,423	9.4%
2013	42,437	478,000,300	44,459	9.9%
2014	42,072	507,400,000	45,540	7.1%
2015	42,072	537,600,000	46,568	7.4%
2016	42,072	568,300,000	47,470	5.5%
2017	43,146	574,000,000	55,800	5.9%
2018	42,747	602,632,000	58,818	4.3%

Sources: Population provided by the California State Dept. of Finance. Personal income and per capita income provided from the Bureau of Economic Analysis and unemployment data provided by the State Department of Commerce and Labor.

City of Bell Gardens
Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Full-time-Equivalent Employees as of June 30</u>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government										
Mayor and City Council	1	1	1	1	1	1	1	1	1	1
City Manager's Office	4	4	4	4	4	4	4	4	4	4
City Clerk's Office	2	2	2	2	2	2	2	2	2	2
Finance	9	10	10	8	10	10	10	10	10	10
Community Development	13	13	13	12	10	10	10	10	9	9
Police										
Sworn	57	57	57	51	51	51	51	51	51	51
Non-sworn	23	23	23	22	21	21	21	22	22	23
Public works	30	31	31	29	27	27	27	27	27	28
Recreation & Community Services	13	13	13	11	11	11	11	11	12	12
Total	<u>152</u>	<u>154</u>	<u>154</u>	<u>140</u>	<u>137</u>	<u>137</u>	<u>137</u>	<u>138</u>	<u>138</u>	<u>140</u>

Source: City Budget

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

**City of Bell Gardens
Principal Employers
Current Year and Nine Years Ago**

<u>Employers</u>	<u>2017-2018</u>		<u>2008-2009</u>	
	<u>Number of Employees</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Bicycle Casino	1,500	10.48%		
Briarcrest Nursing Center	227	1.59%		
Del Rio Sanitarium Inc	180	1.26%		
First Class Vending, Inc.	150	1.05%		
Valet Services	150	1.05%		
Metal Surfaces Inc.	125	0.87%		
Dex-Choi Enterprises Inc	105	0.73%		
Wei-Chuan U.S. A. Inc.	100	0.70%		
Applebee's Neighborhood Grill	93	0.65%		
Food 4 Less #307	90	0.63%		
Total	<u>2,720</u>	<u>19.00%</u>		

Source:

City Bell Gardens Community Development Department

California Employment Development Labor Market Information

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

*** Note**

2008-2009 Employer data is not readily available and thus the City has chosen not to present it at this time.

City of Bell Gardens
Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government										
Building permits issued	237	231	281	233	215	199	266	264	202	310
Police										
Physical arrests	1,642	1,524	1,586	1,817	1,638	1,330	1,399	1,343	1,220	1,246
Parking violations	7,607	5,614	4,777	5,198	4,408	4,946	4,796	7,435	7,553	10,223
Traffic violations	4,162	3,864	5,133	6,529	5,532	2,890	3,518	2,164	2,506	1,990
Refuse collection										
Refuse collected (tons per day)	93	75	72	72	43	42	23	29	29	30
Recyclables collected (tons per day)	11	23	22	22	14	13	18	20	20	21
Other public works										
Street resurfacing (miles)	*	1.5	3.2	1.5	0.6	0.6	0.2	0.0	0.0	1.3
Potholes repaired	288	330	295	198	185	250	270	405	405	160
Parks and recreation										
Athletic field permits issued	534	146	165	238	194	224	307	274	231	261
Community center admissions	260,406	430,053	401,758	417,919	420,277	428,683	443,687	455,368	482,690	448,901
Transit										
Total route miles	*	*	*	*	*	*	*	*	*	*
Passengers	322,511	*	*	*	230,254	*	*	*	*	*

Sources: Various city departments.

* Information not available

**City of Bell Gardens
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</u>	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	402	402	402	402	402	402	402	402	402	402
Highways (miles)	107	107	107	107	107	107	107	107	107	107
Streetlights	8,162	8,162	8,162	8,162	8,162	8,162	8,162	8,162	8,162	8,162
Traffic signals	111	111	111	111	111	111	111	111	111	111
Parks and recreation										
Acreage	64	64	64	64	64	64	64	64	64	64
Playgrounds	10	10	10	10	10	10	10	10	10	10
Baseball/softball diamonds	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sanitary sewers (miles)	484	484	484	484	484	484	484	484	484	484
Storm sewers (miles)	339	339	339	339	339	339	339	339	339	339
Treatment capacity (thousands of gallons)	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,000
Transit—Senior Citizen Bus	7	7	7	7	7	7	7	7	7	7

Sources: Various city departments.

Notes: No capital asset indicators are available for the general government function.

* Information not available