

City of Bell Gardens *Comprehensive Annual* *Financial Report*

Fiscal Year Ending June 30, 2014



7100 Garfield Ave, Bell Gardens, CA 90201

CITY OF BELL GARDENS, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

PREPARED BY:
FINANCE & ADMINISTRATIVE
SERVICES DEPARTMENT

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CITY OF BELL GARDENS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2014

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City of BELL GARDENS

7100 Garfield Avenue • Bell Gardens, CA 90201 • 562-806-7700 • www.bellgardens.org

December 11, 2014

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, 2014.

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. Because 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.

Lance, Soll, & Lunghard, LLP, 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, 2014. 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 42,072. 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 six departments of Administration, 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, library and animal control services are provided by the County of Los Angeles and the Southeast Area Animal Control Authority, respectively.

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 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 City continues to make its way through the 'great recession'. Over 40% of the City's general fund revenues come from card club fees received from the Bell Gardens Bicycle Casino (the Bike). Casino revenues peaked in 2008 and then significantly turned downward through 2012. In 2013, casino revenues bottomed out and began to slowly increase. This slow increase continued through 2014 as casino revenues rose approximately 1.6%. The Bike has broken ground on the construction of a 100 room luxury hotel which is expected to be completed in the third quarter of calendar 2015.

Increases were also recognized in the other major revenue sources of the City's general fund which includes property tax, sales tax, vehicle license fees and lease payments.

During the 2014 fiscal year, the City was faced with the challenge of rising costs of health insurance, general liability and workers comp insurance, reduction in CDBG funding and rising retiree health costs. The negative impact of these challenges were offset by the measures put in place in response to the 'great recession' which included: 1) requiring employees to pay their portion of their retirement costs 2) placing a cap on City contributions toward employee health benefits 3) establishing multiple second tier benefits to pension and retirement healthcare. The City also froze certain vacant positions, delayed some capital improvements and reduced or eliminated some community events. These steps, along with the increased revenues and one time revenues, ultimately led to the General Fund receiving more revenue than expenditures for fiscal 2014

Also in 2014, the City entered into two-year agreements with all five employee groups. These agreements included pay increases for both miscellaneous employees and public safety employees along with changes to the City's health insurance plans.

Relevant Financial Polices

In previous years, the City had loaned the former Redevelopment Agency (RDA) a net amount of over \$14,000,000 to perform redevelopment activities. At the time of the loan it was agreed the RDA would pay interest on the loans of 10% which was a reasonable interest rate at the time the loans were provided. However, due to the legislation that eliminated redevelopment agencies the City is now only allowed to charge the current LAIF rate on those loans. The LAIF rate as of June 2014 was less than 1% (.228%). This change caused a significant decrease in the amount of accrued interest on these loans.

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, 2014, the amount committed for contingencies is \$2,100,000.

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

Daniel Crespo	Mayor
Priscilla Flores	Mayor Pro Tem
Pedro Aceituno	Councilmember
Jose J. Mendoza	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

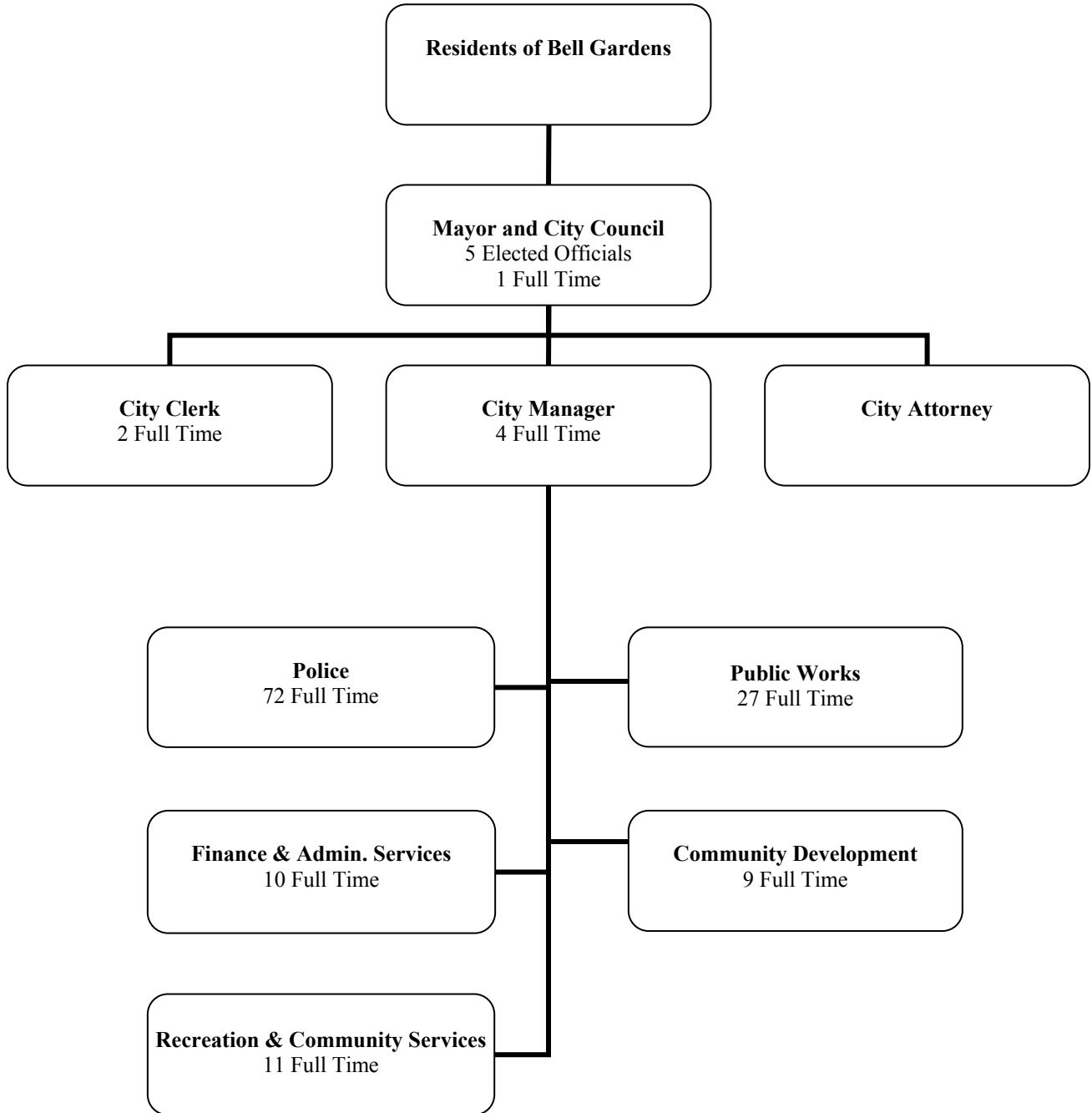
Rosalia A. Conde
City Clerk

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, 2013

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

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 City of Bell Gardens, California, (the City) as of and for the year ended June 30, 2014, 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.



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

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, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the budgetary comparison information, as listed in the 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, 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 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 and schedules 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.



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Brea, California
December 16, 2014

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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, 2014. 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, 2014, the City's net position (excess of assets over liabilities) was \$132.5 million. This is a decrease from prior year of about \$12.1 million. The decrease in net position was caused by a restatement of \$8.5 million; primarily due to the recalculation of interest on loans to the Successor Agency of \$17.6 million netted with the increase of \$10.9 million for loans owed to the City from the Successor Agency. The remaining \$3.6 million was expenditures exceeding revenues.

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 of the City as well as all liabilities.

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, deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net assets. Over time, increases in net assets 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 assets changed during the year. All changes in net assets 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 activities as follows:

Governmental Activities

Most of the City's basic services are reported in this category, including general government, public safety, public works, community development, and parks and recreation. Property, business, hotel and sales taxes, club card fees, franchise taxes, motor vehicle in lieu, interest income, and state and federal grants finance 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 it control and manage money for particular purposes or 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 25 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 and the Low and Moderate Housing fund which are reported as major funds. Data from the other 23 governmental funds are combined into a single, aggregate presentation. 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 operations. *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

At June 30, 2014, the City's net position (excess of assets over liabilities) was \$132.5 million (This includes \$8.5 million in restatement of net position in the government-wide financial statements of the City; the majority of this restatement is related to the net of \$17.6 million in reduction in Advances to Successor Agency for disallowed interest payable and \$10.9 million increase in net position for increase in loans to the City).

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Current and other assets	\$ 58,141,426	\$ 53,133,505	\$ 72,699	\$ (101,387)	\$ 58,214,125	\$ 53,032,118
Capital assets	106,868,389	103,461,040	7,773,308	7,605,124	114,641,697	111,066,164
Total Assets	165,009,815	156,594,545	7,846,007	7,503,737	172,855,822	164,098,282
Deferred Outflows of Resources						
Deferred charge on refunding	-	-	134,391	122,747	134,391	122,747
Long-term liabilities outstanding	22,172,529	25,001,452	3,344,474	3,104,087	25,517,003	28,105,539
Other liabilities	2,483,938	3,164,920	387,883	425,795	2,871,821	3,590,715
Total Liabilities	24,656,467	28,166,372	3,732,357	3,529,882	28,388,824	31,696,254
Net position:						
Net Investment in Capital Assets	100,379,238	97,527,460	4,333,225	4,383,784	104,712,463	101,911,244
Restricted	7,453,015	10,815,624	400,037	399,535	7,853,052	11,215,159
Unrestricted	32,521,095	20,085,089	(485,221)	(686,717)	32,035,874	19,398,372
Total Net Position	\$ 140,353,348	\$ 128,428,173	\$ 4,248,041	\$ 4,096,602	\$ 144,601,389	\$ 132,524,775

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2014 and 2013. Approximately \$101.9 million (77%) of the City's net position consist of the City's investment in capital assets such as land, buildings, 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.

Statement of Activities

The following is the condensed Statement of Activities and Changes in Net Position for the fiscal years ended June 30, 2014 and 2013.

City of Bell Gardens Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Revenues:						
Program revenues:						
Charges for services	\$ 1,313,997	\$ 1,630,172	\$ 1,401,388	\$ 1,687,790	\$ 2,715,385	\$ 3,317,962
Operating grants and contrib.	1,965,613	2,246,087	-	-	1,965,613	2,246,087
Capital grants and contrib.	2,410,285	1,711,667	-	-	2,410,285	1,711,667
General revenues:						
Sales taxes	2,554,034	2,709,528	-	-	2,554,034	2,709,528
Transient occupancy taxes	258,666	314,060	-	-	258,666	314,060
Franchise taxes	2,622,207	2,593,786	-	-	2,622,207	2,593,786
Business license taxes	249,097	281,051	-	-	249,097	281,051
Property taxes	1,160,306	1,057,205	-	-	1,160,306	1,057,205
Other taxes	1,363,015	1,347,657	-	-	1,363,015	1,347,657
Motor Vehicle in Lieu	3,616,717	3,787,841	-	-	3,616,717	3,787,841
Use of money and property	3,966,769	4,244,461	-	13,599	3,966,769	4,258,060
Card club taxes	9,683,860	9,836,243	577	-	9,684,437	9,836,243
Other	388,848	354,902	-	-	388,848	354,902
Total Revenues	<u>31,553,414</u>	<u>32,114,660</u>	<u>1,401,965</u>	<u>1,701,389</u>	<u>32,955,379</u>	<u>33,816,049</u>
Expenses:						
General government	8,765,852	9,335,078	-	-	8,765,852	9,335,078
Public safety	11,962,803	12,130,706	-	-	11,962,803	12,130,706
Community development	1,123,548	1,151,619	-	-	1,123,548	1,151,619
Parks and recreation	2,334,788	2,363,305	-	-	2,334,788	2,363,305
Public works	9,792,085	10,348,627	-	-	9,792,085	10,348,627
Interest and fiscal charges	305,236	331,911	-	-	305,236	331,911
Water utility	-	-	1,408,572	1,503,954	1,408,572	1,503,954
Golf course	-	-	225,224	218,744	225,224	218,744
Total Expenses	<u>34,284,312</u>	<u>35,661,246</u>	<u>1,633,796</u>	<u>1,722,698</u>	<u>35,918,108</u>	<u>37,383,944</u>
Increase (decrease) in net assets before transfers and extraordinary items	(2,730,898)	(3,546,586)	(231,831)	(21,309)	(2,962,729)	(3,567,895)
Extraordinary gain/(loss) on dissolution of redevelopment agency)	-	-	-	-	-	-
Transfers	130,856	130,130	(130,856)	(130,130)	-	-
Changes in Net Position	(2,600,042)	(3,416,456)	(362,687)	(151,439)	(2,962,729)	(3,567,895)
Net Position - beginning of the year	160,661,311	140,353,348	4,762,996	4,248,041	165,424,307	144,601,389
Restatement of Net Position	(17,707,921)	(8,508,719)	(152,268)	-	(17,860,189)	(8,508,719)
Net Position - end of the year	<u>\$ 140,353,348</u>	<u>\$ 128,428,173</u>	<u>\$ 4,248,041</u>	<u>\$ 4,096,602</u>	<u>\$ 144,601,389</u>	<u>\$ 132,524,775</u>

Governmental Activities

The City's net position from governmental activities totaled \$128.4 million. The cost of all governmental activities this year was \$35.7 million. Overall, the City's governmental program revenues were \$5.6 million. The City paid for the remaining "public benefit" portion of governmental activities with \$30.1 million in taxes (some of which could only be used for certain programs) and with other revenues, such as interest earnings and general entitlements.

Revenue highlights:

- ◆ General Revenues increased by \$561k from the prior year- Charges for Services and Use of money and property made up the majority of this increase.
- ◆ Charges for Services increased by \$316k, due primarily to the increase of \$233k in Building permits associated with the new Casino Hotel property development.
- ◆ Use of money and property increased by \$278k, which was a \$186k in lease revenue rent increase and \$65k in rent and concession revenue increases at Ford Park.
- ◆ Card Club casino revenue increased by \$152k from the prior year as the casino is continuing to see a slight rebound in consumer discretion spending.

Expense highlights:

- ◆ Expenses increased by \$1.5 million from the prior year with a majority of the increase coming from General government activities, Public safety activities and Public works activities.
- ◆ General government expenditures increased from prior year by \$569k, which was primarily the current year increase in the CJPIA deposit liability of \$293k compared to the prior year having a decrease of \$438k.
- ◆ Public safety activities expenditures increased from the prior year by \$168k which was created by a portion of the prior year vacancies being filed in the current year.
- ◆ Public works expenditures increased from the prior year by \$557k, as a result of an increase in capital expenditures for street rehabilitation projects and higher utility amounts in the current year.

Business Type Activities

The City's business-type activities net position decreased by \$151k. Key elements of this decrease are as follows:

Revenue Highlights:

- ◆ In the current fiscal year for the first time we accrued revenue in the amount of \$237k, relating to water sales receivable at June 30, 2014.

Expense Highlights:

- ◆ Total expenses in the business-type activities increased by \$88k. Water Utility Fund expenses increased by \$95k and the Golf Course fund expenses decreased by \$7k.
- ◆ The primary increase in the Water Utility Fund was related to an increase of \$29k in Contractual Services and an increase of \$36k in the purchase of water.

- ♦ The key decrease in expenses in the Golf Course fund compared to prior year was a decrease of \$4k in part-time salaries.

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 the end of fiscal year ended June 30, 2014, the City’s governmental funds reported combined ending fund balance of \$30.6 million, a decrease of \$12.7 million compared to the prior year balance of \$43.3 million.

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 \$24.63 million and the final amended budget was \$24.71 million. Budget amendments totaled less than 1% of the original budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Bell Gardens has \$111.1 million invested in the capital assets, as compared to \$114.6 million in the prior year. Net decrease in the capital assets is approximately \$3.6 million.

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

	Governmental Activities		Business-Type Activities		Totals	
	2013	2014	2013	2014	2013	2014
Land	\$ 69,022,714	\$ 67,249,714	\$ 1,011,000	\$ 1,011,000	\$ 70,033,714	\$ 68,260,714
Buildings	10,263,185	9,838,817	-	-	10,263,185	9,838,817
Equipment	788,088	610,716	5,288,527	5,139,484	6,076,615	5,750,200
Construction in Progress	991,202	952,410	-	-	991,202	952,410
Infrastructure	25,803,200	24,809,383	-	-	25,803,200	24,809,383
Intangibles	-	-	1,473,781	1,454,640	1,473,781	1,454,640
Total	<u>\$ 106,868,389</u>	<u>\$ 103,461,040</u>	<u>\$ 7,773,308</u>	<u>\$ 7,605,124</u>	<u>\$ 114,641,697</u>	<u>\$ 111,066,164</u>

The decrease was primarily due to a reclassification of \$1.8 million in land from the City to the Successor Agency, the increase in Accumulated Depreciation of Fixed Assets and decrease in construction in progress during fiscal year 2013-2014. For more detailed information, see notes 5 and 12 to the financial statements.

Long-term Debt

At year-end, the City had \$29.9 million in long-term debts including development fee related obligations, capital lease obligations, other post-employment benefits obligation, certificates of participations and compensated absences, as compared to \$26.6 million in prior year, a net increase of \$3.3 million during the fiscal year. The primary reason for the increase was related to the increase in the outstanding balance for other post-employment obligations of \$3.7 million (see note 8 for this calculation). Please refer to Note 6 for further details on the City's long-term liabilities.

Outstanding Long-Term Debt For Fiscal Year Ended June 30

	Governmental Activities		Business-Type Activities		Totals	
	2013	2014	2013	2014	2013	2014
Accrued Leave Payable	\$ 2,804,723	\$ 2,867,702	\$ -	\$ -	\$ 2,804,723	\$ 2,867,702
Other post employment obligations	13,206,460	16,955,945	-	-	13,206,460	16,955,945
CJPIA Retrospective Deposit Liability	523,923	817,451	-	-	523,923	817,451
Promissory Note- County of LA	2,965,000	2,545,000	-	-	2,965,000	2,545,000
2006 Certificates of Participation	3,345,000	3,260,000	-	-	3,345,000	3,260,000
Southern California Edison On Bill Financing	179,151	128,580	-	-	179,151	128,580
2004 Water Refunding Revenue Bonds	-	-	3,570,000	3,340,000	3,570,000	3,340,000
Unamortized bond premium	-	-	4,474	4,087	4,474	4,087
Unamortized bond discount	(38,645)	(23,522)	-	-	(38,645)	(23,522)
Total	\$ 22,985,612	\$ 26,551,156	\$ 3,574,474	\$ 3,344,087	\$ 26,560,086	\$ 29,895,243

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City of Bell Gardens' finances are dependent on the local, national and international economies. Even though over 40% of the City's revenues are received from one local source, the widespread effect of a negative downturn in the economies will have an effect on the City's finances.

In its third quarterly report of 2014, the UCLA Anderson forecasts a real GDP growth rate of about 3 percent over the next two years. California's economy is moving forward in an expansion from the Great Recession. The forecast calls for total employment growth of 2.4% in 2015 and 2.2% in 2016, which will drive down the unemployment rate to 5.7 % by 2016, which is .3% higher than the U.S rate.

The State has continued to take local governments' revenue to address their budget crisis. In June 2011, the Governor signed into law AB X1 26 to eliminate all redevelopment agencies. As of February 1, 2012 all redevelopment agencies were eliminated, the potential effect of the revenue loss as a result of this is still ongoing but at a minimum the Cities ability to address blight and revitalize the community has suffered.

The Operating Budget for fiscal year 2014-15 reflects the 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' 2014-15 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 the money it receives. 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.

CITY OF BELL GARDENS

STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 13,524,923	\$ 7,561	\$ 13,532,484
Receivables:			
Accounts	800,019	337,198	1,137,217
Notes and loans	8,448,834	-	8,448,834
Accrued interest	4,831	75	4,906
Internal balances	845,756	(845,756)	-
Advances to Successor Agency	26,911,983	-	26,911,983
Prepaid costs	16,490	-	16,490
Due from other governments	1,900,171	-	1,900,171
Restricted assets:			
Cash with fiscal agent	640,761	399,535	1,040,296
Capital assets not being depreciated	68,202,124	1,011,000	69,213,124
Capital assets, net of depreciation	35,258,916	6,594,124	41,853,040
Total Assets	156,594,545	7,503,737	164,098,282
Deferred Outflows of Resources:			
Deferred charge on refunding	-	122,747	122,747
Total Deferred Outflows of Resources	-	122,747	122,747
Liabilities:			
Accounts payable	1,054,317	144,233	1,198,550
Accrued liabilities	397,202	70	397,272
Accrued interest	66,469	39,008	105,477
Unearned revenue	-	2,484	2,484
Deposits payable	97,228	-	97,228
Noncurrent liabilities:			
Due within one year	1,549,704	240,000	1,789,704
Due in more than one year	25,001,452	3,104,087	28,105,539
Total Liabilities	28,166,372	3,529,882	31,696,254
Net Position:			
Net investment in capital assets	97,527,460	4,383,784	101,911,244
Restricted for:			
Community development projects	1,225,279	-	1,225,279
Public safety	837,880	-	837,880
Parks and recreation	116,501	-	116,501
Public works	1,100,615	-	1,100,615
Capital projects	171,323	-	171,323
Post employment benefits	130,967	399,535	530,502
Unrestricted	27,318,148	(686,717)	26,631,431
Total Net Position	\$ 128,428,173	\$ 4,096,602	\$ 132,524,775

CITY OF BELL GARDENS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 9,335,078	\$ 170,956	\$ 124,074	\$ -
Public safety	12,130,706	533,782	524,612	-
Community development	1,151,619	-	-	999,975
Parks and recreation	2,363,305	277,302	-	-
Public works	10,348,627	648,132	1,597,401	711,692
Interest on long-term debt	331,911	-	-	-
Total Governmental Activities	35,661,246	1,630,172	2,246,087	1,711,667
Business-Type Activities:				
Water	1,503,954	1,543,072	-	-
Golf Course	218,744	144,718	-	-
Total Business-Type Activities	1,722,698	1,687,790	-	-
Total Primary Government	\$ 37,383,944	\$ 3,317,962	\$ 2,246,087	\$ 1,711,667

General Revenues:

Taxes:

- Club card gross receipt tax
- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Other taxes
- Motor vehicle in lieu - unrestricted
- Use of money and property
- Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (9,040,048)	\$ -	\$ (9,040,048)
(11,072,312)	-	(11,072,312)
(151,644)	-	(151,644)
(2,086,003)	-	(2,086,003)
(7,391,402)	-	(7,391,402)
(331,911)	-	(331,911)
(30,073,320)	-	(30,073,320)
-	39,118	39,118
-	(74,026)	(74,026)
-	(34,908)	(34,908)
(30,073,320)	(34,908)	(30,108,228)
9,836,243	-	9,836,243
1,057,205	-	1,057,205
314,060	-	314,060
2,709,528	-	2,709,528
2,593,786	-	2,593,786
281,051	-	281,051
1,347,657	-	1,347,657
3,787,841	-	3,787,841
4,244,461	(65)	4,244,396
354,902	13,664	368,566
130,130	(130,130)	-
26,656,864	(116,531)	26,540,333
(3,416,456)	(151,439)	(3,567,895)
140,353,348	4,248,041	144,601,389
(8,508,719)	-	(8,508,719)
\$ 128,428,173	\$ 4,096,602	\$ 132,524,775

CITY OF BELL GARDENS

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General	Special Revenue Funds Low and Moderate Housing	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	\$ 10,613,912	\$ 67,487	\$ 2,843,524	\$ 13,524,923
Receivables:				
Accounts	799,422	324	273	800,019
Notes and loans	219,254	5,910,106	2,319,474	8,448,834
Accrued interest	3,644	-	1,187	4,831
Grants	39,737	-	-	39,737
Prepaid costs	16,490	-	-	16,490
Due from other governments	762,231	-	542,650	1,304,881
Due from other funds	978,863	-	-	978,863
Advances to Successor Agency	26,911,983	595,290	-	27,507,273
Restricted assets:				
Cash and investments with fiscal agents	640,761	-	-	640,761
Total Assets	\$ 40,986,297	\$ 6,573,207	\$ 5,707,108	\$ 53,266,612
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 696,751	\$ -	\$ 357,566	\$ 1,054,317
Accrued liabilities	397,103	-	99	397,202
Deposits payable	73,542	-	23,686	97,228
Due to other funds	-	-	133,107	133,107
Total Liabilities	1,167,396	-	514,458	1,681,854
Deferred Inflows of Resources:				
Unavailable revenues	12,578,536	5,910,106	2,486,312	20,974,954
Total Deferred Inflows of Resources	12,578,536	5,910,106	2,486,312	20,974,954
Fund Balances:				
Nonspendable:				
Prepaid costs	16,490	-	-	16,490
Advances to Successor Agency	15,023,596	-	-	15,023,596
Restricted for:				
Community development projects	-	663,101	562,178	1,225,279
Public safety	-	-	837,880	837,880
Parks and recreation	-	-	116,501	116,501
Public works	-	-	1,100,615	1,100,615
Capital Projects	-	-	171,323	171,323
Debt service	-	-	130,967	130,967
Committed to:				
Committed to contingencies	2,100,000	-	-	2,100,000
Assigned to:				
Post employment benefits	6,253,714	-	-	6,253,714
Compensated absences	2,867,702	-	-	2,867,702
Interfund loans	978,863	-	-	978,863
Unassigned	-	-	(213,126)	(213,126)
Total Fund Balances	27,240,365	663,101	2,706,338	30,609,804
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 40,986,297	\$ 6,573,207	\$ 5,707,108	\$ 53,266,612

CITY OF BELL GARDENS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

Fund balances of governmental funds		\$ 30,609,804
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		103,461,040
Long-term debt and compensated absences have not been included in the governmental fund activity:		
2006 Certificates of Participation	\$ (3,260,000)	
Unamortized bond premiums/discounts	23,522	
Notes Payable: County of Los Angeles - Section 108	(2,545,000)	
Southern California Edison On Bill Financing Agreement	(128,580)	
CJPIA General Liability Retrospective Payable	(817,451)	
Compensated Absences	<u>(2,867,702)</u>	(9,595,211)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability.		(16,955,945)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(66,469)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		<u>20,974,954</u>
Net Position of governmental activities		<u><u>\$ 128,428,173</u></u>

CITY OF BELL GARDENS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	General	Special Revenue Funds Low and Moderate Housing	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 14,733,854	\$ -	\$ 3,332,129	\$ 18,065,983
Licenses and permits	526,682	-	-	526,682
Intergovernmental	4,051,603	-	3,348,517	7,400,120
Charges for services	312,523	-	257,387	569,910
Use of money and property	3,937,889	71,856	253,235	4,262,980
Fines and forfeitures	270,695	-	191,278	461,973
Contributions	-	-	30,000	30,000
Miscellaneous	238,657	80,689	142,443	461,789
Total Revenues	24,071,903	152,545	7,554,989	31,779,437
Expenditures:				
Current:				
General government	3,911,079	-	547,508	4,458,587
Public safety	11,782,031	-	334,819	12,116,850
Community development	1,064,117	-	88,229	1,152,346
Parks and recreation	2,161,703	-	191,005	2,352,708
Public works	3,096,189	-	5,054,374	8,150,563
Capital outlay	289,306	-	1,068,634	1,357,940
Debt service:				
Principal retirement	135,571	-	420,000	555,571
Interest and fiscal charges	182,837	-	142,950	325,787
Total Expenditures	22,622,833	-	7,847,519	30,470,352
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,449,070	152,545	(292,530)	1,309,085
Other Financing Sources (Uses):				
Transfers in	360,180	-	689,594	1,049,774
Transfers out	(655,897)	-	(263,747)	(919,644)
Contributions from the Successor Agency	-	546,603	-	546,603
Total Other Financing Sources (Uses)	(295,717)	546,603	425,847	676,733
Net Change in Fund Balances	1,153,353	699,148	133,317	1,985,818
Fund Balances, Beginning of Year, as previously reported	40,723,850	(36,047)	2,573,021	43,260,824
Restatements	(14,636,838)	-	-	(14,636,838)
Fund Balances, Beginning of Year, as restated	26,087,012	(36,047)	2,573,021	28,623,986
Fund Balances, End of Year	\$ 27,240,365	\$ 663,101	\$ 2,706,338	\$ 30,609,804

CITY OF BELL GARDENS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014**

Net change in fund balances - total governmental funds \$ 1,985,818

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 1,059,727	
Disposal of assets	(51,318)	
Depreciation	<u>(2,642,758)</u>	(1,634,349)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Repayment of long-term debt principal		
Certificates of participation	85,000	
Notes payable	420,000	
On bill financing	50,571	
Amortization of bond discounts	(15,123)	
CJPIA retrospective deposit liability	<u>(293,528)</u>	246,920

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 8,999

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. (62,979)

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense. (3,749,485)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. (211,380)

Change in net position of governmental activities \$ (3,416,456)

CITY OF BELL GARDENS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		
	Water	Nonmajor Enterprise Fund Golf Course	Totals
Assets:			
Current:			
Cash and investments	\$ 2	\$ 7,559	\$ 7,561
Receivables:			
Accounts	333,472	3,726	337,198
Accrued interest	75	-	75
Restricted:			
Cash with fiscal agent	399,535	-	399,535
Total Current Assets	733,084	11,285	744,369
Noncurrent:			
Capital assets - net of accumulated depreciation	7,605,124	-	7,605,124
Total Noncurrent Assets	7,605,124	-	7,605,124
Total Assets	8,338,208	11,285	8,349,493
Deferred Outflows of Resources:			
Deferred charge on refunding	122,747	-	122,747
Total Deferred Outflows of Resources	122,747	-	122,747
Total Assets and Deferred Outflows of Resources	\$ 8,460,955	\$ 11,285	\$ 8,472,240
Liabilities and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 141,424	\$ 2,809	\$ 144,233
Accrued liabilities	-	70	70
Accrued interest	39,008	-	39,008
Unearned revenues	-	2,484	2,484
Due to other funds	845,756	-	845,756
Bonds, notes, and capital leases	240,000	-	240,000
Total Current Liabilities	1,266,188	5,363	1,271,551
Noncurrent:			
Bonds, notes, and capital leases	3,104,087	-	3,104,087
Total Noncurrent Liabilities	3,104,087	-	3,104,087
Total Liabilities	4,370,275	5,363	4,375,638
Net Position:			
Net investment in capital assets	4,383,784	-	4,383,784
Restricted for debt service	399,535	-	399,535
Unrestricted	(692,639)	5,922	(686,717)
Total Net Position	4,090,680	5,922	4,096,602
Total Liabilities and Net Position	\$ 8,460,955	\$ 11,285	\$ 8,472,240

CITY OF BELL GARDENS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		
	Water	Nonmajor Enterprise Fund	Totals
		Golf Course	
Operating Revenues:			
Sales and service charges	\$ 1,424,553	\$ 139,149	\$ 1,563,702
Miscellaneous	118,519	19,233	137,752
Total Operating Revenues	1,543,072	158,382	1,701,454
Operating Expenses:			
Administration and general	176,482	102,969	279,451
Cost of sales and services	996,137	115,775	1,111,912
Depreciation expense	168,184	-	168,184
Total Operating Expenses	1,340,803	218,744	1,559,547
Operating Income (Loss)	202,269	(60,362)	141,907
Nonoperating Revenues (Expenses):			
Interest revenue and change in fair value of investments	(67)	2	(65)
Interest expense	(163,151)	-	(163,151)
Total Nonoperating Revenues (Expenses)	(163,218)	2	(163,216)
Income (Loss) Before Transfers	39,051	(60,360)	(21,309)
Transfers in	-	66,477	66,477
Transfers out	(196,607)	-	(196,607)
Changes in Net Position	(157,556)	6,117	(151,439)
Net Position:			
Beginning of Year	4,248,236	(195)	4,248,041
End of Fiscal Year	\$ 4,090,680	\$ 5,922	\$ 4,096,602

CITY OF BELL GARDENS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		
	Water	Nonmajor Enterprise Fund Golf Course	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 1,223,119	\$ 157,140	\$ 1,380,259
Cash paid to suppliers for goods and services	(961,237)	(115,061)	(1,076,298)
Cash paid to employees for services	(177,233)	(103,954)	(281,187)
Net Cash Provided by (Used in) Operating Activities	84,649	(61,875)	22,774
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	-	66,477	66,477
Cash transfers out	(196,607)	-	(196,607)
Cash borrowed from other funds	501,869	-	501,869
Net Cash Provided by Non-Capital Financing Activities	305,262	66,477	371,739
Cash Flows from Capital and Related Financing Activities:			
Principal paid on capital debt	(230,000)	-	(230,000)
Interest paid on capital debt	(160,345)	-	(160,345)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(390,345)	-	(390,345)
Cash Flows from Investing Activities:			
Interest received and change in fair value of investments	(66)	2	(64)
Net Cash Provided by (Used in) Investing Activities	(66)	2	(64)
Net Decrease in Cash and Cash Equivalents	(500)	4,604	4,104
Cash and Cash Equivalents at Beginning of Year	400,037	2,955	402,992
Cash and Cash Equivalents at End of Year	\$ 399,537	\$ 7,559	\$ 407,096
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 202,269	\$ (60,362)	\$ 141,907
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	168,184	-	168,184
(Increase) decrease in accounts receivable	(319,953)	(3,726)	(323,679)
Increase (decrease) in accounts payable	34,900	714	35,614
Increase (decrease) in accrued liabilities	(751)	(985)	(1,736)
Increase (decrease) in unearned revenue	-	2,484	2,484
Total Adjustments	(117,620)	(1,513)	(119,133)
Net Cash Provided (Used) by Operating Activities	\$ 84,649	\$ (61,875)	\$ 22,774
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of Unamortized Premiums/Discounts	\$ 387	\$ -	\$ 387
Gain/(Loss) on Investments	(2)	-	(2)

CITY OF BELL GARDENS

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2014

	<u>Private- Purpose Trust Fund</u>
	<u>Successor Agency of the Former Community Development Commission</u>
Assets:	
Cash and investments	\$ 1,333,608
Receivables:	
Notes and loans	6,649,057
Restricted assets:	
Cash and investments with fiscal agents	2,953,217
Capital assets:	
Capital assets, not being depreciated	<u>1,885,247</u>
Total Assets	<u>12,821,129</u>
Liabilities:	
Accounts payable	6,442
Accrued liabilities	10
Accrued interest	73,916
Long-term liabilities:	
Due in one year	190,000
Due in more than one year	<u>53,644,823</u>
Total Liabilities	<u>53,915,191</u>
Net Position:	
Held in trust for other purposes	<u>(41,094,062)</u>
Total Net Position	<u><u>\$ (41,094,062)</u></u>

CITY OF BELL GARDENS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2014

	<u>Private- Purpose Trust Fund</u>
	Successor Agency of the Former Community Development Commission
Additions:	
Taxes	\$ 3,447,545
Interest and change in fair value of investments	218,429
Miscellaneous	<u>8</u>
Total Additions	<u>3,665,982</u>
Deductions:	
Administrative expenses	362,651
Contractual services	141,902
Interest expense	3,586,360
Contributions to other governments	<u>546,603</u>
Total Deductions	<u>4,637,516</u>
Changes in Net Position	(971,534)
Net Position - Beginning of the Year, as previously reported	<u>(48,827,830)</u>
Restatements	<u>8,705,302</u>
Beginning of the Fiscal Year, as restated	<u>(40,122,528)</u>
Net Position - End of the Year	<u><u>\$ (41,094,062)</u></u>

I. SIGNIFICANT ACCOUNTING POLICIES

Note 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 eliminations 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, 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.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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:

- The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or 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.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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.

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

1. 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

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements 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."

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

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

3. Inventories and Prepaid Items

Inventories of materials 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.

4. Restricted Assets

Restricted assets represent unexpended bond proceeds, interest earnings 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.

5. 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 the fair 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

6. 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 only has one item that qualifies for reporting in this category. It 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.

Note 1: Organization and Summary of Significant Accounting Policies (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 and fund balance 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 one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the 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.

7. 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.

8. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line 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. This was a change in accounting principle due to implementing GASB 65.

In the fund financial statements, 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.

9. Fund Equity

In the fund financial statements, governmental funds report the following fund balance classification:

Nonspendable - include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Restricted - include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed – the City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

Assigned – include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Pursuant to the City's fund balance policy established by the City Council by resolution, it has delegated the authority to assign fund balance amounts to the City Manager for intended specific purposes.

Unassigned - include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

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.

The accounting policies of the City consider restricted fund balance to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

10. 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.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

11. Fund Balance Flow Assumptions

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.

II. DETAILED NOTES ON ALL FUNDS

Note 2: Cash and Investments

As of June 30, 2014, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 14,165,684
Business-type activities	407,096
Fiduciary funds	<u>4,286,825</u>
Total Cash and Investments	<u>\$ 18,859,605</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.

Deposits

As of June 30, 2014, the carrying amount of the City's deposits was \$1,421 and the bank balance was \$243,962. The \$242,541 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 FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 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:

Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
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. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Investment in State Investment Pool

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

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfil 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:

Investment Type	Total as of June 30, 2014	Minimum Legal Rating	Exempt from Disclosure	AAA/Aaa	AA+/Aa1
Local Agency Investment Fund (LAIF)	\$ 10,450,399	N/A	\$ 10,450,399	\$ -	\$ -
Money Market Mutual Funds	2,330,537	AAA/Aaa	-	2,330,537	-
United States Government Sponsored Enterprise Securities	2,083,735	N/A	-	-	2,083,735
Held by Fiscal Agent:					
Money Market Mutual Funds	3,993,513	AAA/Aaa	-	3,993,513	-
	<u>\$ 18,858,184</u>		<u>\$ 10,450,399</u>	<u>\$ 6,324,050</u>	<u>\$ 2,083,735</u>

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 2: Cash and Investments (Continued)

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, 2014, 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, 2014, 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 the 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, 2014, 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.

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.

As of June 30, 2014, the City had the following investments and original maturities:

Investment Type	Remaining Investment Maturities			Total
	6 months or less	1 to 3 years	3 to 5 years	
Local Agency Investment Fund	\$ 10,450,399	\$ -	\$ -	\$ 10,450,399
Money Market Accounts	2,330,537	-	-	2,330,537
Federal Farm Credit Bank	-	500,000	-	500,000
Federal Home Loan Mortgage Corp.	-	-	579,500	579,500
Federal National Mortgage Assoc.	-	510,770	493,465	1,004,235
Cash with Fiscal Agents:				
Money Market Accounts	3,993,513	-	-	3,993,513
Total	\$ 16,774,449	\$ 1,010,770	\$ 1,072,965	\$ 18,858,184

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 3: Notes and Loans Receivable

Notes and loans receivable at June 30, 2014, 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, 2014, is \$566,999. The City's Low and Moderate Housing Fund has recorded unavailable revenue as of June 30, 2014, for the remainder of the outstanding loan.
- b. As of June 30, 2014, 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 \$517,340 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, 2014, the balance of the receivable was \$159,713 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, 2014, the balance of the loans outstanding is \$582,463 which has also been recorded as unavailable revenue.
- e. As of June 30, 2014, the City has \$59,541 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, 2014, is \$804,340 which has also been recorded as unavailable revenue. As a result of the 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 FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 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 65 years from the date a certificate of occupancy is issued for the last residential unit in the project. The balance as of June 30, 2014, including accrued interest of \$220,223, is \$2,852,223. The loan receivable is recorded in the City's Low and Moderate Housing Fund.
- h.** On April 1, 2005, Bell Gardens Housing Partners, L.P., a California limited partnership entered into a promissory note to pay the Bell Gardens former RDA \$3,812,203 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 \$3,812,203 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 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 the promissory note.

The balance of the promissory note and the related interest have also been recorded as unavailable revenue. The outstanding balance at June 30, 2014, is as follows:

	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
CDBG Special Revenue	\$ 964,100	\$ 255,571	\$ 1,219,671
Former Community Development Commission	1,514,959	401,598	1,916,557
Low and Moderate Housing	<u>1,333,143</u>	<u>353,401</u>	<u>1,686,544</u>
	3,812,202	1,010,570	4,822,772
Less amount reported in the Successor Agency	<u>(1,514,959)</u>	<u>(401,598)</u>	<u>(1,916,557)</u>
	<u>\$ 2,297,243</u>	<u>\$ 608,972</u>	<u>\$ 2,906,215</u>

Total notes and loans receivable as of June 30, 2014 is \$8,448,834.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 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, 2014:

Due From Other Funds	Due To Other Funds		Total
	Nonmajor Governmental Funds	Enterprise Water Funds	
General Fund	\$ 133,107	\$ 845,756	\$ 978,863

Inter-fund receivables and payables as of June 30, 2014, 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, 2014:

Transfers Out	Transfers In			Total
	General Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 589,420	\$ 66,477	\$ 655,897
Nonmajor Governmental Funds	163,573	100,174	-	263,747
Water Fund	196,607	-	-	196,607
Total	\$ 360,180	\$ 689,594	\$ 66,477	\$ 1,116,251

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 for the Golf Course Fund's operations deficit.

The transfer to the General Fund from the Water Fund was for reimbursement of the debt service payment on the 2006 Certificates of Participation and the transfer from the Non-Major Governmental Funds was to reimburse the General Fund for cost incurred relating to the Ford Sports Complex.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 5: Capital Assets

A summary of the changes in capital asset activity for the year ended June 30, 2014, is as follows:

	Beginning Balance	Adjustments*	Adjusted Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:							
Capital assets, not being depreciated:							
Land	\$ 69,022,714	\$ (1,773,000)	\$ 67,249,714	\$ -	\$ -	\$ -	\$ 67,249,714
Construction-in-progress	991,202	-	991,202	935,038	-	(973,830)	952,410
Total Capital Assets, Not Being Depreciated	70,013,916	(1,773,000)	68,240,916	935,038	-	(973,830)	68,202,124
Capital assets, being depreciated:							
Buildings and structures	15,924,693	-	15,924,693	-	-	67,737	15,992,430
Equipment	7,060,280	-	7,060,280	118,913	129,741	-	7,049,452
Infrastructure	45,028,982	-	45,028,982	5,776	198,855	906,093	45,741,996
Total Capital Assets, Being Depreciated	68,013,955	-	68,013,955	124,689	328,596	973,830	68,783,878
Less accumulated depreciation:							
Buildings and structures	5,661,508	-	5,661,508	492,105	-	-	6,153,613
Machinery and equipment	6,272,192	-	6,272,192	296,284	129,740	-	6,438,736
Infrastructure	19,225,782	-	19,225,782	1,854,369	147,538	-	20,932,613
Total Accumulated Depreciation	31,159,482	-	31,159,482	2,642,758	277,278	-	33,524,962
Total Capital Assets, Being Depreciated, Net	36,854,473	-	36,854,473	(2,518,069)	51,318	973,830	35,258,916
Governmental Activities Capital Assets, Net	\$ 106,868,389	\$ (1,773,000)	\$ 105,095,389	\$ (1,583,031)	\$ 51,318	\$ -	\$ 103,461,040

*Adjustments to capital assets are shown on the government-wide statements as a restatement of Net Position. Refer to Note 12 for additional information.

Depreciation expense was charged to functions/programs of the primary government in the Governmental Activities as follows:

Governmental Activities:	
General government	\$ 788,389
Public works	<u>1,854,369</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,642,758</u>

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 5: Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,011,000	\$ -	\$ -	\$ -	\$ 1,011,000
Total Capital Assets, Not Being Depreciated	1,011,000	-	-	-	1,011,000
Capital assets, being depreciated:					
Water rights	1,914,000	-	-	-	1,914,000
Equipment	6,973,549	-	-	-	6,973,549
Total Capital Assets, Being Depreciated	8,887,549	-	-	-	8,887,549
Less accumulated depreciation:					
Water rights	440,219	19,141	-	-	459,360
Equipment	1,685,022	149,043	-	-	1,834,065
Total Accumulated Depreciation	2,125,241	168,184	-	-	2,293,425
Total Capital Assets, Being Depreciated, Net	6,762,308	(168,184)	-	-	6,594,124
Business-Type Activities Capital Assets, Net	<u>\$ 7,773,308</u>	<u>\$ (168,184)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,605,124</u>

Depreciation expense was charged to functions/programs of the primary government in the Business-Type Activities as follows:

Business-Type Activities:	
Water	<u>\$ 168,184</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 168,184</u>

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 6: Long-Term Debt

a. Governmental Activities

The following is a schedule of changes in governmental fund long-term debt for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
2006 Certificates of Participation	\$ 3,345,000	\$ -	\$ 85,000	\$ 3,260,000	\$ 90,000
Notes Payable:					
County of Los Angeles - Section 108	2,965,000	-	420,000	2,545,000	448,000
Southern California Edison On Bill Financing	179,151	-	50,571	128,580	50,571
Accrued leave benefits	2,804,723	176,511	113,532	2,867,702	116,081
Other Post Employment Benefits Obligation	13,206,460	4,244,163	494,678	16,955,945	635,123
CJPIA Retrospective Deposit Liability	523,923	428,076	134,548	817,451	209,929
Sub-total	<u>\$ 23,024,257</u>	<u>\$ 4,848,750</u>	<u>\$ 1,298,329</u>	26,574,678	<u>\$ 1,549,704</u>
			Unamortized Bond Discount	(23,522)	
				<u>\$ 26,551,156</u>	

2006 Certificates of Participation

On June 20, 2006, the Authority issued \$3,870,000 of Certificates of Participation. The proceeds were used to fund various public infrastructure improvements, to fund a reserve account and to finance the costs of the transaction. Interest rates range from 3.6% to 4.75% and is payable semiannually on each June 1 and December 1, commencing on December 1, 2006. Principal payments range from \$65,000 to \$230,000. As of June 30, 2014, the unamortized discount outstanding was \$23,522 and the total principal balance outstanding was \$3,260,000.

As of June 30, 2014, the annual requirements to repay the outstanding indebtedness were as follows:

	Principal	Interest
2014-2015	\$ 90,000	\$ 151,365
2015-2016	95,000	147,765
2016-2017	100,000	143,870
2017-2018	100,000	139,720
2018-2019	105,000	135,470
2019-2024	600,000	602,290
2024-2029	760,000	446,263
2029-2034	960,000	247,713
2034-2036	450,000	32,300
Totals	<u>\$ 3,260,000</u>	<u>\$ 2,046,756</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 6: Long - Term Debt (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, 2014, the principal balance outstanding was \$2,545,000.

As of June 30, 2014, the annual requirements to repay the outstanding indebtedness were as follows:

	<u>Principal</u>	<u>Interest</u>
2014-2015	\$ 448,000	\$ 120,988
2015-2016	477,000	97,491
2016-2017	508,000	72,372
2017-2018	541,000	45,056
2018-2019	<u>571,000</u>	<u>15,360</u>
Totals	<u>\$ 2,545,000</u>	<u>\$ 351,267</u>

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, 2014, the total principal balance outstanding was \$128,580.

At June 30, 2014, the annual requirements to repay the outstanding indebtedness were as follows:

	<u>Principal</u>
2014-2015	\$ 50,571
2015-2016	50,571
2016-2017	<u>27,438</u>
Totals	<u>\$ 128,580</u>

Accrued Leave Payable (Compensated Absences)

For governmental funds, accrued leave payable amounted to \$2,867,702 as of June 30, 2014. The balance is broken down as follows: \$796,000 in vacation leave, \$1,805,607 in sick leave, \$71,806 in compensatory time, \$124,746 in floating holiday, and \$69,543 in administrative leave.

Note 6: Long - Term Debt (Continued)

Other Post Employment Benefits Obligation

The City's policies relating to other post employment benefits are described in Note 8 of the Notes to Financial Statements. The General Fund has been used in prior years to liquidate such amounts. The liability will be paid in future years by the General Fund.

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 2011 annual retrospective adjustment is included in these balances. As of June 30, 2014, the City has a retrospective deposit due of \$817,451.

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 FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

Note 6: Long - Term Debt (Continued)

b. Business-Type Activities

The following is a schedule of changes in proprietary fund long-term debt for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
2004 Revenue Bonds	\$ 3,570,000	\$ -	\$ 230,000	\$ 3,340,000	\$ 240,000
			Unamortized bond premium	4,087	
			Total	<u>\$ 3,344,087</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, 2014, the unamortized premium on the 2004 Water Refunding Revenue Bonds was \$4,087 and the outstanding balance was \$3,340,000.

The debt service requirements to maturity for the revenue bonds outstanding as of June 30, 2014, are as follows:

	Principal	Interest
2014-2015	\$ 240,000	\$ 151,230
2015-2016	250,000	140,805
2016-2017	260,000	129,330
2017-2018	275,000	116,949
2018-2019	285,000	103,649
2019-2024	1,650,000	295,325
2024-2025	380,000	9,215
Totals	<u>\$ 3,340,000</u>	<u>\$ 946,503</u>

Note 7: Defined Benefit Pension Plan

Plan Description

The City of Bell Gardens contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Defined Benefit Pension Plan (Continued)

Funding Policy

Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 16.312% for miscellaneous employees and 48.415% for police employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Required Contribution

For fiscal year 2013-2014, the City's contribution of \$3,873,443 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The General Fund has been used in prior years to liquidate such amounts. The liability will be paid in future years by the General Fund.

A summary of principal assumptions and methods used to determine the annual required contribution is shown in the following table:

Valuation Date	June 30, 2011
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	20 Years as of the Valuation Date (Miscellaneous) 21 Years as of the Valuation Date (Safety)
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on age, service and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 2.75% and an annual production growth of 0.25%

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30 year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. If the Plan's accrued liability exceeds the actuarial value of plan assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30-year amortization of the unfunded liability.

Three-Year Trend Information for PERS (\$ Amount in Thousands)

<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2012	\$ 3,854	100%
6/30/2013	3,716	100%
6/30/2014	3,873	100%

Note 7: Defined Benefit Pension Plan (Continued)

For fiscal year 2013-2014, the City of Bell Gardens participated in risk pooling for its miscellaneous and safety employees. Risk pooling consists of combining assets and liabilities across employers to produce large groups where the impact of a catastrophic demographic event is shared among all employers of the same risk pool. Participation in risk pools is mandatory for all rate plans with less than 100 active members. Mandated participation in risk pools was initially based on the active membership of each rate plan as of June 30, 2003. The implementation of risk pools was done in a way that minimizes the impact on employer contribution rates. The first year in risk pools, the employer contribution rates are almost identical to what the rates would have been outside pools. Future rates will be based on the experience of each pool. Pooling will reduce the volatility of future employer rates. Mandated participation will occur on an annual basis. If on any valuation date starting with the June 30, 2003, valuation, a rate plan has less than 100 active members, it will be mandated in one of the risk pools effective on that valuation date.

Note 8: Other Post-Retirement Benefits

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.

Funding Policy

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 2013-2014, the City paid \$547,026 for benefits of 36 retired employees.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-retirement benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 8: Other Post-Retirement Benefits (Continued)

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution (ARC)	\$ 4,450,879
Interest on net pension obligation	528,258
Adjustment to ARC	<u>(734,974)</u>
Annual OPEB cost	4,244,163
Contribution made	<u>494,678</u>
Increase (decrease) in net OPEB obligation	3,749,485
Net OPEB obligation - July 1, 2013	<u>13,206,460</u>
Net OPEB obligation - June 30, 2014	<u><u>\$ 16,955,945</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2013-14 fiscal year and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/12	\$ 2,608,461	\$ 509,529	19.53%	\$ 9,591,183
06/30/13	4,160,650	545,373	13.11%	13,206,460
06/30/14	4,244,163	494,678	11.66%	16,955,945

Funded Status and Funding Progress

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

Schedule of Funding Progress for OPEB
 (Amount in Thousands)

Actuarial Valuation date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2012	\$ -	\$ 41,661	\$ 41,661	0.0%	\$ 9,121	456.8%
6/30/2009	-	29,230	29,230	0.0%	8,781	332.9%

Note 8: Other Post-Retirement Benefits (Continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial valuation, dated July 1, 2012, used the frozen entry age actuarial cost method, a discount rate of 4.00% which is the long-term expected rate of return on the City's investment fund, an inflation rate of 3.25%, and a medical cost trend of 7.0%, 3.5% and 2.0% per year for medical, dental and vision, respectively. The unfunded accrued actuarial liability (UAAL) is being amortized over a fixed 20-year closed period as a level percentage of payroll beginning with the 2009-10 fiscal year. As of the actuarial valuation date, the City had 131 active participants and 36 retirees receiving benefits.

Note 9: Insurance

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 119 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 Programs of the Authority

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period 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.

The total funding requirement for self-insurance programs 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.

Note 9: Insurance (Continued)

General Liability - In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million to \$20 million are paid under reinsurance agreements. (7) Costs of covered claims from \$20 million to \$50 million are paid under excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$30 million per occurrence. This \$30 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$15 million in reinsurance, subject to the same annual aggregate deductibles previously stated, and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate limit.

Worker Compensation - The City of Bell Gardens also participates in the workers' compensation pool administered by the Authority. In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the 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 in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' 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.

Note 9: Insurance (Continued)

c. Purchased Insurance

Pollution Legal Liability Insurance

The City of Bell Gardens participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of 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, 2011 through July 1, 2014. 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 \$37,673,920. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City of Bell Gardens purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Bell Gardens property currently has earthquake protection in the amount of \$7,923,560. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. 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 \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Special Event Tenant User Liability Insurance

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

d. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2013-14.

Note 10: Contingent Liabilities

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 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 \$2,022,948 for the year ended June 30, 2014.
- 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 \$164,006 for the year ended June 30, 2014.
- 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, 2014.
- d. On November 22, 2010, the City of Bell Gardens approved a Lease Agreement with the City of Lynwood. The agreement is to lease 700 Acre Feet of Central Basin Groundwater Annual Pumping Right with flex rights to the City of Lynwood. The lease term is 5 years beginning in 2010-2011 at \$135 per acre feet and increasing annually by \$5 per acre feet until the term of the lease has expired. Rent paid to the City under this agreement was \$105,000 for the year ended June 30, 2014.

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

	Parking Lot	Hotel	Shopping Center	Water Rights
2015	\$ 2,206,853	\$ 81,510	\$ 1,373,350	\$ 108,500
2016	2,206,853	81,510	1,407,684	-
2017	2,206,853	81,510	1,510,685	-
2018	2,206,853	81,510	1,510,685	-
2019	2,206,853	81,510	1,510,685	-
2020 - thereafter	108,135,797	5,542,680	6,271,631	-
Totals	\$ 119,170,062	\$ 5,950,230	\$ 13,584,720	\$ 108,500

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 12: Fund Balance and Net Position Restatements

Beginning fund balance has been restated for the General Fund causing a decrease in Net Position of \$14,636,838 due to the reduction in deferred revenue relating to Successor Agency loan.

Beginning net position for governmental activities has been restated for a total decrease of \$8,508,719 due to the following factors: \$1,773,000 decrease due to capital assets that are owned by the Successor Agency; \$17,629,458 decrease in net position for the reduction of Advances from the City for accrued interest disallowed by the Department of Finance; and \$10,893,739 increase in net position for increase in loans owed to the City allowed by the Department of Finance

Beginning net position in the Successor Agency has been restated for a total increase of \$8,705,302 due to the following factors: \$17,629,458 increase in net position for the reduction of Advances from the City for accrued interest disallowed by the Department of Finance; \$10,893,739 decrease in net position for increase in loans owed to the City allowed by the Department of Finance; \$1,773,000 increase in net position for addition of capital assets from the City; and \$196,583 increase of net position due to receipts for interest received in prior years.

Note 13: 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.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 13: Classification of Fund Balances (Continued)

	General Fund	Low and Moderate Housing Fund	Non-Major Governmental Funds	Total
Nonspendable				
Prepays	\$ 16,490	\$ -	\$ -	\$ 16,490
Advances to other funds	15,023,596	-	-	15,023,596
Total nonspendable	<u>15,040,086</u>	<u>-</u>	<u>-</u>	<u>15,040,086</u>
Restricted				
Housing	-	663,101	-	663,101
Recreation	-	-	482	482
Grants	-	-	158,343	158,343
COPS	-	-	146,191	146,191
Public Safety	-	-	685,528	685,528
Gas Tax	-	-	273,175	273,175
Prop A and Prop C	-	-	286,320	286,320
Air Quality Improvement	-	-	114,551	114,551
Academic Pursuit	-	-	562,108	562,108
Measure R	-	-	274,457	274,457
Anson Ford Park	-	-	116,019	116,019
Transportation Development Act	-	-	31,474	31,474
Capital Improvement Projects	-	-	139,849	139,849
Total restricted	<u>-</u>	<u>663,101</u>	<u>2,788,497</u>	<u>3,451,598</u>
Committed				
Contingencies	2,100,000	-	-	2,100,000
Total committed	<u>2,100,000</u>	<u>-</u>	<u>-</u>	<u>2,100,000</u>
Assigned				
Post employment benefits	7,232,577	-	131,449	7,364,026
Compensated absences	2,867,702	-	-	2,867,702
Total assigned	<u>10,100,279</u>	<u>-</u>	<u>131,449</u>	<u>10,231,728</u>
Unassigned				
	-	-	(213,608)	(213,608)
Total fund balances	<u>\$ 27,240,365</u>	<u>\$ 663,101</u>	<u>\$ 2,706,338</u>	<u>\$ 30,609,804</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 14: 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	\$ 1,333,608
Cash and investments with fiscal agent	<u>2,953,217</u>
	<u>\$ 4,286,825</u>

b. Notes and Loans Receivable

Notes and loans receivable as of June 30, 2014, 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, 2014, including accrued interest of \$1,732,500, is \$4,732,500.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 14: Successor Agency Trust For Assets of Former Community Development Commission (Continued)

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 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 the promissory note. The Successor Agency's outstanding balance as of June 30, 2014, including interest of \$401,958, is \$1,916,557.

Total notes and loans receivable at June 30, 2014, were \$6,649,057.

c. Capital Assets

An analysis of capital assets as of June 30, 2014, follows:

	Beginning Balance	Adjustments *	Adjusted Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, not being depreciated						
Land	\$ -	\$ 1,773,000	\$ 1,773,000	\$ -	\$ -	\$ 1,773,000
Construction in progress	112,247	-	112,247	-	-	112,247
Total Capital Assets, not being depreciated	<u>\$ 112,247</u>	<u>\$ 1,773,000</u>	<u>\$ 1,885,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,885,247</u>

* Adjustment was for land transferred from the City to the Successor Agency. Refer to Note 12 for restatement information.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 14: Successor Agency Trust For Assets of Former Community Development Commission (Continued)

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, 2014, follows:

	Balance July 1, 2013	Adjustments*	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Advances from the City	\$ 34,242,992	\$ (6,735,719)	\$ -	\$ -	\$ 27,507,273	\$ -
2003 Tax Allocation Bonds -						
Project Area No. 1	4,955,000	-	-	4,955,000	-	-
Central City Project Area	7,600,000	-	-	7,600,000	-	-
2005 Revenue Bonds Series A -						
Project Area No. 1	1,300,000	-	-	90,000	1,210,000	100,000
Central City Project Area	2,685,000	-	-	80,000	2,605,000	90,000
2014 Tax Allocation						
Refunding Bonds, Series A	-	-	3,555,000	-	3,555,000	-
2014 Tax Allocation						
Refunding Bonds, Series B	-	-	6,775,000	-	6,775,000	-
2014 Tax Allocation						
Refunding Bonds, Series C	-	-	11,125,000	-	11,125,000	-
Notes Payable:						
Bear Sterns	8,519,163	-	-	8,519,163	-	-
Total Long-Term Debt	<u>\$ 59,302,155</u>	<u>\$ (6,735,719)</u>	<u>\$ 21,455,000</u>	<u>\$ 21,244,163</u>	52,777,273	<u>\$ 190,000</u>
				Unamortized Bond Premium	1,082,112	
				Unamortized Bond Discount	(24,562)	
				Total	<u>\$ 53,834,823</u>	

*

See Note 12 for restatement adjustment made for loans owed to the City

Advances from the City

The advances from the City consist of \$27,507,273 loans with accrued interest at the LAIF interest rate at the time of the loan when the loan was made to the former Community Development Commission to provide cash for capital projects.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

**Note 14: Successor Agency Trust For Assets of Former Community Development Commission
(Continued)**

2003 Tax Allocation Bonds

On June 17, 2003, the Commission issued \$17,705,000 of refunding revenue bonds with an average interest rate of 3.9% to advance refund \$13.7 million of outstanding 1993 revenue bonds with an average interest rate of 6.25%. The net proceeds of \$17.5 million (after payment of insurance, underwriter discount and other issuance cost) plus an additional \$2.1 million of 1993 series monies were used to purchase U.S. government securities. These bonds were refunded on June 18, 2014, by the issuance of the 2014 Tax Allocation Revenue Refunding Bonds, Series A and B.

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, 2014, the unamortized premium outstanding was \$281,081 and the total principal outstanding was \$3,815,000.

At June 30, 2014, the annual requirements to repay the outstanding indebtedness were as follows:

	Principal	Interest
2014-2015	\$ 190,000	\$ 288,300
2015-2016	200,000	273,188
2016-2017	215,000	257,106
2017-2018	230,000	239,863
2018-2019	250,000	221,263
2019-2024	1,380,000	779,650
2024-2029	1,080,000	326,275
2029-2030	270,000	10,463
Totals	<u>\$ 3,815,000</u>	<u>\$ 2,396,108</u>

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 \$10.3 million 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.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

**Note 14: Successor Agency Trust For Assets of Former Community Development Commission
 (Continued)**

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, 2014, the total principal outstanding for the 2014 Series A, B, and C was \$21,455,000.

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

	Principal	Interest
2014-2015	\$ -	\$ 100,505
2015-2016	370,000	156,700
2016-2017	395,000	143,250
2017-2018	415,000	127,050
2018-2019	430,000	108,000
2019-2024	1,945,000	199,875
Totals	<u>\$ 3,555,000</u>	<u>\$ 835,380</u>

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

	Principal	Interest
2014-2015	\$ -	\$ 162,140
2015-2016	315,000	257,025
2016-2017	360,000	246,900
2017-2018	370,000	235,950
2018-2019	380,000	220,900
2019-2024	2,150,000	867,725
2024-2029	2,610,000	392,500
2029-2034	590,000	11,063
Totals	<u>\$ 6,775,000</u>	<u>\$ 2,394,203</u>

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 14: Successor Agency Trust For Assets of Former Community Development Commission (Continued)

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

	Principal	Interest
2014-2015	\$ -	\$ 294,912
2015-2016	370,000	474,241
2016-2017	430,000	469,704
2017-2018	435,000	462,666
2018-2019	440,000	452,816
2019-2024	2,430,000	2,032,182
2024-2029	2,985,000	1,435,009
2029-2034	4,035,000	363,996
Totals	<u>\$ 11,125,000</u>	<u>\$ 5,985,526</u>

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 \$52,899,461 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 \$3,447,545 and the debt service obligation on the bonds was \$9,505,363. During the current year, the City refunded debt that reduced the debt service obligation. The City was able to cover the debt service obligations for the year ended June 30, 2014.

Bear Stearns Note Payable

On July 2, 2002, the Commission entered into a loan agreement with Bear Stearns Commercial Mortgage, Inc. for the development of the Los Jardines Shopping Center. The loan amount is \$10,000,000 with an interest rate of 6.85% per annum. Monthly payments amounted to \$65,526 on the first day of each calendar month beginning August 2002 and ending June 2012. The note was due and payable in the fiscal year 2013. The note was refunded on June 18, 2014, by the issuance of the 2014 Series C, Second Subordinate Tax Allocation Revenue Refunding Bond.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

**Note 14: Successor Agency Trust For Assets of Former Community Development Commission
(Continued)**

e. 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.

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CITY OF BELL GARDENS

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2014**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, as restated	\$ 26,087,012	\$ 26,087,012	\$ 26,087,012	\$ -
Resources (Inflows):				
Taxes	14,623,700	14,623,700	14,733,854	110,154
Licenses and permits	269,000	269,000	526,682	257,682
Intergovernmental	4,013,400	4,045,659	4,051,603	5,944
Charges for services	305,395	305,395	312,523	7,128
Use of money and property	3,601,314	3,601,314	3,937,889	336,575
Fines and forfeitures	344,000	344,000	270,695	(73,305)
Miscellaneous	102,502	102,502	238,657	136,155
Transfers in	280,249	280,249	360,180	79,931
Amounts Available for Appropriations	49,626,572	49,658,831	50,519,095	860,264
Charges to Appropriation (Outflow):				
General government	4,523,089	4,521,669	3,911,079	610,590
Public safety	12,114,317	12,108,617	11,782,031	326,586
Community development	1,189,436	1,187,350	1,064,117	123,233
Parks and recreation	2,328,615	2,301,790	2,161,703	140,087
Public works	3,027,236	2,962,702	3,096,189	(133,487)
Capital outlay	174,500	307,583	289,306	18,277
Debt service:				
Principal retirement	85,000	135,571	135,571	-
Interest and fiscal charges	157,115	157,115	182,837	(25,722)
Transfers out	855,897	855,897	655,897	200,000
Contribution to the Successor Agency	176,500	176,500	-	176,500
Total Charges to Appropriations	24,631,705	24,714,794	23,278,730	1,436,064
Budgetary Fund Balance, June 30	\$ 24,994,867	\$ 24,944,037	\$ 27,240,365	\$ 2,296,328

CITY OF BELL GARDENS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014**

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 classifications 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 prior to its adoption by Council. 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.

The following funds do not have legally adopted budgets for the fiscal year ended June 30, 2014:

- Low and Moderate Housing
- Recreation
- CLEEP
- COPS Tech
- ABC Grant
- JAG Grants
- 2008 State Homeland Security Grant
- COPS 2010 Grant

Fund Deficit

As of June 30, 2014, the following funds had deficit fund balances:

Non-major Governmental Special Revenue Funds:	
Waste Management	\$ (112,471)
JAG Grants	(655)
2008 State Homeland Security Grant	(100,000)

The fund deficits are expected to be eliminated with future revenues and transfers.

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CITY OF BELL GARDENS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds			
	Recreation	CLEEP Grant	Public Safety Augmentation	COPS State (SLESF)
Assets:				
Pooled cash and investments	\$ 482	\$ 7	\$ 100,109	\$ 69,404
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	23	-
Due from other governments	-	-	18,650	85
Total Assets	\$ 482	\$ 7	\$ 118,782	\$ 69,489
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	7	118,782	69,489
Parks and recreation	482	-	-	-
Public works	-	-	-	-
Capital Projects	-	-	-	-
Post employment benefits	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	482	7	118,782	69,489
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 482	\$ 7	\$ 118,782	\$ 69,489

CITY OF BELL GARDENS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

(CONTINUED)

	Special Revenue Funds			
	State Gas Tax	Asset Forfeiture	Waste Management	Community Development Block Grant
Assets:				
Pooled cash and investments	\$ 150,927	\$ 559,808	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	1,737,011
Accrued interest	18	334	312	-
Due from other governments	139,316	38,533	83,354	9,307
Total Assets	\$ 290,261	\$ 598,675	\$ 83,666	\$ 1,746,318
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 17,086	\$ 8,243	\$ 167,996	\$ 8,409
Accrued liabilities	-	-	-	-
Deposits payable	-	23,686	-	-
Due to other funds	-	-	28,141	828
Total Liabilities	17,086	31,929	196,137	9,237
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	1,737,011
Total Deferred Inflows of Resources	-	-	-	1,737,011
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	70
Public safety	-	566,746	-	-
Parks and recreation	-	-	-	-
Public works	273,175	-	-	-
Capital Projects	-	-	-	-
Post employment benefits	-	-	-	-
Unassigned	-	-	(112,471)	-
Total Fund Balances	273,175	566,746	(112,471)	70
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 290,261	\$ 598,675	\$ 83,666	\$ 1,746,318

CITY OF BELL GARDENS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds			
	Proposition "A"	Proposition "C"	Air Quality Improvement	Recycling Grants
Assets:				
Pooled cash and investments	\$ 243,800	\$ 130,464	\$ 114,513	\$ 142,788
Receivables:				
Accounts	104	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	33	38	54
Due from other governments	-	-	13,672	11,376
Total Assets	\$ 243,904	\$ 130,497	\$ 128,223	\$ 154,218
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 88,081	\$ -	\$ -	\$ 2,106
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	88,081	-	-	2,106
Deferred Inflows of Resources:				
Unavailable revenues	-	-	13,672	-
Total Deferred Inflows of Resources	-	-	13,672	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	155,823	130,497	114,551	152,112
Capital Projects	-	-	-	-
Post employment benefits	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	155,823	130,497	114,551	152,112
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 243,904	\$ 130,497	\$ 128,223	\$ 154,218

CITY OF BELL GARDENS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

(CONTINUED)

	Special Revenue Funds			
	Academic Pursuit	Post Employment Benefits	COPS Tech	Measure R
Assets:				
Pooled cash and investments	\$ 561,890	\$ 130,947	\$ 1,960	\$ 285,199
Receivables:				
Accounts	-	-	-	70
Notes and loans	582,463	-	-	-
Accrued interest	218	119	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 1,144,571	\$ 131,066	\$ 1,960	\$ 285,269
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 10,812
Accrued liabilities	-	99	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	99	-	10,812
Deferred Inflows of Resources:				
Unavailable revenues	582,463	-	-	-
Total Deferred Inflows of Resources	582,463	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	562,108	-	-	-
Public safety	-	-	1,960	-
Parks and recreation	-	-	-	-
Public works	-	-	-	274,457
Capital Projects	-	-	-	-
Post employment benefits	-	130,967	-	-
Unassigned	-	-	-	-
Total Fund Balances	562,108	130,967	1,960	274,457
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,144,571	\$ 131,066	\$ 1,960	\$ 285,269

CITY OF BELL GARDENS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds			
	ABC Grant	JAG Grants	2008 State Homeland Security Grant	COPS 2010 Grant
Assets:				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 74,717
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	3	10	-	25
Due from other governments	9,624	-	100,000	-
Total Assets	\$ 9,627	\$ 10	\$ 100,000	\$ 74,742
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	3,473	665	100,000	-
Total Liabilities	3,473	665	100,000	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	100,000	-
Total Deferred Inflows of Resources	-	-	100,000	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	6,154	-	-	74,742
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital Projects	-	-	-	-
Post employment benefits	-	-	-	-
Unassigned	-	(655)	(100,000)	-
Total Fund Balances	6,154	(655)	(100,000)	74,742
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,627	\$ 10	\$ 100,000	\$ 74,742

CITY OF BELL GARDENS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds	Capital Projects Funds		Total
	Anson Ford Park	Transportation Development Act	Capital Improvement Projects	Nonmajor Governmental Funds
Assets:				
Pooled cash and investments	\$ 135,299	\$ 28,600	\$ 112,610	\$ 2,843,524
Receivables:				
Accounts	91	8	-	273
Notes and loans	-	-	-	2,319,474
Accrued interest	-	-	-	1,187
Due from other governments	13,005	2,866	102,862	542,650
Total Assets	\$ 148,395	\$ 31,474	\$ 215,472	\$ 5,707,108
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 29,892	\$ -	\$ 24,941	\$ 357,566
Accrued liabilities	-	-	-	99
Deposits payable	-	-	-	23,686
Due to other funds	-	-	-	133,107
Total Liabilities	29,892	-	24,941	514,458
Deferred Inflows of Resources:				
Unavailable revenues	2,484	-	50,682	2,486,312
Total Deferred Inflows of Resources	2,484	-	50,682	2,486,312
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	562,178
Public safety	-	-	-	837,880
Parks and recreation	116,019	-	-	116,501
Public works	-	-	-	1,100,615
Capital Projects	-	31,474	139,849	171,323
Post employment benefits	-	-	-	130,967
Unassigned	-	-	-	(213,126)
Total Fund Balances	116,019	31,474	139,849	2,706,338
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 148,395	\$ 31,474	\$ 215,472	\$ 5,707,108

CITY OF BELL GARDENS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Recreation	CLEEP Grant	Public Safety Augmentation	COPS State (SLESF)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	105,751	100,000
Charges for services	-	-	-	-
Use of money and property	1	-	34	174
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	989	-
Total Revenues	1	-	106,774	100,174
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	236,220	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	236,220	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1	-	(129,446)	100,174
Other Financing Sources (Uses):				
Transfers in	-	-	137,174	-
Transfers out	-	-	-	(100,174)
Total Other Financing Sources (Uses)	-	-	137,174	(100,174)
Net Change in Fund Balances	1	-	7,728	-
Fund Balances, Beginning of Year	481	7	111,054	69,489
Fund Balances, End of Year	\$ 482	\$ 7	\$ 118,782	\$ 69,489

CITY OF BELL GARDENS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

(CONTINUED)

	Special Revenue Funds			
	State Gas Tax	Asset Forfeiture	Waste Management	Community Development Block Grant
Revenues:				
Taxes	\$ -	\$ -	\$ 2,011,240	\$ -
Intergovernmental	1,460,143	-	-	651,179
Charges for services	-	-	-	-
Use of money and property	16	848	833	-
Fines and forfeitures	-	191,278	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,460,159	192,126	2,012,073	651,179
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	57,302	-	-
Community development	-	-	-	88,229
Parks and recreation	-	-	-	-
Public works	1,185,986	-	2,446,751	-
Capital outlay	1,000	125,859	-	-
Debt service:				
Principal retirement	-	-	-	420,000
Interest and fiscal charges	-	-	-	142,950
Total Expenditures	1,186,986	183,161	2,446,751	651,179
Excess (Deficiency) of Revenues Over (Under) Expenditures	273,173	8,965	(434,678)	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	273,173	8,965	(434,678)	-
Fund Balances, Beginning of Year	2	557,781	322,207	70
Fund Balances, End of Year	\$ 273,175	\$ 566,746	\$ (112,471)	\$ 70

CITY OF BELL GARDENS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Proposition "A"	Proposition "C"	Air Quality Improvement	Recycling Grants
Revenues:				
Taxes	\$ 720,232	\$ 600,657	\$ -	\$ -
Intergovernmental	67,671	-	52,193	24,309
Charges for services	-	87,585	-	-
Use of money and property	350	179	115	184
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	48,000	-	-
Total Revenues	788,253	736,421	52,308	24,493
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	831,430	484,811	18,126	12,031
Capital outlay	328	220,462	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	831,758	705,273	18,126	12,031
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,505)	31,148	34,182	12,462
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(43,505)	31,148	34,182	12,462
Fund Balances, Beginning of Year	199,328	99,349	80,369	139,650
Fund Balances, End of Year	\$ 155,823	\$ 130,497	\$ 114,551	\$ 152,112

CITY OF BELL GARDENS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

(CONTINUED)

	Special Revenue Funds			
	Academic Pursuit	Post Employment Benefits	COPS Tech	Measure R
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	445,845
Charges for services	-	52,348	-	-
Use of money and property	664	-	-	324
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	93,454	-	-	-
Total Revenues	94,118	52,348	-	446,169
Expenditures:				
Current:				
General government	-	547,508	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	75,239
Capital outlay	-	-	-	346,870
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	547,508	-	422,109
Excess (Deficiency) of Revenues Over (Under) Expenditures	94,118	(495,160)	-	24,060
Other Financing Sources (Uses):				
Transfers in	-	552,420	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	552,420	-	-
Net Change in Fund Balances	94,118	57,260	-	24,060
Fund Balances, Beginning of Year	467,990	73,707	1,960	250,397
Fund Balances, End of Year	\$ 562,108	\$ 130,967	\$ 1,960	\$ 274,457

CITY OF BELL GARDENS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	ABC Grant	JAG Grants	2008 State Homeland Security	COPS 2010 Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	10,633	67,807	-	-
Charges for services	-	-	-	-
Use of money and property	13	33	-	83
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	10,646	67,840	-	83
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	17,491	23,806	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	44,001	14,734	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	17,491	67,807	14,734	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,845)	33	(14,734)	83
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(6,845)	33	(14,734)	83
Fund Balances, Beginning of Year	12,999	(688)	(85,266)	74,659
Fund Balances, End of Year	\$ 6,154	\$ (655)	\$ (100,000)	\$ 74,742

CITY OF BELL GARDENS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Special	Capital Projects Funds		Total Nonmajor Governmental Funds
	Revenue	Transportation	Capital	
	Funds	Development	Improvement	
	Anson Ford	Act	Projects	
	Park			
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 3,332,129
Intergovernmental	-	44,637	318,349	3,348,517
Charges for services	117,454	-	-	257,387
Use of money and property	249,347	37	-	253,235
Fines and forfeitures	-	-	-	191,278
Contributions	-	-	30,000	30,000
Miscellaneous	-	-	-	142,443
Total Revenues	366,801	44,674	348,349	7,554,989
Expenditures:				
Current:				
General government	-	-	-	547,508
Public safety	-	-	-	334,819
Community development	-	-	-	88,229
Parks and recreation	191,005	-	-	191,005
Public works	-	-	-	5,054,374
Capital outlay	13,464	59,563	242,353	1,068,634
Debt service:				
Principal retirement	-	-	-	420,000
Interest and fiscal charges	-	-	-	142,950
Total Expenditures	204,469	59,563	242,353	7,847,519
Excess (Deficiency) of Revenues Over (Under) Expenditures	162,332	(14,889)	105,996	(292,530)
Other Financing Sources (Uses):				
Transfers in	-	-	-	689,594
Transfers out	(163,573)	-	-	(263,747)
Total Other Financing Sources (Uses)	(163,573)	-	-	425,847
Net Change in Fund Balances	(1,241)	(14,889)	105,996	133,317
Fund Balances, Beginning of Year	117,260	46,363	33,853	2,573,021
Fund Balances, End of Year	\$ 116,019	\$ 31,474	\$ 139,849	\$ 2,706,338

CITY OF BELL GARDENS

**BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY AUGMENTATION
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 111,054	\$ 111,054	\$ 111,054	\$ -
Resources (Inflows):				
Intergovernmental	101,000	101,000	105,751	4,751
Use of money and property	-	-	34	34
Miscellaneous	-	-	989	989
Transfers in	137,000	137,000	137,174	174
Amounts Available for Appropriations	349,054	349,054	355,002	5,948
Charges to Appropriation (Outflow):				
Public safety	237,948	237,948	236,220	1,728
Total Charges to Appropriations	237,948	237,948	236,220	1,728
Budgetary Fund Balance, June 30	\$ 111,106	\$ 111,106	\$ 118,782	\$ 7,676

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 COPS STATE (SLESF)
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 69,489	\$ 69,489	\$ 69,489	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	100,000	-
Use of money and property	300	300	174	(126)
Amounts Available for Appropriations	169,789	169,789	169,663	(126)
Charges to Appropriation (Outflow):				
Transfers out	100,000	100,000	100,174	(174)
Total Charges to Appropriations	100,000	100,000	100,174	(174)
Budgetary Fund Balance, June 30	\$ 69,789	\$ 69,789	\$ 69,489	\$ (300)

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2	\$ 2	\$ 2	\$ -
Resources (Inflows):				
Intergovernmental	1,368,102	1,368,102	1,460,143	92,041
Use of money and property	250	250	16	(234)
Amounts Available for Appropriations	1,368,354	1,368,354	1,460,161	91,807
Charges to Appropriation (Outflow):				
Public works	1,303,048	1,299,769	1,185,986	113,783
Capital outlay	40,000	43,279	1,000	42,279
Total Charges to Appropriations	1,343,048	1,343,048	1,186,986	156,062
Budgetary Fund Balance, June 30	\$ 25,306	\$ 25,306	\$ 273,175	\$ 247,869

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 ASSET FORFEITURE
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 557,781	\$ 557,781	\$ 557,781	\$ -
Resources (Inflows):				
Use of money and property	2,500	2,500	848	(1,652)
Fines and forfeitures	150,000	150,000	191,278	41,278
Amounts Available for Appropriations	710,281	710,281	749,907	39,626
Charges to Appropriation (Outflow):				
Public safety	55,000	55,000	57,302	(2,302)
Capital outlay	242,500	242,500	125,859	116,641
Total Charges to Appropriations	297,500	297,500	183,161	114,339
Budgetary Fund Balance, June 30	\$ 412,781	\$ 412,781	\$ 566,746	\$ 153,965

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 WASTE MANAGEMENT
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 322,207	\$ 322,207	\$ 322,207	\$ -
Resources (Inflows):				
Taxes	2,040,000	2,040,000	2,011,240	(28,760)
Use of money and property	1,500	1,500	833	(667)
Amounts Available for Appropriations	2,363,707	2,363,707	2,334,280	(29,427)
Charges to Appropriation (Outflow):				
Public works	2,553,866	2,553,866	2,446,751	107,115
Total Charges to Appropriations	2,553,866	2,553,866	2,446,751	107,115
Budgetary Fund Balance, June 30	\$ (190,159)	\$ (190,159)	\$ (112,471)	\$ 77,688

CITY OF BELL GARDENS

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 70	\$ 70	\$ 70	\$ -
Resources (Inflows):				
Intergovernmental	665,604	665,604	651,179	(14,425)
Amounts Available for Appropriations	665,674	665,674	651,249	(14,425)
Charges to Appropriation (Outflow):				
Community development	101,238	101,238	88,229	13,009
Debt service:				
Principal retirement	420,000	420,000	420,000	-
Interest and fiscal charges	142,950	142,950	142,950	-
Total Charges to Appropriations	664,188	664,188	651,179	13,009
Budgetary Fund Balance, June 30	\$ 1,486	\$ 1,486	\$ 70	\$ (1,416)

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION "A"
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 199,328	\$ 199,328	\$ 199,328	\$ -
Resources (Inflows):				
Taxes	718,808	718,808	720,232	1,424
Intergovernmental	75,000	75,000	67,671	(7,329)
Use of money and property	500	500	350	(150)
Amounts Available for Appropriations	993,636	993,636	987,581	(6,055)
Charges to Appropriation (Outflow):				
Public works	875,361	875,025	831,430	43,595
Capital outlay	-	336	328	8
Total Charges to Appropriations	875,361	875,361	831,758	43,603
Budgetary Fund Balance, June 30	\$ 118,275	\$ 118,275	\$ 155,823	\$ 37,548

CITY OF BELL GARDENS

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION "C"
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 99,349	\$ 99,349	\$ 99,349	\$ -
Resources (Inflows):				
Taxes	596,232	596,232	600,657	4,425
Charges for services	87,000	87,000	87,585	585
Use of money and property	1,400	1,400	179	(1,221)
Miscellaneous	-	-	48,000	48,000
Amounts Available for Appropriations	783,981	783,981	835,770	51,789
Charges to Appropriation (Outflow):				
Public works	462,883	482,883	484,811	(1,928)
Capital outlay	265,000	245,000	220,462	24,538
Total Charges to Appropriations	727,883	727,883	705,273	22,610
Budgetary Fund Balance, June 30	\$ 56,098	\$ 56,098	\$ 130,497	\$ 74,399

CITY OF BELL GARDENS

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 80,369	\$ 80,369	\$ 80,369	\$ -
Resources (Inflows):				
Intergovernmental	50,565	50,565	52,193	1,628
Use of money and property	250	250	115	(135)
Amounts Available for Appropriations	131,184	131,184	132,677	1,493
Charges to Appropriation (Outflow):				
Public works	18,000	18,000	18,126	(126)
Total Charges to Appropriations	18,000	18,000	18,126	(126)
Budgetary Fund Balance, June 30	\$ 113,184	\$ 113,184	\$ 114,551	\$ 1,367

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 RECYCLING GRANTS
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 139,650	\$ 139,650	\$ 139,650	\$ -
Resources (Inflows):				
Intergovernmental	35,002	35,002	24,309	(10,693)
Use of money and property	321	321	184	(137)
Amounts Available for Appropriations	174,973	174,973	164,143	(10,830)
Charges to Appropriation (Outflow):				
Public works	16,153	16,153	12,031	4,122
Total Charges to Appropriations	16,153	16,153	12,031	4,122
Budgetary Fund Balance, June 30	\$ 158,820	\$ 158,820	\$ 152,112	\$ (6,708)

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 ACADEMIC PURSUIT
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 467,990	\$ 467,990	\$ 467,990	\$ -
Resources (Inflows):				
Use of money and property	1,500	1,500	664	(836)
Miscellaneous	25,000	25,000	93,454	68,454
Amounts Available for Appropriations	494,490	494,490	562,108	67,618
Budgetary Fund Balance, June 30	\$ 494,490	\$ 494,490	\$ 562,108	\$ 67,618

CITY OF BELL GARDENS

**BUDGETARY COMPARISON SCHEDULE
POST EMPLOYMENT BENEFITS
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 73,707	\$ 73,707	\$ 73,707	\$ -
Resources (Inflows):				
Charges for services	53,000	53,000	52,348	(652)
Transfers in	-	-	552,420	552,420
Amounts Available for Appropriations	126,707	126,707	678,475	551,768
Charges to Appropriation (Outflow):				
General government	605,420	605,420	547,508	57,912
Total Charges to Appropriations	605,420	605,420	547,508	57,912
Budgetary Fund Balance, June 30	\$ (478,713)	\$ (478,713)	\$ 130,967	\$ 609,680

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 MEASURE R
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 250,397	\$ 250,397	\$ 250,397	\$ -
Resources (Inflows):				
Intergovernmental	447,173	447,173	445,845	(1,328)
Use of money and property	700	700	324	(376)
Amounts Available for Appropriations	698,270	698,270	696,566	(1,704)
Charges to Appropriation (Outflow):				
Public works	68,163	68,163	75,239	(7,076)
Capital outlay	410,000	410,000	346,870	63,130
Total Charges to Appropriations	478,163	478,163	422,109	56,054
Budgetary Fund Balance, June 30	\$ 220,107	\$ 220,107	\$ 274,457	\$ 54,350

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 ANSON FORD PARK
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 117,260	\$ 117,260	\$ 117,260	\$ -
Resources (Inflows):				
Charges for services	108,892	108,892	117,454	8,562
Use of money and property	175,450	175,450	249,347	73,897
Amounts Available for Appropriations	401,602	401,602	484,061	82,459
Charges to Appropriation (Outflow):				
Parks and recreation	185,700	187,200	191,005	(3,805)
Capital outlay	15,000	13,500	13,464	36
Transfers out	83,642	83,642	163,573	(79,931)
Total Charges to Appropriations	284,342	284,342	368,042	(83,700)
Budgetary Fund Balance, June 30	\$ 117,260	\$ 117,260	\$ 116,019	\$ (1,241)

CITY OF BELL GARDENS

**BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION DEVELOPMENT ACT
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 46,363	\$ 46,363	\$ 46,363	\$ -
Resources (Inflows):				
Intergovernmental	26,798	26,798	44,637	17,839
Use of money and property	10	10	37	27
Amounts Available for Appropriations	73,171	73,171	91,037	17,866
Charges to Appropriation (Outflow):				
Capital outlay	72,603	72,603	59,563	13,040
Total Charges to Appropriations	72,603	72,603	59,563	13,040
Budgetary Fund Balance, June 30	\$ 568	\$ 568	\$ 31,474	\$ 30,906

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT PROJECTS
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 33,853	\$ 33,853	\$ 33,853	\$ -
Resources (Inflows):				
Intergovernmental	118,524	170,704	318,349	147,645
Contributions	-	-	30,000	30,000
Amounts Available for Appropriations	152,377	204,557	382,202	177,645
Charges to Appropriation (Outflow):				
Capital outlay	-	52,180	242,353	(190,173)
Total Charges to Appropriations	-	52,180	242,353	(190,173)
Budgetary Fund Balance, June 30	\$ 152,377	\$ 152,377	\$ 139,849	\$ (12,528)

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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.

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

	Fiscal Year				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 73,967,264	\$ 74,822,075	\$ 114,874,209	\$ 100,379,238	\$ 97,527,460
Restricted	17,088,677	14,700,630	6,518,912	7,453,015	3,582,565
Unrestricted	<u>10,390,101</u>	<u>7,457,831</u>	<u>39,268,190</u>	<u>32,521,095</u>	<u>27,318,148</u>
Total governmental activities net assets	<u>\$ 101,446,042</u>	<u>\$ 96,980,536</u>	<u>\$ 160,661,311</u>	<u>\$ 140,353,348</u>	<u>\$ 128,428,173</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 3,429,948	\$ 3,480,128	\$ 4,307,348	\$ 4,333,225	\$ 4,383,784
Restricted	398,434	399,355	416,340	400,037	399,535
Unrestricted	<u>397,551</u>	<u>251,365</u>	<u>39,308</u>	<u>(485,221)</u>	<u>(686,717)</u>
Total business-type activities net assets	<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>
Primary government					
Invested in capital assets, net of related debt	\$ 77,397,212	\$ 78,302,203	\$ 119,181,557	\$ 104,712,463	\$ 101,911,244
Restricted	17,487,111	15,099,985	6,935,252	7,853,052	3,982,100
Unrestricted	<u>10,787,652</u>	<u>7,709,196</u>	<u>39,307,498</u>	<u>32,035,874</u>	<u>26,631,431</u>
Total primary government net assets	<u>\$ 105,671,975</u>	<u>\$ 101,111,384</u>	<u>\$ 165,424,307</u>	<u>\$ 144,601,389</u>	<u>\$ 132,524,775</u>

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

	Fiscal Year				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses					
Governmental activities:					
General government	\$ 10,175,559	\$ 8,821,722	\$ 9,171,894	\$ 8,765,852	\$ 9,335,078
Public safety	12,965,767	12,393,794	12,740,622	11,962,803	12,130,706
Public works	9,941,721	10,146,753	10,178,663	9,792,085	10,348,627
Community Development	2,485,134	2,838,313	2,408,181	1,123,548	1,151,619
Recreation	1,220,075	2,241,756	2,647,386	2,334,788	2,363,305
Interest and fiscal charges	<u>4,857,978</u>	<u>1,972,014</u>	<u>1,164,716</u>	<u>305,236</u>	<u>331,911</u>
Total governmental activities expenses	<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>
Business-type activities:					
Water	1,460,206	1,532,393	1,344,353	1,408,572	1,503,954
Interest and fiscal charges	-	-	-	-	-
Golf Course	<u>251,694</u>	<u>216,584</u>	<u>241,823</u>	<u>225,224</u>	<u>218,744</u>
Total business-type activities expenses	<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>
Total primary government expenses	<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>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 196,825	\$ 134,597	\$ 134,994	\$ 171,167	\$ 170,956
Public safety	421,681	731,516	705,874	469,800	533,782
Community development	-	-	-	-	-
Parks and recreation	244,763	279,769	313,946	274,325	277,302
Public works	516,878	505,628	368,433	398,705	648,132
Interest on long-term debt	-	-	-	-	-
Operating contributions and grants	3,159,241	2,146,983	5,360,465	1,965,613	2,246,087
Capital contributions and grants	<u>3,791,143</u>	<u>1,839,711</u>	<u>2,563,187</u>	<u>2,410,285</u>	<u>1,711,667</u>
Total governmental activities program revenues	<u>8,330,531</u>	<u>5,638,204</u>	<u>9,446,899</u>	<u>5,689,895</u>	<u>5,587,926</u>
Business-type activities:					
Charges for services:					
Water	1,235,559	1,249,287	1,261,619	1,260,620	1,543,072
Golf Course	<u>186,433</u>	<u>152,569</u>	<u>159,898</u>	<u>140,768</u>	<u>144,718</u>
Total business-type activities program revenues	<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>
Total primary government program revenues	<u>\$ 9,752,523</u>	<u>\$ 7,040,060</u>	<u>\$ 10,868,416</u>	<u>\$ 7,091,283</u>	<u>\$ 7,275,716</u>

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

	Fiscal Year				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net (Expense)/Revenue					
Governmental activities	\$ (33,315,703)	\$ (32,776,148)	\$ (28,864,563)	\$ (28,594,417)	\$ (30,073,320)
Business-type activities	<u>(289,908)</u>	<u>(347,121)</u>	<u>(164,659)</u>	<u>(232,408)</u>	<u>(34,908)</u>
Total primary government net expense	<u>\$ (33,605,611)</u>	<u>\$ (33,123,269)</u>	<u>\$ (29,029,222)</u>	<u>\$ (28,826,825)</u>	<u>\$ (30,108,228)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Sales taxes	\$ 4,886,712	\$ 4,696,696	\$ 2,844,538	\$ 2,554,034	\$ 2,709,528
Property taxes	2,030,961	2,321,800	2,396,411	1,160,306	1,057,205
Other taxes	18,661,906	17,853,565	17,401,997	17,793,562	18,160,638
Use of money and property	6,630,950	3,281,827	3,888,527	3,966,769	4,244,461
Others	<u>303,354</u>	<u>249,606</u>	<u>66,782,676</u>	<u>519,704</u>	<u>485,032</u>
Total governmental activities	<u>32,513,883</u>	<u>28,403,494</u>	<u>93,314,149</u>	<u>25,994,375</u>	<u>26,656,864</u>
Business-type activities:					
Rent and Concessions	6,778	8,664	27,996	577	13,599
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>(130,856)</u>	<u>(130,130)</u>
Total business-type activities	<u>6,778</u>	<u>8,664</u>	<u>27,996</u>	<u>(130,279)</u>	<u>(116,531)</u>
Total primary government	<u>\$ 32,520,661</u>	<u>\$ 28,412,158</u>	<u>\$ 93,342,145</u>	<u>\$ 25,864,096</u>	<u>\$ 26,540,333</u>
Change in Net Position					
Governmental activities	\$ (801,820)	\$ (4,372,654)	\$ 64,449,586	\$ (2,600,042)	\$ (3,416,456)
Business-type activities	<u>(283,130)</u>	<u>(338,457)</u>	<u>(136,663)</u>	<u>(362,687)</u>	<u>(151,439)</u>
Total primary government	<u>\$ (1,084,950)</u>	<u>\$ (4,711,111)</u>	<u>\$ 64,312,923</u>	<u>\$ (2,962,729)</u>	<u>\$ (3,567,895)</u>

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

	Fiscal Year				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Function/Program					
Governmental activities:					
General government	\$ 819,452	\$ 207,740	\$ 203,038	\$ 232,347	\$ 295,030
Public safety	1,894,446	1,485,166	1,846,946	1,227,375	1,058,394
Public works	4,140,166	2,507,890	3,053,246	3,053,241	2,957,225
Community Development	1,231,704	1,157,639	3,949,929	879,716	999,975
Recreation	<u>244,763</u>	<u>279,769</u>	<u>393,740</u>	<u>297,216</u>	<u>277,302</u>
Subtotal governmental activities	<u>8,330,531</u>	<u>5,638,204</u>	<u>9,446,899</u>	<u>5,689,895</u>	<u>5,587,926</u>
Business-type activities:					
Water	1,235,559	1,249,287	1,261,619	1,260,620	1,543,072
Golf Course	<u>186,433</u>	<u>152,569</u>	<u>159,898</u>	<u>140,768</u>	<u>144,718</u>
Subtotal business-type activities	<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>
Total primary government	<u>\$ 9,752,523</u>	<u>\$ 7,040,060</u>	<u>\$ 10,868,416</u>	<u>\$ 7,091,283</u>	<u>\$ 7,275,716</u>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 34,015,965	\$ 34,168,652	\$ 33,874,087	\$ 31,586,007	\$ 29,533,393	\$ 28,192,377	\$ -	\$ -	\$ -	\$ -
Unreserved	(104,175)	2,586,628	2,916,575	760,914	5,663,390	7,885,063	-	-	-	-
Nonspendable	-	-	-	-	-	-	31,101,324	31,063,371	31,225,087	15,040,086
Restricted	-	-	-	-	-	-	2,653,435	-	-	-
Committed	-	-	-	-	-	-	1,500,000	1,700,000	1,900,000	2,100,000
Assigned	-	-	-	-	-	-	4,788,238	6,506,443	7,598,763	10,100,279
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	\$ 33,911,790	\$ 36,755,280	\$ 36,790,662	\$ 32,346,921	\$ 35,196,783	\$ 36,077,440	\$ 40,042,997	\$ 39,269,814	\$ 40,723,850	\$ 27,240,365
All Other Governmental Funds										
Reserved	\$ 31,185,098	\$ 23,140,763	\$ 26,346,370	\$ 23,533,346	\$ 6,444,813	\$ 3,790,622	\$ 4,218,731	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,292,088	3,534,142	1,271,134	2,712,006	4,517,811	3,517,293	5,568,009	11,104,728	2,505,052	3,411,724
Capital projects funds	(34,713,969)	(35,801,626)	(34,850,737)	(31,878,388)	(53,943,090)	(52,969,266)	(57,773,716)	(293,028)	80,216	171,323
Debt service funds	-	10,417,926	11,234,349	12,974,766	13,121,160	12,101,554	10,886,625	-	-	-
Assigned to	-	-	-	-	-	-	-	-	73,707	131,449
Unassigned	-	-	-	-	-	-	-	-	(122,001)	(213,608)
Total all other governmental funds	\$ (1,236,783)	\$ 1,291,205	\$ 4,001,116	\$ 7,341,730	\$ (29,859,306)	\$ (33,559,797)	\$ (37,100,351)	\$ 10,811,700	\$ 2,536,974	\$ 3,500,888

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 16,422,694	\$ 21,365,783	\$ 22,762,269	\$ 24,001,964	\$ 23,215,956	\$ 22,397,036	\$ 20,803,506	\$ 18,957,727	\$ 8,186,973	\$ 18,065,983
Licenses and permits	368,152	497,980	361,510	270,408	258,303	271,024	425,579	246,684	296,646	526,682
Fines and forfeitures	384,696	481,643	442,513	520,410	569,561	365,602	665,888	658,947	410,651	461,973
Use of money and property	3,499,560	3,839,828	6,675,935	4,573,273	4,062,189	4,860,235	5,208,244	3,869,148	3,980,288	4,262,980
Intergovernmental	8,073,251	5,780,814	4,518,060	5,922,632	7,549,280	9,839,425	8,135,923	8,573,115	8,095,770	7,400,120
Charges for services	526,721	383,925	529,709	579,276	534,918	465,309	510,030	575,465	10,255,382	569,910
Other revenues	2,723,112	1,280,528	864,049	641,667	234,092	254,627	424,963	319,264	548,434	491,789
Total revenues	31,998,186	33,630,501	36,154,045	36,509,630	36,424,299	38,453,258	36,174,133	33,200,350	31,774,144	31,779,437
Expenditures										
General government	7,759,857	6,578,918	5,094,748	5,314,576	6,290,551	6,761,242	5,510,615	5,021,662	4,523,348	4,458,587
Public safety	9,157,560	9,770,145	11,925,675	12,567,059	13,123,483	12,903,219	12,357,221	12,594,893	11,960,492	12,116,850
Public works	4,667,328	5,138,827	6,578,255	10,118,833	8,025,112	8,011,053	8,360,219	7,911,996	7,919,556	8,150,563
Community Development	2,260,839	834,972	1,009,672	1,556,904	1,623,507	1,185,669	2,207,786	2,429,742	1,099,124	1,152,346
Recreation	2,087,435	1,732,059	2,313,549	2,829,241	2,636,528	2,470,040	2,818,574	2,614,651	2,391,734	2,352,708
Capital Outlay	11,135,945	9,802,891	3,023,248	2,262,313	2,117,959	2,622,433	2,412,065	2,143,234	1,772,895	1,357,940
Debt service										
Interest	1,491,943	1,956,692	2,153,237	2,219,715	4,935,072	4,876,961	2,043,241	1,563,700	321,527	325,787
Principal	527,445	645,149	758,406	1,122,436	1,213,608	1,273,762	1,340,644	1,338,280	530,571	555,571
Bond issuance costs	-	108,453	-	-	-	-	-	-	-	-
Total expenditures	39,088,352	36,568,106	32,856,790	37,991,077	39,965,820	40,104,379	37,050,365	35,618,158	30,519,247	30,470,352
Excess of revenues over (under) expenditures	(7,090,166)	(2,937,605)	3,297,255	(1,481,447)	(3,541,521)	(1,651,121)	(876,232)	(2,417,808)	1,254,897	1,309,085

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Bonds issued	4,775,000	3,870,000	-	-	-	-	-	-	-	-
Loan proceeds	1,000,000	3,433,420	-	-	-	-	-	-	-	-
Premium on bonds issued	552,945	-	-	-	-	-	-	-	-	-
Loss on sale of property	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Other debts issued	-	-	-	566,580	-	-	-	-	-	-
Contributions from										
Successor Agency	-	-	-	-	-	-	-	-	-	546,603
Transfers in	4,496,559	569,062	82,342	173,783	-	1,636,628	586,071	1,497,933	1,165,595	1,049,774
Transfers out	(4,496,559)	(569,062)	(82,342)	(173,783)	-	(3,103,184)	(829,443)	(2,266,744)	(1,034,739)	(919,644)
Total other financing sources (uses)	6,327,945	7,303,420	-	566,580	-	(1,466,556)	(243,372)	(768,811)	130,856	676,733
Extraordinary gain/(loss) on dissolution of Red Ag	-	-	-	-	-	-	-	43,519,044	-	-
Net change in fund balances	\$ (762,221)	\$ 4,365,815	\$ 3,297,255	\$ (914,867)	\$ (3,541,521)	\$ (3,117,677)	\$ (1,119,604)	\$ 40,332,425	\$ 1,385,753	\$ 1,985,818
Debt service as a percentage of noncapital expenditures	7.79%	10%	10.28%	10.32%	19.40%	19.64%	10.83%	9.49%	10.83%	3.12%

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>
2005	\$ 3,142,991	\$ 1,559,831	\$ 14,779	\$ 331,301	\$ 53,701	\$ 11,518,392	\$ 16,620,995
2006	4,121,469	1,798,188	203,253	372,002	59,955	12,990,223	19,545,090
2007	4,338,039	1,971,556	210,541	377,235	27,031	14,479,837	21,404,239
2008	5,375,177	2,172,279	185,061	366,072	25,784	14,615,223	22,739,596
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	4,924,843	2,635,981	314,060	582,545	26,768	15,945,722	24,429,919
Change							
2005–2014	56.7%	69.0%	2025.0%	75.8%	-50.2%	38.4%	47.0%

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
2005	\$ 708,601,929	\$ 115,433,535	\$ 110,152,149	\$ 99,442,320	\$ 1,033,629,933	1	\$ 10,336,299	10000.000%
2006	770,429,209	127,667,610	112,101,508	95,579,118	1,105,777,445	1	11,057,774	10000.000%
2007	845,104,706	162,394,202	121,576,893	104,513,313	1,233,589,114	1	12,335,891	10000.000%
2008	924,396,839	186,597,853	130,684,377	113,024,315	1,354,703,384	1	13,547,034	10000.000%
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%

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		
2005	1.00	-	-	1.00	0.0413	0.0255
2006	1.00	-	-	1.00	0.0356	0.0553
2007	1.00	-	-	1.00	0.0341	0.0673
2008	1.00	-	-	1.00	0.2230	0.0668
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

Source: HdL Coren & Cone, Los Angeles County Assessor 2004/05-2013/14 Tax Rate Table

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>2014</u>			<u>2004</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	\$ 61,148,452	1	4.10%	\$ 40,499,062	1	4.19%
Florence Eastern Marketplace	37,880,700	2	2.54%			
Primestor EI Portal LLC	19,284,335	3	1.29%			
IIT Bell Gardens Portfolio LLC	16,178,220	4	1.08%			
Wei-Chuan International Inc.	14,692,410	5	0.98%	13,988,414	3	1.45%
Primestor Los Jardines LLP	13,554,900	6	0.91%			
Giraffe Properties LLC	8,854,292	7	0.59%			
Bell Gardens Hospitality LLC	7,603,932	8	0.51%			
James P. & Judy A. Berg	7,274,059	9	0.49%	5,903,681	6	0.61%
Caster Garfield Storage LP	6,715,320	10	0.45%			
Bell Gardens Bicycle Club						
Burnham Pacific Operating Partnership				19,612,976	2	2.03%
The Realty Associates Fund V				10,801,800	4	1.12%
Metal Surfaces Inc.				7,759,350	5	0.80%
Toys R Us				4,771,688	8	0.49%
Jamers Parkhouse Trust				5,046,442	7	0.52%
Missionary Church of the Disciples				4,195,243	9	0.43%
Sisbros Limited				3,984,952	10	0.41%
Total	\$ 193,186,620		12.95%	\$ 116,563,608		12.06%

Source: HdL Coren & Cone, Los Angeles County Assessor 2013/14 and 2003/04 Combined Tax Rolls and the SBE Non Unitary Tax Roll

**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
2005	\$ 950,940	\$ 866,965	91.17%	**	\$ 866,965	91.17%
2006	1,017,315	854,809	84.03%	**	854,809	84.03%
2007	1,134,902	936,278	82.50%	**	936,278	82.50%
2008	1,246,327	968,838	77.74%	**	968,838	77.74%
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	N/A	1,191	1,185,167	88.81%
2014	1,372,471	1,077,254	N/A	975	1,077,254	78.49%

Sources: Finance Department records and Los Angeles County Assessors Office

* The Taxes levied for the fiscal years above were calculated by taking the Net Total Assessed Value from the LA County Assessor Tax Rolls for the City of Bell Gardens multiplied by .01 % and then multiplied again by .09%.

** 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.

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Apparel stores	\$ 5,169	\$ 5,404	\$ 17,445	\$ 28,333	\$ 26,865	\$ 26,517	\$ 30,400	\$ 33,191	\$ 33,153	\$ 34,351
General merchandise	1,156	1,139	1,149	965	1,056	1,948	2,126	1,909	1,996	2,227
Food stores	16,024	16,244	16,437	16,350	16,978	16,805	16,178	16,629	19,570	23,845
Eating and drinking places	31,313	34,113	31,401	35,201	35,861	32,734	32,433	33,951	36,221	38,600
Building materials	4,571	6,435	7,315	6,223	5,820	4,594	4,551	5,479	5,976	5,312
Auto dealers and supplies	8,837	9,467	7,020	6,747	6,582	6,210	6,867	6,976	8,306	8,000
Service stations	18,164	19,596	20,427	25,868	42,025	30,601	34,793	44,819	47,504	45,518
Other retail stores	30,317	32,505	32,263	32,212	32,600	29,728	30,678	30,655	29,995	33,107
All other outlets	48,159	50,721	60,195	62,131	59,766	50,000	52,941	59,816	61,143	68,460
Total	\$ 163,710	\$ 175,624	\$ 193,652	\$ 214,030	\$ 227,553	\$ 199,137	\$ 210,967	\$ 233,425	\$ 243,864	\$ 259,420
City direct sales tax rate	1.25%	1.25%	1.25%	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
2005	1.00	1.00	6.25
2006	1.00	1.00	6.25
2007	1.00	1.00	6.25
2008	1.00	1.00	6.25
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

Sources: Los Angeles County

Note: The city sales tax rate may be changed only with the approval of the state legislature.

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

<u>2014</u>		<u>2004</u>	
<u>Tax Remitter</u>	<u>Business Category</u>	<u>Tax Remitter</u>	<u>Business Category</u>
66 Bell Gardens Gas	Service Stations	Arco AM PM Mini Mart	Service Stations
Andrea Shoes	Shoe Stores	Auto Zone	Automotive Supply Stores
Applebees	Casual Dinning	Bicycle Club Casino	Fine Dinning
Auto Zone	Automotive Supply Stores	Big 5 Sporting Goods	Sporting Goods/Bike Stores
Bicycle Club Casino	Leisure/Entertainment	Builders Products	Light Industrial/Printers
Big 5 Sporting Goods	Sporting Goods/Bike Stores	Chevron Pronto Lube & Tune	Service Stations
Casa Leaders HP	Home Furnishings	El Tapatio Foods	Grocery Stores Beer/Wine
Chevron Pronto Lube & Tune	Service Stations	Eurocraft Architectural Metal	Heavy Industrial
Eurocraft Architectural Metal	Heavy Industrial	Factory 2 U	Family Apparel
Factory 2U	Family Apparel	Famsa	Home Furnishings
Food 4 Less	Grocery Stores Liquor	Florence RTM	Service Stations
IHOP	Casual Dinning	Florence Union 76	Service Stations
Jack in the Box	Quick -Service Restaurants	Food 4 Less	Grocery Stores Liquor
Marshalls	Family Apparel	IHOP	Casual Dining
Mc Donalds	Quick -Service Restaurants	Jack in the Box	Quick-Service Restaurants
Mosier	Lumber/Building Materials	La Habra Welding	Repair Shop/Equip. Rentals
Parkhouse Tire Service	Trailer/Auto Parts	Little Caesars Pizza	Quick-Service Restaurants
Ross	Family Apparel	Mc Donalds	Quick-Service Restaurants
Speedy Fuel	Service Stations	Mosier	Jumber/Building Material
Super A Foods	Grocery Stores Liquor	Parkhouse Tire Service	Trailer/Auto Parts
Tesoro Refining & Marketing	Service Stations	Rite Aid	Drug Stores
Toys R Us	Specialty Stores	Super A Foods	Grocery Stores Liquor
Union 76 Station	Service Stations	Tow World	Automotive Supply Stores
Valero	Service Stations	Toys R Us	Specialty Stores
Walmart Neighborhood Market	Grocery Stores Liquor	West Coast Accudyne	Heavy Industrial
Percent of FY Total Paid by Top 25 Accounts		65.35%	60.39%

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				Percentage of Personal Income	Per Capita
	Tax Allocation Bonds	Revenue Bonds	Notes Payable	Certificates of Participation	Water Revenue Bonds	Total Primary Government				
2005	\$ 17,285,000	\$ 4,775,000	\$ 10,715,272	\$ -	\$ 5,240,000	\$ 38,015,272	11.11%	840		
2006	16,755,000	4,775,000	14,033,543	3,870,000	-	39,433,543	-	869		
2007	16,210,000	4,750,000	13,910,137	3,805,000	4,820,000	43,495,137	-	959		
2008	15,650,000	4,675,000	14,059,281	3,735,000	4,625,000	42,744,281	11.58%	942		
2009	15,075,000	4,555,000	13,917,673	3,665,000	4,425,000	41,637,673	10.67%	918		
2010	14,480,000	4,430,000	13,458,911	3,590,000	4,220,000	40,178,911	9.72%	855		
2011	13,865,000	4,295,000	12,621,267	3,510,000	4,010,000	38,301,267	6.77%	869		
2012	-	-	3,360,000	3,430,000	3,795,000	10,585,000	1.84%	240		
2013	-	-	3,144,151	3,306,355	3,574,474	10,024,980	2.10%	238		
2014	-	-	2,673,580	3,236,478	3,344,087	9,254,145	1.82%	220		

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		
2005	\$ -	\$ 17,285,000	\$ 17,285,000	167.23%	380.96
2006	-	16,755,000	16,755,000	151.52%	363.89
2007	-	16,210,000	16,210,000	131.41%	346.66
2008	-	15,650,000	15,650,000	115.52%	334.64
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	-	-	-	-	-

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
As of June 30, 2014
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding*</u>	<u>Estimated Percentage Applicable *</u>	<u>Estimated Share of Direct and Overlapping Debt*</u>
Debt repaid with property taxes			
Los Angeles County			
Los Angeles County Flood Control District	\$ 69,610,000	0.118%	\$ 82,140
Metropolitan Water District	264,220,000	0.061%	161,174
Cerritos Community College District	112,115,994	0.071%	79,602
Los Angeles Community College District	2,665,515,000	0.204%	5,437,651
Downey Unified School District	81,275,256	0.215%	174,742
Los Angeles Unified School District	11,874,430,000	0.001%	118,744
Montebello Unified School District	157,730,618	12.142%	19,151,652
Los Angeles County Regional Park and Open Space Assessment District	222,660,000	0.118%	262,740
Subtotal, direct and overlapping tax debt			<u>25,468,444</u>
Other debt			
Los Angeles County General Fund Obligations	855,695,839	0.118%	1,009,721
Los Angeles County Pension Obligations	118,486,192	0.118%	139,814
Los Angeles County Superintendent of Schools Certificate of Participation	13,185,458	0.118%	15,559
Los Angeles Unified School District Certificate of Participation	456,780,324	0.001%	4,568
Montebello Unified School District Certificates of Participation	15,125,000	12.142%	1,836,478
City of Bell Gardens Certificates of Participation	3,590,000	100.000%	3,590,000
Los Angeles County Sanitation District No. 2 Authority	34,810,192	2.942%	1,024,117
Subtotal, overlapping debt			<u>7,620,256</u>
Less: Los Angeles County Certificates of Participation (100% self-supporting) from leasehold revenues on properties in Marina Del Rey			<u>(347)</u>
			7,619,909
City direct debt			<u>33,088,700</u>
Total direct and overlapping debt			<u>\$ 33,088,353</u>

* June 30, 2014 figures are not available for these areas, so the most current information available is being presented here which is June 30, 2010.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Bell Gardens. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident—and therefore responsible for repaying the debt—of each overlapping government.

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

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	\$ 1,491,816,295
Debt limit (15% of assessed value)	223,772,444
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	\$ 223,772,444

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 153,655,056	\$ 165,866,617	\$ 185,038,367	\$ 203,205,508	\$ 216,069,180	\$ 221,437,599	\$ 217,766,485	\$ 217,055,442	\$ 217,582,859	\$ 223,772,444
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 153,655,056	\$ 165,866,617	\$ 185,038,367	\$ 203,205,508	\$ 216,069,180	\$ 221,437,599	\$ 217,766,485	\$ 217,055,442	\$ 217,582,859	\$ 223,772,444
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%

Source: L.A. County Assessor 2004/05-2013/14 Combined Tax Rolls

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.

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

Fiscal Year	Water Revenue Bonds							Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service				
				Principal	Interest			
2005	\$ 1,333,000	\$ 974,459	\$ 358,541	\$ 110,000	\$ 170,567		1.28	
2006	1,317,852	1,173,928	143,924	190,000	204,384		0.36	
2007	1,274,800	1,945,581	(670,781)	195,000	200,241		(1.70)	
2008	1,434,590	1,329,089	105,501	200,000	195,499		0.27	
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	

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, admin expense, depreciation, or amortization expenses.

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

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2005	45,372	\$ 342,231,121	\$ 34,426	8.3%
2006	46,044	*	*	7.3%
2007	46,760	*	*	*
2008	46,766	369,174,348	37,362	7.1%
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	42,072	478,000,300	44,459	9.9%
2014	42,072	507,400,000	45,540	7.1%

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.

Note: The information provided for personal income and per capita personal income is for the County of Los Angeles. Information for Bell Gardens was not available.

* Information not available

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

Function/Program	Full-time-Equivalent Employees as of June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Mayor and City Council	1	1	1	1	1	1	1	1	1	1
City Manager's Office	3	3	4	4	4	4	4	4	4	4
City Clerk's Office	2	2	2	2	2	2	2	2	2	2
Finance	8	10	10	9	9	10	10	8	10	10
Community Development	12	12	13	13	13	13	13	12	10	10
Police										
Sworn	58	58	59	57	57	57	57	51	51	51
Non-sworn	19	22	22	23	23	23	23	22	21	21
Public works	29	29	30	30	30	31	31	29	27	27
Recreation & Community Services	6	8	11	13	13	13	13	11	11	11
Total	138	145	152	152	152	154	154	140	137	137

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>2013-2014</u>		<u>2004-2005</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	1,700	10.97%	*	*
Certified Network M. Inc	202	1.30%	*	*
Briarcrest Nursing Center	186	1.20%	*	*
Valet Services	182	1.17%	*	*
First Class Vending, Inc.	150	0.97%	*	*
Metal Surfaces Inc.	125	0.81%	*	*
Del Rio Sanitarium, Inc.	100	0.65%	*	*
Parkhouse Tire Inc.	100	0.65%	*	*
Southern CA Braiding Co.	100	0.65%	*	*
Wei-Chuan U. S. A. Inc.	100	0.65%	*	*
Total	<u>2,945</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

2004-2005 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government										
Building permits issued	441	494	505	368	237	231	281	233	215	199
Police										
Physical arrests	1,818	1,531	1,684	1,318	1,642	1,524	1,586	1,817	1,638	1,330
Parking violations	8,810	6,040	7,077	7,493	7,607	5,614	4,777	5,198	4,408	4,946
Traffic violations	4,534	4,495	5,079	5,819	4,162	3,864	5,133	6,529	5,532	2,890
Refuse collection										
Refuse collected (tons per day)	72.0	74.0	87	101	93	75	72	72	43	42
Recyclables collected (tons per day)	11.0	11.0	23	14	11	23	22	22	14	13
Other public works										
Street resurfacing (miles)	1.7	1.4	0	7.5	*	1.5	3.2	1.5	0.6	0.6
Potholes repaired	280	280	277	321	288	330	295	198	185	250
Parks and recreation										
Athletic field permits issued	678	275	319	147	534	146	165	238	194	224
Community center admissions	146,444	148,641	156,000	163,800	260,406	430,053	401,758	417,919	420,277	428,683
Transit										
Total route miles	179,856	*	*	*	*	*	*	*	*	*
Passengers	346,574	283,583	287,996	346,832	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>	<u>Fiscal Year</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	398.3	402.3	402.3	402.3	402.3	402.3	402.3	402.3	402.3	402.3
Highways (miles)	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4
Streetlights	8,079	8,161	8,162	8,162	8,162	8,162	8,162	8,162	8,162	8,162
Traffic signals	106	106	111	111	111	111	111	111	111	111
Parks and recreation										
Acres	64	64	64	64	64	64	64	64	64	64
Playgrounds	9	10	10	10	10	10	10	10	10	10
Baseball/softball diamonds	39	41	3	3	3	3	3	3	3	3
Wastewater										
Sanitary sewers (miles)	479.6	484.4	484.4	484.4	484.4	484.4	484.4	484.4	484.4	484.4
Storm sewers (miles)	335.1	338.5	338.5	338.5	338.5	338.5	338.5	338.5	338.5	338.5
Treatment capacity (thousands of gallons)	3,550	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Transit—Senior Citizen Bus	1	1	1	1	7	7	7	7	7	7

Sources: Various city departments.

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

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