

CITY OF BELL GARDENS

2013 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending June 30, 2013



CITY OF BELL GARDENS, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

PREPARED BY:
FINANCE & ADMINISTRATIVE
SERVICES DEPARTMENT

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CITY OF BELL GARDENS
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JUNE 30, 2013

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City of BELL GARDENS

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

December 31, 2013

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, 2013.

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 unqualified ("clean") opinion of the City of Bell Gardens' financial statements for the year ended June 30, 2013. 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 revenues come from card club fees received from the Bell Gardens Bicycle Casino. The City experienced a significant downturn in these revenues. Casino revenues peaked in 2008 and then significantly turned downward through 2012. However, by the end of the 2013 fiscal year there was an uptick in the casino revenues, which increased by about 3%. The other major revenue sources of the City includes property tax, sales tax, vehicle license fees and lease payments. These other revenues sources increased or remained flat for fiscal 2013. Sales tax revenues showed an increase of about 5%.

In response to the 'great recession' and the accompanying revenue decreases, the City has taken multiple steps (including one-time and structural) to reduce expenditures. These steps have 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 pensions 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 2013.

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
Sergio Infanzon	Councilmember
Jennifer Rodriguez	Councilmember

Administration and Department Heads

Philip Wagner
City Manager

John E. Oropeza
Assistant City Manager

Will Kaholokula
Director of Finance & Administrative Services

Robert Barnes
Chief of Police

Abel Avalos
Director of Community Development

Chris Dastè
Director of Recreation & Community Services

Chau Vu
Director of Public Works

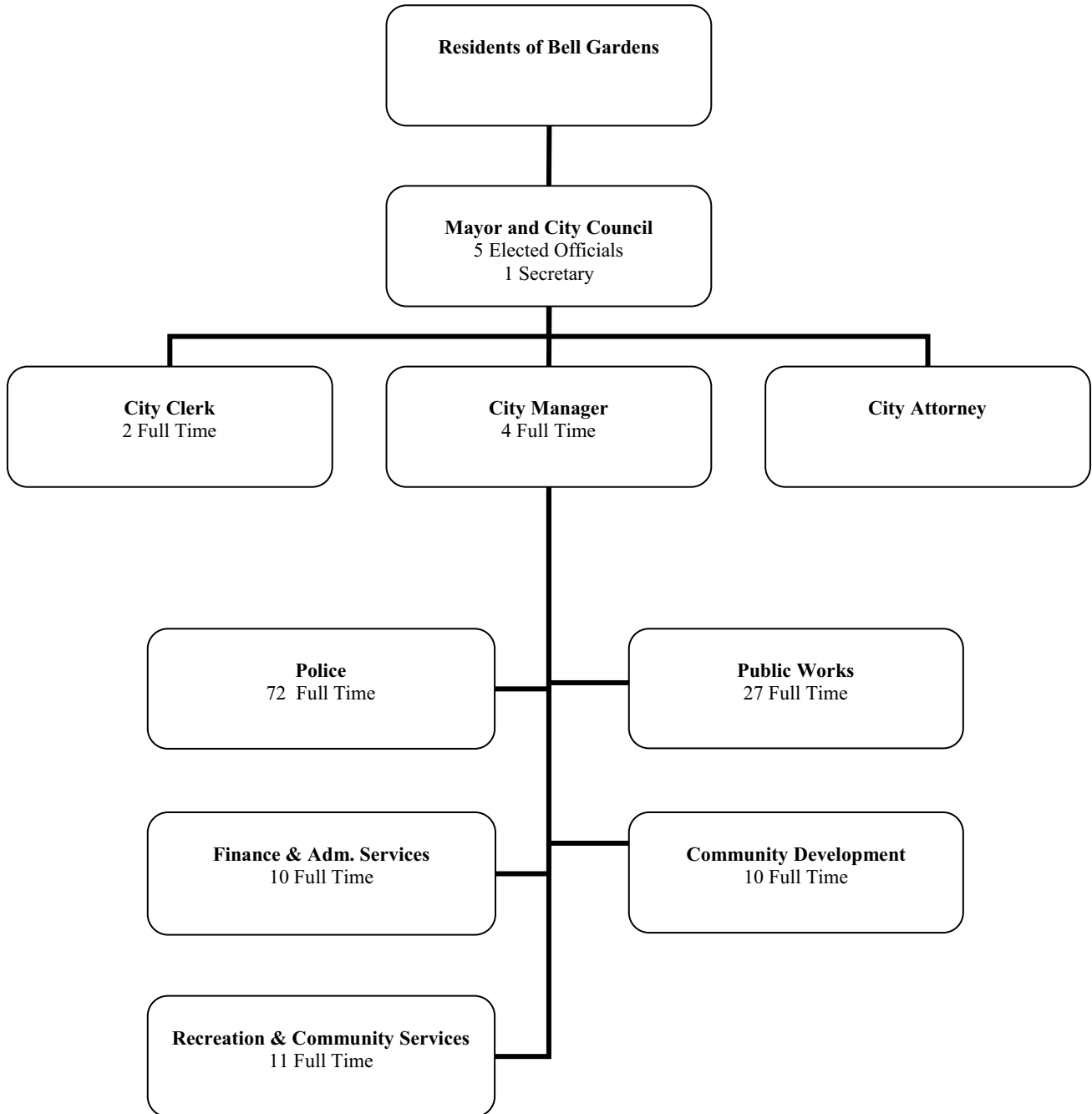
Rosalia A. Conde
City Clerk

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, 2012

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, 2013, 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.

Auditors' 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
The 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, 2013, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Community Development Block Grant Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2013 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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, budgetary comparison schedule information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules, as listed in the table of contents, 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 budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2013 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, Solt & Lughard, LLP

Brea, California
December 24, 2013

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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, 2013. 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, 2013, the City's net position (excess of assets over liabilities) was \$144.6 million. This is a decrease of about \$20.8 million. The decrease in net position was caused by a restatement of \$17.9 million primarily due to the recalculation of interest on the loans to the Successor Agency, the implementation of GASB 65 and \$2.9 million where expenditures exceeded 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, with the difference between the three reported as net position. Over time, increases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

In the Statement of Net Position and the Statement of Activities, we separate the City 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 two legally separate entities, the Bell Gardens Community Development Commission and the Bell Gardens Financing Authority. The City is financially accountable for these entities and financial information for these blended component units 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, Community Development Block Grant and the Low and Moderate Housing fund which are reported as major funds. Data from the other 22 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, 2013, the City's net position (excess of assets and deferred outflows over liabilities) was \$144.6 million (This includes \$17.9 million in restatement of net position in the government-wide financial statements of the city; the majority of this restatement is related to the \$17.3 million in reduction in Advances to Successor Agency for disallowed interest payable; with the other restatements primarily being related to the implementation of GASB 65).

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2013 and 2012.

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Current and other assets	\$ 75,183,714	\$ 58,141,426	\$ 602,544	\$ 72,699	\$ 75,786,258	\$ 58,214,125
Capital assets	108,124,534	106,868,389	7,961,175	7,773,308	116,085,709	114,641,697
Total Assets	183,308,248	165,009,815	8,563,719	7,846,007	191,871,967	172,855,822
Deferred Outflows of Resources						
Deferred charge on refunding	-	-	-	134,391	-	134,391
Long-term liabilities outstanding	19,608,151	22,172,529	3,428,827	3,344,474	23,036,978	25,517,003
Other liabilities	3,038,786	2,483,938	371,896	387,883	3,410,682	2,871,821
Total Liabilities	22,646,937	24,656,467	3,800,723	3,732,357	26,447,660	28,388,824
Net position:						
Net Investment in						
Capital Assets	114,874,209	100,379,238	4,307,348	4,333,225	119,181,557	104,712,463
Restricted	6,518,912	7,453,015	416,340	400,037	6,935,252	7,853,052
Unrestricted	39,268,190	32,521,095	39,308	(485,221)	39,307,498	32,035,874
Total Net Position	\$ 160,661,311	\$ 140,353,348	\$ 4,762,996	\$ 4,248,041	\$ 165,424,307	\$ 144,601,389

Approximately \$100 million (72%) 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, 2013 and 2012.

City of Bell Gardens Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Revenues:						
Program revenues:						
Charges for services	\$ 1,523,247	\$ 1,313,997	\$ 1,421,517	\$ 1,401,388	\$ 2,944,764	\$ 2,715,385
Operating grants and contrib.	5,360,465	1,965,613	-	-	5,360,465	1,965,613
Capital grants and contrib.	2,563,187	2,410,285	-	-	2,563,187	2,410,285
General revenues:						
Sales taxes	2,396,411	2,554,034	-	-	2,396,411	2,554,034
Transient occupancy taxes	238,104	258,666	-	-	238,104	258,666
Franchise taxes	2,594,078	2,622,207	-	-	2,594,078	2,622,207
Business license taxes	264,537	249,097	-	-	264,537	249,097
Property taxes	2,844,538	1,160,306	-	-	2,844,538	1,160,306
Other taxes	1,272,054	1,363,015	-	-	1,272,054	1,363,015
Motor Vehicle in Lieu	3,679,693	3,616,717	-	-	3,679,693	3,616,717
Use of money and property	3,888,527	3,966,769	27,996	577	3,916,523	3,967,346
Club card taxes	9,353,531	9,683,860	-	-	9,353,531	9,683,860
Other	104,129	388,848	-	-	104,129	388,848
Total Revenues	<u>36,082,501</u>	<u>31,553,414</u>	<u>1,449,513</u>	<u>1,401,965</u>	<u>37,532,014</u>	<u>32,955,379</u>
Expenses:						
General government	9,171,894	8,765,852	-	-	9,171,894	8,765,852
Public safety	12,740,622	11,962,803	-	-	12,740,622	11,962,803
Community development	2,408,181	1,123,548	-	-	2,408,181	1,123,548
Parks and recreation	2,647,386	2,334,788	-	-	2,647,386	2,334,788
Public works	10,178,663	9,792,085	-	-	10,178,663	9,792,085
Interest and fiscal charges	1,164,716	305,236	-	-	1,164,716	305,236
Water utility	-	-	1,344,353	1,408,572	1,344,353	1,408,572
Golf course	-	-	241,823	225,224	241,823	225,224
Total Expenses	<u>38,311,462</u>	<u>34,284,312</u>	<u>1,586,176</u>	<u>1,633,796</u>	<u>39,897,638</u>	<u>35,918,108</u>
Increase (decrease) in net assets						
before transfers and extraordinary items	(2,228,961)	(2,730,898)	(136,663)	(231,831)	(2,365,624)	(2,962,729)
Extraordinary gain/(loss) on dissolution of redevelopment agency)	66,678,547	-	-	-	66,678,547	-
Transfers	(768,811)	130,856	768,811	(130,856)	-	-
Changes in Net Position	63,680,775	(2,600,042)	632,148	(362,687)	64,312,923	(2,962,729)
Net Position - beginning of the year	96,980,536	160,661,311	4,130,848	4,762,996	101,111,384	165,424,307
Restatement of Net Position	-	(17,707,921)	-	(152,268)	-	(17,860,189)
Net Position - end of the year	<u>\$ 160,661,311</u>	<u>\$ 140,353,348</u>	<u>\$ 4,762,996</u>	<u>\$ 4,248,041</u>	<u>\$ 165,424,307</u>	<u>\$ 144,601,389</u>

Governmental Activities

The City's net position from governmental activities totaled \$140.3 million. The cost of all governmental activities this year was \$34.2 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 \$28.6 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:

- ◆ Revenues decreased by \$4.5 million from the prior year - Operating grants and Contributions and Property Taxes made up the majority of the decrease.
- ◆ Operating grants and contributions decreased by \$3.3 million due to the recognition of \$2.7 million in 2011-2012 of deferred revenue related to the Terra Bella construction project and the recognition of \$943k of deferred revenue related to the First-Time home buyers program.
- ◆ Property taxes decreased by \$1.7 million due to the elimination of the redevelopment agency which is now presented as it's own fiduciary fund with the financial statements.
- ◆ Card Club casino revenue increased by \$330k from the prior year as the casino started to see a slight rebound in consumer discretion spending.

Expense highlights:

- ◆ Expenses decreased by \$4 million from the prior year with a majority of the decrease coming from Community Development activities, Interest and fiscal charges and Public safety activities.
- ◆ Community Development expenditures decreased from prior year by \$1.3 million which was caused by \$400k decrease in CDBG related expenditures, \$300k decrease related to the former redevelopment agency.
- ◆ Interest and fiscal charges decreased by \$859k which was caused by the elimination of the redevelopment agency.
- ◆ Public safety expenditures decreased from the prior year by \$777k as a result of various open public safety employment positions vacant for certain periods throughout the year.

Business Type Activities

The City's business-type activities net position decreased by \$515k. Key elements of this decrease are as follows:

Revenue Highlights:

- ◆ Transfers to the Water Utility fund and the Golf Course fund decreased by \$898k compared to the prior year. In the prior year, there was a transfer of fiscal agent cash to the Water fund who incurred expenditures related to the issuance of the bond funds.
- ◆ In the current year, a beginning net position was restated that decreased the net position in the amount of \$152k as part of the implementation of GASB 65.

Expense Highlights:

- ◆ Total expenses in the business-type activities increased by \$47k. Water Utility Fund expenses increased by \$64k and the Golf Course fund expenses decreased by \$17k.

- ♦ The primary increase in the Water Utility Fund was related to an increase of \$17k in Contractual Services and an increase of \$41k in the purchase of water.
- ♦ The key decrease in expenses in the Golf Course fund compared to prior year was a decrease of \$12k in personnel services.

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, 2013, the City's governmental funds reported combined ending fund balance of \$43.26 million, an increase of \$1.38 million compared to the prior year balance of \$41.88 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 \$23.94 million and the final amended budget was \$23.95 million. Budget amendments totaled less than 1% of the original budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Bell Gardens has \$114.6 million invested in the capital assets, as compared to \$116.1 million in the prior year. Net decrease in the capital assets is approximately \$1.5 million.

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

	Governmental Activities		Business-Type Activities		Totals	
	2012	2013	2012	2013	2012	2013
Land	\$ 69,022,714	\$ 69,022,714	\$ 1,011,000	\$ 1,011,000	\$ 70,033,714	\$ 70,033,714
Buildings	9,707,310	10,263,185	-	-	9,707,310	10,263,185
Equipment	973,745	788,088	5,063,119	5,288,527	6,036,864	6,076,615
Construction in Progress	1,661,065	991,202	394,136	-	2,055,201	991,202
Infrastructure	26,759,700	25,803,200	-	-	26,759,700	25,803,200
Intangibles	-	-	1,492,920	1,473,781	1,492,920	1,473,781
Total	\$ 108,124,534	\$ 106,868,389	\$ 7,961,175	\$ 7,773,308	\$ 116,085,709	\$ 114,641,697

The decrease was primarily due to the increase in Accumulated Depreciation of Fixed Assets and a restatement of capital assets in the governmental activities. For more detailed information, see Note 6 and Note 13 to the financial statements.

Long-term Debt

At year-end, the City had \$26.5 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 \$23.7 million in prior year, a net increase of \$2.8 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 \$3.6 million (see note 9 for this calculation). Please refer to Note 7 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	
	2012	2013	2012	2013	2012	2013
Accrued Leave Payable	\$ 2,815,831	\$ 2,804,723	\$ -	\$ -	\$ 2,815,831	\$ 2,804,723
Other post employment obligations	9,591,183	13,206,460	-	-	9,591,183	13,206,460
CJPIA Retrospective Deposit Liability	962,462	523,923	-	-	962,462	523,923
Promissory Note- County of LA	3,360,000	2,965,000	-	-	3,360,000	2,965,000
2006 Certificates of Participation	3,430,000	3,345,000	-	-	3,430,000	3,345,000
Southern California Edison On Bill Financing	-	179,151	-	-	-	179,151
2004 Water Refunding Revenue Bonds	-	-	3,795,000	3,570,000	3,795,000	3,570,000
Unamortized bond premium	-	-	4,862	4,474	4,862	4,474
Unamortized bond discount	(40,325)	(38,645)	(146,035)	-	(186,360)	(38,645)
Total	\$ 20,119,151	\$ 22,985,612	\$ 3,653,827	\$ 3,574,474	\$ 23,772,978	\$ 26,560,086

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 42% 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 2013, the UCLA Anderson Forecast asserted that the U.S. "economy is returning to normalcy". While the economy will not be "normal" by historical standards, it will be noticeably better than in recent years. The UCLA Anderson forecasts a real GDP growth of 2.5% for the rest of the year and a historical 3% growth rate in 2014 and 2015. California's economy continues to reflect the slow growth of the nation. The forecast calls for total employment growth-including payroll, farm and the self-employed of 2.7% in 2013 and 2.1% in both 2014 and 2015. Non-farm payroll employment will grow a little more slowly at 1.7%, 1.9% and 2.2% for the three forecast years.

In addition to the unstable economy, 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.

Although the outlook is not overwhelmingly positive, one item of note that is positive was in the case of the City of Alhambra vs. County of Los Angeles, Case No. S185457, the California Supreme Court ruled on November 19, 2012 that the County of Los Angeles has been overcharging its property tax administration fees to cities relating to the Vehicle License Fee (VLP) swap and "Triple Flip". Soon after, the County of Los Angeles filed a Petition for Rehearing, and the cities filed their answer to the petition. The cities and the County settled, and the financial gain to the City of Bell Gardens is approximately \$70 thousand annually and a retroactive refund of \$349 thousand.

The Operating Budget for fiscal year 2013-14 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' 2013-14 budget 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, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 10,650,311	\$ 2,955	\$ 10,653,266
Receivables:			
Accounts	824,150	13,519	837,669
Notes and loans	8,623,686	-	8,623,686
Accrued interest	3,352	75	3,427
Internal balances	343,887	(343,887)	-
Advances to Successor Agency	33,647,702	-	33,647,702
Prepaid costs	1,564,653	-	1,564,653
Due from other governments	1,843,494	-	1,843,494
Restricted assets:			
Cash with fiscal agent	640,191	400,037	1,040,228
Capital assets not being depreciated	70,013,916	1,011,000	71,024,916
Capital assets, net of depreciation	36,854,473	6,762,308	43,616,781
Total Assets	165,009,815	7,846,007	172,855,822
Deferred Outflows of Resources:			
Deferred charge on refunding	-	134,391	134,391
Total Deferred Outflows of Resources	-	134,391	134,391
Liabilities:			
Accounts payable	1,095,842	108,619	1,204,461
Accrued liabilities	402,011	1,806	403,817
Accrued interest	75,468	47,458	122,926
Unearned revenue	29,950	-	29,950
Deposits payable	67,584	-	67,584
Noncurrent liabilities:			
Due within one year	813,083	230,000	1,043,083
Due in more than one year	22,172,529	3,344,474	25,517,003
Total Liabilities	24,656,467	3,732,357	28,388,824
Net Position:			
Net investment in capital assets	100,379,238	4,333,225	104,712,463
Restricted for:			
Community development projects	583,800	-	583,800
Public safety	827,949	-	827,949
Parks and recreation	2,001	-	2,001
Public works	1,137,665	-	1,137,665
Capital projects	33,853	-	33,853
Debt service	4,867,747	400,037	5,267,784
Unrestricted	32,521,095	(485,221)	32,035,874
Total Net Position	\$ 140,353,348	\$ 4,248,041	\$ 144,601,389

CITY OF BELL GARDENS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 8,765,852	\$ 171,167	\$ 61,180	\$ -
Public safety	11,962,803	469,800	664,002	93,573
Community development	1,123,548	-	108,940	770,776
Parks and recreation	2,334,788	274,325	22,891	-
Public works	9,792,085	398,705	1,108,600	1,545,936
Interest on long-term debt	305,236	-	-	-
Total Governmental Activities	34,284,312	1,313,997	1,965,613	2,410,285
Business-Type Activities:				
Water	1,408,572	1,260,620	-	-
Golf Course	225,224	140,768	-	-
Total Business-Type Activities	1,633,796	1,401,388	-	-
Total Primary Government	\$ 35,918,108	\$ 2,715,385	\$ 1,965,613	\$ 2,410,285

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
\$ (8,533,505)	\$ -	\$ (8,533,505)
(10,735,428)	-	(10,735,428)
(243,832)	-	(243,832)
(2,037,572)	-	(2,037,572)
(6,738,844)	-	(6,738,844)
(305,236)	-	(305,236)
(28,594,417)	-	(28,594,417)
-	(147,952)	(147,952)
-	(84,456)	(84,456)
-	(232,408)	(232,408)
(28,594,417)	(232,408)	(28,826,825)
9,683,860	-	9,683,860
1,160,306	-	1,160,306
258,666	-	258,666
2,554,034	-	2,554,034
2,622,207	-	2,622,207
249,097	-	249,097
1,363,015	-	1,363,015
3,616,717	-	3,616,717
3,966,769	(13,083)	3,953,686
388,848	13,660	402,508
130,856	(130,856)	-
25,994,375	(130,279)	25,864,096
(2,600,042)	(362,687)	(2,962,729)
160,661,311	4,762,996	165,424,307
(17,707,921)	(152,268)	(17,860,189)
\$ 140,353,348	\$ 4,248,041	\$ 144,601,389

CITY OF BELL GARDENS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds				Total Governmental Funds
	General	Community Development Block Grant	Low and Moderate Housing	Other Governmental Funds	
Assets:					
Cash and investments	\$ 7,671,667	\$ -	\$ -	\$ 2,978,644	\$ 10,650,311
Receivables:					
Accounts	810,423	-	13,727	-	824,150
Notes and loans	241,373	1,713,030	5,947,471	721,812	8,623,686
Accrued interest	2,995	-	-	357	3,352
Prepaid costs	1,564,653	-	-	-	1,564,653
Due from other governments	674,352	6,361	595,290	567,491	1,843,494
Due from other funds	1,144,202	-	-	-	1,144,202
Advances to Successor Agency	33,647,702	-	-	-	33,647,702
Restricted assets:					
Cash and investments with fiscal agents	640,191	-	-	-	640,191
Total Assets	\$ 46,397,558	\$ 1,719,391	\$ 6,556,488	\$ 4,268,304	\$ 58,941,741
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 646,499	\$ 3,738	\$ -	\$ 445,605	\$ 1,095,842
Accrued liabilities	398,637	-	-	3,374	402,011
Unearned revenues	-	-	-	29,950	29,950
Deposits payable	58,992	-	-	8,592	67,584
Due to other funds	-	2,553	555,353	242,409	800,315
Total Liabilities	1,104,128	6,291	555,353	729,930	2,395,702
Deferred Inflows of Resources:					
Unavailable revenues	4,569,580	1,713,030	6,037,182	965,423	13,285,215
Total Deferred Inflows of Resources	4,569,580	1,713,030	6,037,182	965,423	13,285,215
Fund Balances:					
Nonspendable:					
Prepaid costs	1,564,653	-	-	-	1,564,653
Advances to other funds	29,660,434	-	-	-	29,660,434
Restricted for:					
Community development projects	-	70	-	467,990	468,060
Public safety	-	-	-	827,949	827,949
Parks and recreation	-	-	-	117,741	117,741
Public works	-	-	-	1,091,302	1,091,302
Capital Projects	-	-	-	80,216	80,216
Committed to:					
Committed to contingencies	1,900,000	-	-	-	1,900,000
Assigned to:					
Post employment benefits	4,794,040	-	-	73,707	4,867,747
Compensated absences	2,804,723	-	-	-	2,804,723
Unassigned	-	-	(36,047)	(85,954)	(122,001)
Total Fund Balances	40,723,850	70	(36,047)	2,572,951	43,260,824
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 46,397,558	\$ 1,719,391	\$ 6,556,488	\$ 4,268,304	\$ 58,941,741

CITY OF BELL GARDENS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013**

Fund balances of governmental funds		\$ 43,260,824
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.		106,868,389
Long-term debt and compensated absences have not been included in the governmental fund activity:		
2006 Certificates of Participation	\$ (3,345,000)	
Unamortized bond premiums/discounts	38,645	
Notes Payable: County of Los Angeles - Section 108	(2,965,000)	
Southern California Edison On Bill Financing Agreement	(179,151)	
CJPIA General Liability Retrospective Payable	(523,923)	
Compensated Absences	<u>(2,804,723)</u>	(9,779,152)
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.		(13,206,460)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(75,468)
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>13,285,215</u>
Net Position of governmental activities		<u><u>\$ 140,353,348</u></u>

CITY OF BELL GARDENS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds				Total Governmental Funds
	General	Community Development Block Grant	Low and Moderate Housing	Other Governmental Funds	
Revenues:					
Taxes	\$ 4,824,802	\$ -	\$ -	\$ 3,362,171	\$ 8,186,973
Licenses and permits	296,646	-	-	-	296,646
Intergovernmental	3,917,762	793,636	-	3,384,372	8,095,770
Charges for services	9,989,795	-	-	265,587	10,255,382
Use of money and property	3,751,688	-	39,937	188,663	3,980,288
Fines and forfeitures	312,655	-	-	97,996	410,651
Contributions	-	-	-	80,000	80,000
Miscellaneous	420,366	-	-	48,068	468,434
Total Revenues	23,513,714	793,636	39,937	7,426,857	31,774,144
Expenditures:					
Current:					
General government	3,977,975	-	-	545,373	4,523,348
Public safety	11,179,962	-	-	780,530	11,960,492
Community development	834,066	189,074	75,984	-	1,099,124
Parks and recreation	2,186,202	-	-	205,532	2,391,734
Public works	3,008,670	-	-	4,910,886	7,919,556
Capital outlay	91,760	-	-	1,681,135	1,772,895
Debt service:					
Principal retirement	135,571	395,000	-	-	530,571
Interest and fiscal charges	158,038	163,489	-	-	321,527
Total Expenditures	21,572,244	747,563	75,984	8,123,456	30,519,247
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,941,470	46,073	(36,047)	(696,599)	1,254,897
Other Financing Sources (Uses):					
Transfers in	323,227	7,764	-	834,604	1,165,595
Transfers out	(810,661)	-	-	(224,078)	(1,034,739)
Total Other Financing Sources (Uses)	(487,434)	7,764	-	610,526	130,856
Net Change in Fund Balances	1,454,036	53,837	(36,047)	(86,073)	1,385,753
Fund Balances, Beginning of Year	39,269,814	(53,767)	-	2,659,024	41,875,071
Fund Balances, End of Year	\$ 40,723,850	\$ 70	\$ (36,047)	\$ 2,572,951	\$ 43,260,824

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, 2013**

Net change in fund balances - total governmental funds \$ 1,385,753

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	\$ 1,779,346	
Disposal of assets	(222,925)	
Depreciation	<u>(2,702,718)</u>	(1,146,297)

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	395,000	
On bill financing	50,571	
Amortization of bond discounts	(1,680)	
CJPIA retrospective deposit liability	<u>438,539</u>	967,430

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 17,971

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. 11,108

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. (3,615,277)

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. (220,730)

Change in net position of governmental activities \$ (2,600,042)

CITY OF BELL GARDENS

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2013**

	<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	\$ 39,269,814	\$ 39,269,814	\$ 39,269,814	\$ -
Resources (Inflows):				
Taxes	4,483,604	4,483,604	4,824,802	341,198
Licenses and permits	304,289	304,289	296,646	(7,643)
Intergovernmental	4,023,156	4,023,156	3,917,762	(105,394)
Charges for services	9,985,741	9,985,741	9,989,795	4,054
Use of money and property	3,584,017	3,584,017	3,751,688	167,671
Fines and forfeitures	468,054	468,054	312,655	(155,399)
Miscellaneous	146,827	146,827	420,366	273,539
Transfers in	199,290	199,290	323,227	123,937
Amounts Available for Appropriation	62,464,792	62,464,792	63,106,755	641,963
Charges to Appropriation (Outflow):				
General government	4,464,516	4,445,570	3,977,975	467,595
Public safety	11,868,323	11,837,618	11,179,962	657,656
Community development	946,065	943,789	834,066	109,723
Parks and recreation	2,511,140	2,501,073	2,186,202	314,871
Public works	2,867,787	2,865,669	3,008,670	(143,001)
Capital outlay	128,600	193,412	91,760	101,652
Debt service:				
Principal retirement	85,000	85,000	135,571	(50,571)
Interest and fiscal charges	158,038	158,038	158,038	-
Transfers out	910,408	910,408	810,661	99,747
Total Charges to Appropriations	23,939,877	23,940,577	22,382,905	1,557,672
Budgetary Fund Balance, June 30	\$ 38,524,915	\$ 38,524,215	\$ 40,723,850	\$ 2,199,635

CITY OF BELL GARDENS

**BUDGETARY COMPARISON STATEMENT
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (53,767)	\$ (53,767)	\$ (53,767)	\$ -
Resources (Inflows):				
Intergovernmental	755,501	755,501	793,636	38,135
Transfers in	-	-	7,764	7,764
Amounts Available for Appropriation	701,734	701,734	747,633	45,899
Charges to Appropriation (Outflow):				
Community development	199,612	199,612	189,074	10,538
Debt service:				
Principal retirement	395,000	395,000	395,000	-
Interest and fiscal charges	163,489	163,489	163,489	-
Total Charges to Appropriations	758,101	758,101	747,563	10,538
Budgetary Fund Balance, June 30	\$ (56,367)	\$ (56,367)	\$ 70	\$ 56,437

CITY OF BELL GARDENS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water	Nonmajor Enterprise Fund Golf Course	Totals
Assets:			
Current:			
Cash and investments	\$ -	\$ 2,955	\$ 2,955
Receivables:			
Accounts	13,519	-	13,519
Accrued interest	75	-	75
Restricted:			
Cash with fiscal agent	400,037	-	400,037
Total Current Assets	413,631	2,955	416,586
Noncurrent:			
Capital assets - net of accumulated depreciation	7,773,308	-	7,773,308
Total Noncurrent Assets	7,773,308	-	7,773,308
Total Assets	8,186,939	2,955	8,189,894
Deferred Outflows of Resources:			
Deferred charge on refunding	134,391	-	134,391
Total Deferred Outflows of Resources	134,391	-	134,391
Total Assets and Deferred Outflows of Resources	\$ 8,321,330	\$ 2,955	\$ 8,324,285
Liabilities and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 106,524	\$ 2,095	\$ 108,619
Accrued liabilities	751	1,055	1,806
Accrued interest	47,458	-	47,458
Due to other funds	343,887	-	343,887
Bonds, notes, and capital leases	230,000	-	230,000
Total Current Liabilities	728,620	3,150	731,770
Noncurrent:			
Bonds, notes, and capital leases	3,344,474	-	3,344,474
Total Noncurrent Liabilities	3,344,474	-	3,344,474
Total Liabilities	4,073,094	3,150	4,076,244
Net Position:			
Net investment in capital assets	4,333,225	-	4,333,225
Restricted for debt service	400,037	-	400,037
Unrestricted	(485,026)	(195)	(485,221)
Total Net Position	4,248,236	(195)	4,248,041
Total Liabilities and Net Position	\$ 8,321,330	\$ 2,955	\$ 8,324,285

CITY OF BELL GARDENS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water	Nonmajor Enterprise Fund	Totals
		Golf Course	
Operating Revenues:			
Sales and service charges	\$ 1,145,601	\$ 136,680	\$ 1,282,281
Miscellaneous	115,019	17,748	132,767
Total Operating Revenues	1,260,620	154,428	1,415,048
Operating Expenses:			
Administration and general	146,744	109,214	255,958
Cost of sales and services	896,167	113,843	1,010,010
Depreciation expense	185,700	2,167	187,867
Total Operating Expenses	1,228,611	225,224	1,453,835
Operating Income (Loss)	32,009	(70,796)	(38,787)
Nonoperating Revenues (Expenses):			
Interest revenue and change in fair value of investments	(13,083)	-	(13,083)
Interest expense	(179,961)	-	(179,961)
Total Nonoperating Revenues (Expenses)	(193,044)	-	(193,044)
Income (Loss) Before Transfers	(161,035)	(70,796)	(231,831)
Transfers in	-	68,434	68,434
Transfers out	(199,290)	-	(199,290)
Changes in Net Position	(360,325)	(2,362)	(362,687)
Net Position:			
Beginning of Year, as previously reported	4,760,829	2,167	4,762,996
Restatements	(152,268)	-	(152,268)
Beginning of Fiscal Year, as restated	4,608,561	2,167	4,610,728
End of Fiscal Year	\$ 4,248,236	\$ (195)	\$ 4,248,041

CITY OF BELL GARDENS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water	Nonmajor Enterprise Fund Golf Course	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 1,260,620	\$ 154,428	\$ 1,415,048
Cash paid to suppliers for goods and services	(877,403)	(121,619)	(999,022)
Cash paid to employees for services	(146,744)	(109,215)	(255,959)
Net Cash Provided by (Used in) Operating Activities	236,473	(76,406)	160,067
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	-	68,434	68,434
Cash borrowed from other funds	343,887	-	343,887
Net Cash Provided by Non-Capital Financing Activities	343,887	68,434	412,321
Cash Flows from Capital and Related Financing Activities:			
Cash transfers out	(199,290)	-	(199,290)
Principal paid on capital debt	(225,000)	-	(225,000)
Interest paid on capital debt	(168,705)	-	(168,705)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(592,995)	-	(592,995)
Cash Flows from Investing Activities:			
Interest received and change in fair value of investments	(13,083)	-	(13,083)
Net Cash Provided by (Used in) Investing Activities	(13,083)	-	(13,083)
Net Decrease in Cash and Cash Equivalents	(25,718)	(7,972)	(33,690)
Cash and Cash Equivalents at Beginning of Year	425,755	10,927	436,682
Cash and Cash Equivalents at End of Year	\$ 400,037	\$ 2,955	\$ 402,992
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 32,009	\$ (70,796)	\$ (38,787)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	185,700	2,167	187,867
Increase (decrease) in accounts payable	18,764	(7,776)	10,988
Increase (decrease) in accrued liabilities	-	(1)	(1)
Total Adjustments	204,464	(5,610)	198,854
Net Cash Provided (Used) by Operating Activities	\$ 236,473	\$ (76,406)	\$ 160,067
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of Unamortized Premiums/Discounts	\$ 11,256	\$ -	\$ 11,256
Gain/(Loss) on Investments	(24,374)	-	(24,374)

CITY OF BELL GARDENS

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2013

	<u>Private- Purpose Trust Fund</u>
	<u>Successor Agency of the Former Community Development Commission</u>
Assets:	
Cash and investments	\$ 2,528,511
Receivables:	
Notes and loans	6,429,064
Prepaid costs	65,526
Restricted assets:	
Cash and investments with fiscal agents	1,988,194
Capital assets:	
Capital assets, not being depreciated	<u>112,247</u>
Total Assets	<u>11,123,542</u>
Liabilities:	
Accounts payable	11,498
Accrued liabilities	11,429
Accrued interest	343,894
Deposits payable	25,000
Due to other governments	595,290
Long-term liabilities:	
Due in one year	9,505,363
Due in more than one year	<u>49,458,898</u>
Total Liabilities	<u>59,951,372</u>
Net Position:	
Held in trust for other purposes	<u>(48,827,830)</u>
Total Net Position	<u><u>\$ (48,827,830)</u></u>

CITY OF BELL GARDENS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2013

	<u>Private- Purpose Trust Fund</u>
	<u>Successor Agency of the Former Community Development Commission</u>
Additions:	
Taxes	\$ 3,606,990
Interest and change in fair value of investments	119,673
Contributions from City	<u>2,269,534</u>
Total Additions	<u>5,996,197</u>
Deductions:	
Administrative expenses	180,878
Contractual services	117,392
Interest expense	1,573,657
Contributions to other governments	2,269,534
Reimbursement of prior taxes to County	<u>1,852,478</u>
Total Deductions	<u>5,993,939</u>
Changes in Net Position	2,258
Net Position - Beginning of the Year, as previously reported	<u>(65,996,017)</u>
Restatements	<u>17,165,929</u>
Beginning of the Fiscal Year, as restated	<u>(48,830,088)</u>
Net Position - End of the Year	<u><u>\$ (48,827,830)</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 Community Development Block Grant (CDBG) Fund was established to account for CDBG funds received from the Department of Urban Development (HUD) administered by the County of Los Angeles. All expenditures are restricted for target area projects and programs.
- 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.

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 market value. Changes in fair market value that occur during a fiscal year are

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

recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair market 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, such as a majority vote of the council. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. 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 or his/her designee 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 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.

12. New Accounting Pronouncement

The City implemented GASB Statement 65, Items Previously Reported as Assets and Liabilities. GASB 65, among other things, amends prior guidance with respect to the treatment of debt issuance costs. Debt issuance costs should be recognized in the period incurred rather than reported on the statement of net position as deferred charges and recognized systematically over the life of the debt. The accounting changes of this statement should be applied retroactive and therefore the City has reported a restatement of beginning net position for any unamortized debt issuance costs (deferred charges) previously reported on the Statement of Net Position to conform.

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. 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.

For fiscal year 2012-2013, the Low and Moderate Housing fund and CLEEP Grant fund had no legally adopted budget.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 2: Stewardship, Compliance and Accountability (Continued)

b. Fund Deficit

As of June 30, 2013, the following funds had deficit fund balances:

Major Governmental Fund:	
Low and Moderate Housing	\$ (36,047)
Non-major Governmental Special Revenue Funds:	
JAG Grants	(688)
2008 State Homeland Security Grant	(85,266)
Enterprise Funds:	
Golf	(195)

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

c. Excess Expenditures

Expenditures for the year ended June 30, 2013, exceeded the appropriations in the following funds:

Fund	Budget	Actual	Variance
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Recreation	\$ 15,000	\$ 16,532	\$ (1,532)
Cops State (SLESF)	100,000	100,141	(141)
Proposition "C"	560,368	618,408	(58,040)
Recycling Grants	14,136	14,148	(12)
Post Employment Benefits	516,000	545,373	(29,373)
ABC Grant	-	39,982	(39,982)
Anson Ford Park	214,700	305,874	(91,174)
Capital Projects Funds:			
Capital Improvement Projects	-	1,181,311	(1,181,311)

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2013, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 11,290,502
Business-type activities	402,992
Fiduciary funds	<u>4,516,705</u>
Total Cash and Investments	<u>\$ 16,210,199</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, 2013, the carrying amount of the City's deposits was \$89,037 and the bank balance was \$2,013,048. The \$1,924,011 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, 2013

Note 3: 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	None	None	None
U.S. Government Agency Securities	None	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)	None	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 fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The City's investment policy limits investments in medium term notes (MTN's) to those rated "A" or higher by Standard and Poor's (S&P) or by Moody's. It also limits the investments in commercial paper to those rated "A1+" or higher by Standard and Poor's (S&P) or "P1" by Moody's. As of June 30, 2013, the City invested in treasury obligations. All securities were investment grade and were legal under State law. Investments in U.S. treasuries are not considered to have credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2013, the City's investments in external investment pools and money market mutual funds are unrated.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 3: 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, 2013, 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, 2013, 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, 2013, 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, 2013, the City had the following investments and original maturities:

Investment Type	Remaining Investment Maturities		Total
	6 months or less	3 to 5 years	
Local Agency Investment Fund	\$ 4,988,813	\$ -	\$ 4,988,813
Money Market Accounts	8,103,887	-	8,103,887
Cash with Fiscal Agents:			
Money Market Accounts	1,914,299	-	1,914,299
Treasury Obligations	365,227	748,936	1,114,163
Total	<u>\$ 15,372,226</u>	<u>\$ 748,936</u>	<u>\$ 16,121,162</u>

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 4: Notes and Loans Receivable

Notes and loans receivable at June 30, 2013, 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, 2013, is \$582,905. The City's Low and Moderate Housing Fund has recorded deferred revenue as of June 30, 2013, for the remainder of the outstanding loan.
- b. As of June 30, 2013, 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 \$518,810 which has also been recorded as deferred 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, 2013, the balance of the receivable was \$178,232 which has also been recorded as deferred revenue.
- d. During 1997-98, the City instituted a deferred loan program for academic scholarships. As of June 30, 2013, the balance of the loans outstanding is \$721,812 which has also been recorded as deferred revenue.
- e. As of June 30, 2013, the City has \$63,141 in settlements receivable. The City is scheduled to receive \$3,600 annually toward the receivable.
- f. The Bell Gardens former Commission is required by State law to set aside funds to create and preserve housing that is affordable to low and moderate income families and individuals. The City has decided to utilize these funds for a second mortgage and/or closing costs, as needed for low-to-moderate income first time homebuyers. The City has established a not-to-exceed cap of \$33,000 per case on an as needed basis. The Bell Gardens First Time Home Buyer Program is a deferred equity share loan secured by a second deed of trust and note with an annual rate of 3%. The loan shall become due and payable only when the property is sold, leased or transferred. Repayment terms of principal, shared equity and interest at 3% per annum simple interest vary depending on the year sold or transferred. After the twentieth year, the loan is forgiven. The former Commission's share of equity in the property shall not exceed the proportional investment as a percentage of the original purchase price. The balance of the First Time Home Buyer Program at June 30, 2013, is \$943,036 which has also been recorded as deferred 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, 2013

Note 4: 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 deferred 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, 2013, including accrued interest of \$138,180, is \$2,770,180. 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 deferred revenue. The outstanding balance at June 30, 2013, is as follows:

	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
CDBG Special Revenue	\$ 955,605	\$ 238,615	\$ 1,194,220
Former Community Development Commission	1,501,611	374,953	1,876,564
Low and Moderate Housing	<u>1,321,397</u>	<u>329,953</u>	<u>1,651,350</u>
	3,778,613	943,521	4,722,134
Less amount reported in the Successor Agency	<u>(1,501,611)</u>	<u>(374,953)</u>	<u>(1,876,564)</u>
	<u>\$ 2,277,002</u>	<u>\$ 568,568</u>	<u>\$ 2,845,570</u>

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 5: 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, 2013:

Due From Other Funds	Due To Other Funds			
	Low and Moderate Housing	CDBG Fund	Nonmajor Governmental Funds	Enterprise Water Funds
General Fund	\$ 555,353	\$ 2,553	\$ 242,409	\$ 343,887

Inter-fund receivables and payables at June 30, 2013, 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, 2013:

Transfers Out	Transfers In				Total
	General Fund	CDBG Special Revenue Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 7,764	\$ 734,463	\$ 68,434	\$ 810,661
Nonmajor Governmental Funds	123,937	-	100,141	-	224,078
Water Fund	199,290	-	-	-	199,290
Total	\$ 323,227	\$ 7,764	\$ 834,604	\$ 68,434	\$ 1,234,029

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 operation deficit and to reimburse the Water Fund for expenditures incurred relating to the COP debt issue.

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, 2013

Note 6: Capital Assets

A summary of the changes in capital asset activity for the year ended June 30, 2013, is as follows:

	Beginning Balance	Adjustments*	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:							
Capital assets, not being depreciated:							
Land	\$ 69,022,714	\$ -	\$ 69,022,714	\$ -	\$ -	\$ -	\$ 69,022,714
Construction-in-progress	1,661,065	(87,173)	1,573,892	1,452,269	-	(2,034,959)	991,202
Total Capital Assets, Not Being Depreciated	<u>70,683,779</u>	<u>(87,173)</u>	<u>70,596,606</u>	<u>1,452,269</u>	<u>-</u>	<u>(2,034,959)</u>	<u>70,013,916</u>
Capital assets, being depreciated:							
Buildings and structures	14,851,179	326,284	15,177,463	-	-	747,230	15,924,693
Equipment	6,887,531	-	6,887,531	172,749	-	-	7,060,280
Infrastructure	44,235,787	(271,609)	43,964,178	-	222,925	1,287,729	45,028,982
Total Capital Assets, Being Depreciated	<u>65,974,497</u>	<u>54,675</u>	<u>66,029,172</u>	<u>172,749</u>	<u>222,925</u>	<u>2,034,959</u>	<u>68,013,955</u>
Less accumulated depreciation:							
Buildings and structures	5,143,869	14,955	5,158,824	502,684	-	-	5,661,508
Machinery and equipment	5,913,786	1,016	5,914,802	357,390	-	-	6,272,192
Infrastructure	17,476,087	61,379	17,537,466	1,842,644	154,328	-	19,225,782
Total Accumulated Depreciation	<u>28,533,742</u>	<u>77,350</u>	<u>28,611,092</u>	<u>2,702,718</u>	<u>154,328</u>	<u>-</u>	<u>31,159,482</u>
Total Capital Assets, Being Depreciated, Net	<u>37,440,755</u>	<u>(22,675)</u>	<u>37,418,080</u>	<u>(2,529,969)</u>	<u>68,597</u>	<u>2,034,959</u>	<u>36,854,473</u>
Governmental Activities Capital Assets, Net	<u>\$ 108,124,534</u>	<u>\$ (109,848)</u>	<u>\$ 108,014,686</u>	<u>\$ (1,077,700)</u>	<u>\$ 68,597</u>	<u>\$ -</u>	<u>\$ 106,868,389</u>

* Adjustments to capital assets are shown on the government-wide statements as a restatement of Net Position. See Note 13 for additional information.

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

Governmental Activities:	
General government	\$ 860,005
Public works	<u>1,842,713</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,702,718</u>

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 6: 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
Construction in progress	394,136	-	-	(394,136)	-
Total Capital Assets, Not Being Depreciated	1,405,136	-	-	(394,136)	1,011,000
Capital assets, being depreciated:					
Water rights	1,914,000	-	-	-	1,914,000
Equipment	6,579,413	-	-	394,136	6,973,549
Total Capital Assets, Being Depreciated	8,493,413	-	-	394,136	8,887,549
Less accumulated depreciation:					
Water rights	421,080	19,139	-	-	440,219
Equipment	1,516,294	168,728	-	-	1,685,022
Total Accumulated Depreciation	1,937,374	187,867	-	-	2,125,241
Total Capital Assets, Being Depreciated, Net	6,556,039	(187,867)	-	394,136	6,762,308
Business-Type Activities Capital Assets, Net	\$ 7,961,175	\$ (187,867)	\$ -	\$ -	\$ 7,773,308

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

Business-Type Activities:	
Water	\$ 185,700
Golf Course	2,167
Total Depreciation Expense - Business-Type Activities	\$ 187,867

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 7: 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, 2013:

	Balance July 1, 2012	Adjustments*	Additions	Deletions	Balance June 30, 2013	Due Within One Year
2006 Certificates of Participation	\$ 3,430,000	\$ -	\$ -	\$ 85,000	\$ 3,345,000	\$ 85,000
Notes Payable:						
County of Los Angeles - Section 108	3,360,000	-	-	395,000	2,965,000	420,000
Southern California Edison On Bill Financing	-	229,722	-	50,571	179,151	50,571
Accrued leave benefits	2,815,831	-	247,424	258,532	2,804,723	257,512
Other Post Employment Benefits Obligation	9,591,183	-	4,160,650	545,373	13,206,460	-
CJPIA Retrospective Deposit Liability	962,462	-	-	438,539	523,923	-
Sub-total	<u>\$ 20,159,476</u>	<u>\$ 229,722</u>	<u>\$ 4,408,074</u>	<u>\$ 1,773,015</u>	23,024,257	<u>\$ 813,083</u>
			Unamortized Bond Discount		(38,645)	
					<u>\$ 22,985,612</u>	

* Adjustments to long-term debt are shown on the government-wide statements as a restatement of Net Position. See Note 13 for additional information.

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. At June 30, 2013, the unamortized discount outstanding was \$38,645 and the total principal balance outstanding was \$3,345,000.

As of June 30, 2013, the annual requirements to repay the outstanding indebtedness were as follows:

	Principal	Interest
2013-2014	\$ 85,000	\$ 154,765
2014-2015	90,000	151,365
2015-2016	95,000	147,765
2016-2017	100,000	143,870
2017-2018	100,000	139,720
2018-2023	575,000	628,510
2023-2028	725,000	480,700
2028-2033	915,000	291,175
2033-2036	660,000	63,650
Totals	<u>\$ 3,345,000</u>	<u>\$ 2,201,520</u>

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 7: 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. Quarterly interest payments will be due in advance of each August 1, November 1, February 1 and May 1 during interim financing. At June 30, 2013, the principal balance outstanding was \$2,965,000.

As of June 30, 2013, the annual requirements to repay the outstanding indebtedness were as follows:

	Principal	Interest
2013-2014	\$ 420,000	\$ 142,950
2014-2015	448,000	120,988
2015-2016	477,000	97,491
2016-2017	508,000	72,372
2017-2018	541,000	45,056
2018-2023	571,000	15,360
Totals	<u>\$ 2,965,000</u>	<u>\$ 494,217</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, 2013, the total principal balance outstanding was \$179,151.

At June 30, 2013, the annual requirements to repay the outstanding indebtedness were as follows:

	Principal
2013-2014	\$ 50,571
2014-2015	50,571
2015-2016	50,571
2016-2017	27,438
Totals	<u>\$ 179,151</u>

Note 7: Long - Term Debt (Continued)

Accrued Leave Payable (Compensated Absences)

For governmental funds, accrued leave payable amounted to \$2,804,723 as of June 30, 2013. The balance is broken down as follows: \$792,906 in vacation leave, \$1,772,206 in sick leave, \$65,550 in compensatory time, \$115,729 in floating holiday, and \$58,332 in administrative leave.

Other Post Employment Benefits Obligation

The City's policies relating to other post employment benefits are described in Note 9 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, 2013, the City has a retrospective deposit due of \$523,923.

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.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 7: Long - Term Debt (Continued)

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>.

b. Business-Type Activities

The following is a schedule of changes in proprietary fund long-term debt for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Due Within One Year
2004 Revenue Bonds	\$ 3,795,000	\$ -	\$ 225,000	\$ 3,570,000	\$ 230,000
			Unamortized bond premium	4,474	
			Total	\$ 3,574,474	

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, 2013, the unamortized premium on the 2004 Water Refunding Revenue Bonds was \$4,474 and the outstanding balance was \$3,570,000.

The debt service requirements to maturity for the revenue bonds outstanding as of June 30, 2013, are as follows:

	Principal	Interest
2013-2014	\$ 230,000	\$ 160,343
2014-2015	240,000	151,230
2015-2016	250,000	140,805
2016-2017	260,000	129,330
2017-2018	275,000	116,949
2018-2023	1,575,000	371,904
2023-2028	740,000	36,285
Totals	\$ 3,570,000	\$ 1,106,846

On July 9, 2013, Standard & Poor's Rating Services raised its financial strength rating on the 2004 Water Refunding Revenue Bonds to 'B' from 'B-'. At the same time they raised the counterparty credit rating on the holding company to 'B-' from 'CCC+'.

Note 8: 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.

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 15.320% for miscellaneous employees and 46.364% 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 2012-2013, the City's contribution of \$3,716,274 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2010, actuarial valuation using the entry age normal actuarial cost method.

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

Valuation Date	June 30, 2010
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	19 Years as of the Valuation Date (Miscellaneous) 19 Years as of the Valuation Date (Safety)
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	3.55% to 14.45% depending on age, service and type of employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 8: Defined Benefit Pension Plan (Continued)

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)

Fiscal Year	Required Contribution	Percentage Contributed
6/30/2011	\$ 3,459	100%
6/30/2012	\$ 3,854	100%
6/30/2013	\$ 3,716	100%

For fiscal year 2012-2013, 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 9: 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 2012-2013, the City paid \$545,373 for benefits of 36 retired employees.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 9: Other Post-Retirement Benefits (Continued)**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.

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)	\$ 4,310,778
Interest on net pension obligation	383,647
Adjustment to ARC	<u>(533,775)</u>
Annual OPEB cost	4,160,650
Contribution made	<u>545,373</u>
Increase (decrease) in net OPEB obligation	3,615,277
Net OPEB obligation - July 1, 2012	<u>9,591,183</u>
Net OPEB obligation - June 30, 2013	<u><u>\$ 13,206,460</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 2012-13 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
06/30/11	\$ 2,713,624	\$ 395,486	14.57%	\$ 7,492,251
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

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.

CITY OF BELL GARDENS

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

Note 9: Other Post-Retirement Benefits (Continued)

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%

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 10: 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 122 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.

Note 10: Insurance (Continued)

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.

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 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million up to \$50 million are covered through 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 \$25 million per occurrence. This \$25 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate.

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

Note 10: Insurance (Continued)

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.

c. Purchased Insurance

Environmental 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 \$36,751,017. 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.

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.

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 2012-13.

Note 11: 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, 2013

Note 12: 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 \$1,839,044 for the year ended June 30, 2013.
- 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 \$161,282 for the year ended June 30, 2013.
- 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 \$1,404,563 for the year ended June 30, 2013.
- 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 \$101,500 for the year ended June 30, 2013.

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

	Parking Lot	Hotel	Shopping Center	Water Rights
2014	\$ 2,022,948	\$ 81,510	\$ 1,373,350	\$ 105,000
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 - thereafter	110,342,650	5,624,190	7,782,316	-
Totals	<u>\$ 121,193,010</u>	<u>\$ 6,031,740</u>	<u>\$ 14,958,070</u>	<u>\$ 213,500</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 13: Fund Balance and Net Position Restatements

Beginning Net Position in the Governmental Activities has been restated on the government-wide statements causing a decrease in Net Position of \$17,707,921 due to the following items: a) \$46,438 restatement due to a change in accounting principle to implement GASB 65 for previously unamortized bond issuance costs, b) \$109,848 reduction in capital assets to adjust for assets no longer held by the City, c) \$229,722 to recognize previously unrecognized debt held by Southern California Edison, and d) \$17,321,913 restatement due to the reduction in Advances to Successor Agency for disallowed interest payable.

Beginning Net Position in the Business-type Activities and in the Water Fund has been restated causing a decrease in Net Position of \$152,268 due to a change in accounting principle to implement GASB 65 for previously unamortized bond issuance costs.

Beginning Net Position in the Successor Agency has been restated for a total increase of \$17,165,929 due to the following reasons: a) \$155,984 decrease in assets to implement GASB 65 for previously unamortized bond issuance costs, and b) \$17,321,913 reduction of Advances from the City by \$17,321,913 for accrued interest disallowed by the Department of Finance.

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	\$ 2,528,511
Cash and investments with fiscal agent	1,988,235
	<u>\$ 4,516,746</u>

CITY OF BELL GARDENS

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

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

b. Notes and Loans Receivable

Notes and loans receivable as of June 30, 2013, 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, 2013, including accrued interest of \$1,552,500, is \$4,552,500.

On April 1, 2005, Bell Gardens Housing Partners, L.P., a California limited partnership entered into a promissory note to pay the former Bell Gardens Community Development Commission \$3,812,203 for the payment of public and private debts. The former Commission has provided certain financial assistance in construction of a 72-unit senior affordable housing project by providing a Commission Loan (which is represented by this Promissory Note) in the amount of \$3,812,203 for the acquisition and clearing of the site and to help defray Developer's costs. The promissory note amount shall bear simple interest at the rate of 3% per annum, and 10% per annum shall accrue upon the amount of each payment required upon the date each such payment is due. The Promissory Note shall be paid from "Residual Receipts", defined as an amount equal to sixty-five percent (65%) of the net profits produced from the project (on a 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, 2013, including interest of \$374,953, is \$1,876,564.

Total notes and loans receivable at June 30, 2013, were \$6,429,064.

c. Capital Assets

An analysis of capital assets as of June 30, 2013, follows:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Capital Assets, not being depreciated				
Construction in progress	\$ 112,247	\$ -	\$ -	\$ 112,247

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

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, 2013, follows:

	Balance July 1, 2012	Adjustments*	Additions	Deletions	Balance June 30, 2013	Due Within One Year
Advances from the City	\$ 50,969,615	\$ (17,321,913)	\$ -	\$ -	\$ 33,647,702	\$ -
2003 Tax Allocation Bonds -						
Project Area No. 1	5,345,000	-	-	390,000	4,955,000	405,000
Central City Project Area	7,880,000	-	-	280,000	7,600,000	290,000
2005 Revenue Bonds Series A -						
Project Area No. 1	1,385,000	-	-	85,000	1,300,000	90,000
Central City Project Area	2,760,000	-	-	75,000	2,685,000	80,000
Notes Payable:	-					
Bear Sterns	8,716,675	-	-	197,512	8,519,163	8,640,363
Total Long-Term Debt	<u>\$ 77,056,290</u>	<u>\$ (17,321,913)</u>	<u>\$ -</u>	<u>\$ 1,027,512</u>	58,706,865	<u>\$ 9,505,363</u>
				Unamortized Bond Premium	308,728	
				Unamortized Bond Discount	<u>(51,332)</u>	
				Total	<u>\$ 58,964,261</u>	

* Adjustments were made to the Advances from the City for accrued interest disallowed by the Department of Finance. See Note 13 for additional information.

Advances from the City

The advances from the City consist of \$33,647,702 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.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

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. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1993 bonds. At June 30, 2013, the unamortized discount outstanding was \$51,332 and the total bonds outstanding was \$12,555,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2013, including interest, are as follows:

	Principal	Interest
2013-2014	\$ 695,000	\$ 636,119
2014-2015	725,000	605,158
2015-2016	755,000	571,835
2016-2017	790,000	535,983
2017-2018	830,000	497,520
2018-2023	4,785,000	1,810,589
2023-2028	2,675,000	792,391
2028-2030	1,300,000	77,550
Totals	<u>\$ 12,555,000</u>	<u>\$ 5,527,145</u>

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. At June 30, 2013, the unamortized premium outstanding was \$216,568 and the total principal outstanding was \$3,985,000.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

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

At June 30, 2013, the annual requirements to repay the outstanding indebtedness were as follows:

	<u>Principal</u>	<u>Interest</u>
2013-2014	\$ 170,000	\$ 302,250
2014-2015	190,000	288,300
2015-2016	200,000	273,188
2016-2017	215,000	257,106
2017-2018	230,000	239,863
2018-2023	1,460,000	889,700
2023-2028	1,000,000	406,875
2028-2030	<u>520,000</u>	<u>41,075</u>
Totals	<u>\$ 3,985,000</u>	<u>\$ 2,698,357</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 \$67,090,119 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 \$3,606,990 and the debt service obligation on the bonds was \$10,628,888. During the current year, property tax revenue was unable to completely cover the debt service obligations of the Bear Sterns Note Payable. Consequently, the Bear Sterns Note Payable obligation is in default.

Bear Sterns 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, however the Successor Agency has defaulted in payment. As of June 30, 2013, the Successor Agency is in negotiations for a refunding of the note. Refer to Note 15 Subsequent Events. The outstanding note as of June 30, 2013, is \$8,640,363.

CITY OF BELL GARDENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

**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 10.

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CITY OF BELL GARDENS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds			
	Recreation	CLEEP Grant	Public Safety Augmentation	COPS State (SLESF)
Assets:				
Pooled cash and investments	\$ 481	\$ 7	\$ 93,838	\$ 69,460
Receivables:				
Notes and loans	-	-	-	-
Accrued interest	-	-	23	-
Due from other governments	-	-	17,193	29
Total Assets	\$ 481	\$ 7	\$ 111,054	\$ 69,489
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
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	111,054	69,489
Parks and recreation	481	-	-	-
Public works	-	-	-	-
Capital Projects	-	-	-	-
Assigned to:				
Post employment benefits	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	481	7	111,054	69,489
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 481	\$ 7	\$ 111,054	\$ 69,489

CITY OF BELL GARDENS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

(CONTINUED)

	Special Revenue Funds			
	State Gas Tax	Asset Forfeiture	Waste Management	Proposition "A"
Assets:				
Pooled cash and investments	\$ -	\$ 620,272	\$ 416,620	\$ 266,051
Receivables:				
Notes and loans	-	-	-	-
Accrued interest	2	42	126	-
Due from other governments	92,396	20,787	75,032	-
Total Assets	\$ 92,398	\$ 641,101	\$ 491,778	\$ 266,051
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 15,443	\$ 53,941	\$ 169,115	\$ 65,206
Accrued liabilities	1,258	-	456	1,517
Unearned revenues	-	-	-	-
Deposits payable	-	8,592	-	-
Due to other funds	75,695	-	-	-
Total Liabilities	92,396	62,533	169,571	66,723
Deferred Inflows of Resources:				
Unavailable revenues	-	20,787	-	-
Total Deferred Inflows of Resources	-	20,787	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	557,781	-	-
Parks and recreation	-	-	-	-
Public works	2	-	322,207	199,328
Capital Projects	-	-	-	-
Assigned to:				
Post employment benefits	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2	557,781	322,207	199,328
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 92,398	\$ 641,101	\$ 491,778	\$ 266,051

CITY OF BELL GARDENS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds			
	Proposition "C"	Air Quality Improvement	Recycling Grants	Academic Pursuit
Assets:				
Pooled cash and investments	\$ 149,879	\$ 80,366	\$ 130,001	\$ 467,954
Receivables:				
Notes and loans	-	-	-	721,812
Accrued interest	-	3	6	36
Due from other governments	-	13,339	11,585	-
Total Assets	\$ 149,879	\$ 93,708	\$ 141,592	\$ 1,189,802
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 50,530	\$ -	\$ 1,898	\$ -
Accrued liabilities	-	-	44	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	50,530	-	1,942	-
Deferred Inflows of Resources:				
Unavailable revenues	-	13,339	-	721,812
Total Deferred Inflows of Resources	-	13,339	-	721,812
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	467,990
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	99,349	80,369	139,650	-
Capital Projects	-	-	-	-
Assigned to:				
Post employment benefits	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	99,349	80,369	139,650	467,990
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 149,879	\$ 93,708	\$ 141,592	\$ 1,189,802

CITY OF BELL GARDENS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

(CONTINUED)

	Special Revenue Funds			
	Post Employment Benefits	COPS Tech	Measure R	ABC Grant
Assets:				
Pooled cash and investments	\$ 74,989	\$ 1,960	\$ 300,026	\$ 6,037
Receivables:				
Notes and loans	-	-	-	-
Accrued interest	119	-	-	-
Due from other governments	-	-	-	7,187
Total Assets	\$ 75,108	\$ 1,960	\$ 300,026	\$ 13,224
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,302	\$ -	\$ 49,629	\$ 225
Accrued liabilities	99	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	1,401	-	49,629	225
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	1,960	-	12,999
Parks and recreation	-	-	-	-
Public works	-	-	250,397	-
Capital Projects	-	-	-	-
Assigned to:				
Post employment benefits	73,707	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	73,707	1,960	250,397	12,999
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 75,108	\$ 1,960	\$ 300,026	\$ 13,224

CITY OF BELL GARDENS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds			
	JAG Grants	2008 State Homeland Security Grant	COPS 2010 Grant	Anson Ford Park
Assets:				
Pooled cash and investments	\$ 29,262	\$ -	\$ 74,659	\$ 135,964
Receivables:				
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	85,266	-	-
Total Assets	\$ 29,262	\$ 85,266	\$ 74,659	\$ 135,964
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 18,704
Accrued liabilities	-	-	-	-
Unearned revenues	29,950	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	85,266	-	-
Total Liabilities	29,950	85,266	-	18,704
Deferred Inflows of Resources:				
Unavailable revenues	-	85,266	-	-
Total Deferred Inflows of Resources	-	85,266	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	74,659	-
Parks and recreation	-	-	-	117,260
Public works	-	-	-	-
Capital Projects	-	-	-	-
Assigned to:				
Post employment benefits	-	-	-	-
Unassigned	(688)	(85,266)	-	-
Total Fund Balances	(688)	(85,266)	74,659	117,260
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 29,262	\$ 85,266	\$ 74,659	\$ 135,964

CITY OF BELL GARDENS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Transportation Development Act	Capital Improvement Projects	
Assets:			
Pooled cash and investments	\$ 44,429	\$ 16,389	\$ 2,978,644
Receivables:			
Notes and loans	-	-	721,812
Accrued interest	-	-	357
Due from other governments	1,934	242,743	567,491
Total Assets	\$ 46,363	\$ 259,132	\$ 4,268,304
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ 19,612	\$ 445,605
Accrued liabilities	-	-	3,374
Unearned revenues	-	-	29,950
Deposits payable	-	-	8,592
Due to other funds	-	81,448	242,409
Total Liabilities	-	101,060	729,930
Deferred Inflows of Resources:			
Unavailable revenues	-	124,219	965,423
Total Deferred Inflows of Resources	-	124,219	965,423
Fund Balances:			
Restricted for:			
Community development projects	-	-	467,990
Public safety	-	-	827,949
Parks and recreation	-	-	117,741
Public works	-	-	1,091,302
Capital Projects	46,363	33,853	80,216
Assigned to:			
Post employment benefits	-	-	73,707
Unassigned	-	-	(85,954)
Total Fund Balances	46,363	33,853	2,572,951
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 46,363	\$ 259,132	\$ 4,268,304

CITY OF BELL GARDENS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			
	Recreation	CLEEP Grant	Public Safety Augmentation	COPS State (SLESF)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	100,306	100,000
Charges for services	-	-	157	-
Use of money and property	12	-	-	141
Fines and forfeitures	-	-	-	-
Contributions	15,000	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	15,012	-	100,463	100,141
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	201,037	-
Parks and recreation	16,532	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	16,532	-	201,037	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,520)	-	(100,574)	100,141
Other Financing Sources (Uses):				
Transfers in	-	-	204,869	-
Transfers out	-	-	-	(100,141)
Total Other Financing Sources (Uses)	-	-	204,869	(100,141)
Net Change in Fund Balances	(1,520)	-	104,295	-
Fund Balances, Beginning of Year	2,001	7	6,759	69,489
Fund Balances, End of Year	\$ 481	\$ 7	\$ 111,054	\$ 69,489

CITY OF BELL GARDENS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

(CONTINUED)

	Special Revenue Funds			
	State Gas Tax	Asset Forfeiture	Waste Management	Proposition "A"
Revenues:				
Taxes	\$ -	\$ -	\$ 2,032,524	\$ 726,296
Intergovernmental	1,057,873	-	-	73,826
Charges for services	-	-	-	407
Use of money and property	-	1,040	1,166	587
Fines and forfeitures	-	97,996	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,057,873	99,036	2,033,690	801,116
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	202,746	-	-
Parks and recreation	-	-	-	-
Public works	1,050,856	-	2,430,361	685,670
Capital outlay	141,025	76,499	-	-
Total Expenditures	1,191,881	279,245	2,430,361	685,670
Excess (Deficiency) of Revenues Over (Under) Expenditures	(134,008)	(180,209)	(396,671)	115,446
Other Financing Sources (Uses):				
Transfers in	19,805	-	-	4,250
Transfers out	-	-	-	(15,963)
Total Other Financing Sources (Uses)	19,805	-	-	(11,713)
Net Change in Fund Balances	(114,203)	(180,209)	(396,671)	103,733
Fund Balances, Beginning of Year	114,205	737,990	718,878	95,595
Fund Balances, End of Year	\$ 2	\$ 557,781	\$ 322,207	\$ 199,328

CITY OF BELL GARDENS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			
	Proposition "C"	Air Quality Improvement	Recycling Grants	Academic Pursuit
Revenues:				
Taxes	\$ 603,351	\$ -	\$ -	\$ -
Intergovernmental	-	37,606	31,021	-
Charges for services	90,682	-	-	-
Use of money and property	131	128	177	669
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	23,593	-	-	24,475
Total Revenues	717,757	37,734	31,198	25,144
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	615,020	18,349	14,148	-
Capital outlay	3,388	35,966	-	-
Total Expenditures	618,408	54,315	14,148	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	99,349	(16,581)	17,050	25,144
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	99,349	(16,581)	17,050	25,144
Fund Balances, Beginning of Year	-	96,950	122,600	442,846
Fund Balances, End of Year	\$ 99,349	\$ 80,369	\$ 139,650	\$ 467,990

CITY OF BELL GARDENS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

(CONTINUED)

	Special Revenue Funds			
	Post Employment Benefits	COPS Tech	Measure R	ABC Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	451,291	36,671
Charges for services	54,846	-	-	-
Use of money and property	218	-	159	27
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	55,064	-	451,450	36,698
Expenditures:				
Current:				
General government	545,373	-	-	-
Public safety	-	-	-	39,222
Parks and recreation	-	-	-	-
Public works	-	-	96,482	-
Capital outlay	-	-	133,765	760
Total Expenditures	545,373	-	230,247	39,982
Excess (Deficiency) of Revenues Over (Under) Expenditures	(490,309)	-	221,203	(3,284)
Other Financing Sources (Uses):				
Transfers in	240,000	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	240,000	-	-	-
Net Change in Fund Balances	(250,309)	-	221,203	(3,284)
Fund Balances, Beginning of Year	324,016	1,960	29,194	16,283
Fund Balances, End of Year	\$ 73,707	\$ 1,960	\$ 250,397	\$ 12,999

CITY OF BELL GARDENS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			
	JAG Grants	2008 State Homeland Security	COPS 2010 Grant	Anson Ford Park
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	23,032	-	36,659	-
Charges for services	-	-	-	119,495
Use of money and property	2	-	-	184,171
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	23,034	-	36,659	303,666
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	9,845	-	327,680	-
Parks and recreation	-	-	-	189,000
Public works	-	-	-	-
Capital outlay	13,921	85,266	-	8,900
Total Expenditures	23,766	85,266	327,680	197,900
Excess (Deficiency) of Revenues Over (Under) Expenditures	(732)	(85,266)	(291,021)	105,766
Other Financing Sources (Uses):				
Transfers in	-	-	365,680	-
Transfers out	-	-	-	(107,974)
Total Other Financing Sources (Uses)	-	-	365,680	(107,974)
Net Change in Fund Balances	(732)	(85,266)	74,659	(2,208)
Fund Balances, Beginning of Year	44	-	-	119,468
Fund Balances, End of Year	\$ (688)	\$ (85,266)	\$ 74,659	\$ 117,260

CITY OF BELL GARDENS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Transportation Development Act	Capital Improvement Projects	
Revenues:			
Taxes	\$ -	\$ -	\$ 3,362,171
Intergovernmental	23,208	1,412,879	3,384,372
Charges for services	-	-	265,587
Use of money and property	35	-	188,663
Fines and forfeitures	-	-	97,996
Contributions	-	65,000	80,000
Miscellaneous	-	-	48,068
Total Revenues	23,243	1,477,879	7,426,857
Expenditures:			
Current:			
General government	-	-	545,373
Public safety	-	-	780,530
Parks and recreation	-	-	205,532
Public works	-	-	4,910,886
Capital outlay	334	1,181,311	1,681,135
Total Expenditures	334	1,181,311	8,123,456
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,909	296,568	(696,599)
Other Financing Sources (Uses):			
Transfers in	-	-	834,604
Transfers out	-	-	(224,078)
Total Other Financing Sources (Uses)	-	-	610,526
Net Change in Fund Balances	22,909	296,568	(86,073)
Fund Balances, Beginning of Year	23,454	(262,715)	2,659,024
Fund Balances, End of Year	\$ 46,363	\$ 33,853	\$ 2,572,951

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 RECREATION
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,001	\$ 2,001	\$ 2,001	\$ -
Resources (Inflows):				
Use of money and property	-	-	12	12
Contributions	15,000	15,000	15,000	-
Amounts Available for Appropriation	17,001	17,001	17,013	12
Charges to Appropriation (Outflow):				
Parks and recreation	15,000	15,000	16,532	(1,532)
Total Charges to Appropriations	15,000	15,000	16,532	(1,532)
Budgetary Fund Balance, June 30	\$ 2,001	\$ 2,001	\$ 481	\$ (1,520)

CITY OF BELL GARDENS

**BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY AUGMENTATION
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,759	\$ 6,759	\$ 6,759	\$ -
Resources (Inflows):				
Intergovernmental	82,726	82,726	100,306	17,580
Charges for services	1,131	1,131	157	(974)
Transfers in	204,728	204,728	204,869	141
Amounts Available for Appropriation	295,344	295,344	312,091	16,747
Charges to Appropriation (Outflow):				
Public safety	288,585	288,585	201,037	87,548
Total Charges to Appropriations	288,585	288,585	201,037	87,548
Budgetary Fund Balance, June 30	\$ 6,759	\$ 6,759	\$ 111,054	\$ 104,295

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 COPS STATE (SLESF)
 YEAR ENDED JUNE 30, 2013

	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	-	-	141	141
Amounts Available for Appropriation	169,489	169,489	169,630	141
Charges to Appropriation (Outflow):				
Transfers out	100,000	100,000	100,141	(141)
Total Charges to Appropriations	100,000	100,000	100,141	(141)
Budgetary Fund Balance, June 30	\$ 69,489	\$ 69,489	\$ 69,489	\$ -

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 114,205	\$ 114,205	\$ 114,205	\$ -
Resources (Inflows):				
Intergovernmental	1,226,159	1,226,159	1,057,873	(168,286)
Transfers in	-	-	19,805	19,805
Amounts Available for Appropriation	1,340,364	1,340,364	1,191,883	(148,481)
Charges to Appropriation (Outflow):				
Public works	1,067,501	1,067,501	1,050,856	16,645
Capital outlay	162,670	162,670	141,025	21,645
Total Charges to Appropriations	1,230,171	1,230,171	1,191,881	38,290
Budgetary Fund Balance, June 30	\$ 110,193	\$ 110,193	\$ 2	\$ (110,191)

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 ASSET FORFEITURE
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 737,990	\$ 737,990	\$ 737,990	\$ -
Resources (Inflows):				
Use of money and property	1,200	1,200	1,040	(160)
Fines and forfeitures	75,000	75,000	97,996	22,996
Amounts Available for Appropriation	814,190	814,190	837,026	22,836
Charges to Appropriation (Outflow):				
Public safety	289,000	165,500	202,746	(37,246)
Capital outlay	-	123,500	76,499	47,001
Total Charges to Appropriations	289,000	289,000	279,245	9,755
Budgetary Fund Balance, June 30	\$ 525,190	\$ 525,190	\$ 557,781	\$ 32,591

CITY OF BELL GARDENS

**BUDGETARY COMPARISON SCHEDULE
WASTE MANAGEMENT
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 718,878	\$ 718,878	\$ 718,878	\$ -
Resources (Inflows):				
Taxes	2,068,746	2,068,746	2,032,524	(36,222)
Use of money and property	1,200	1,200	1,166	(34)
Amounts Available for Appropriation	2,788,824	2,788,824	2,752,568	(36,256)
Charges to Appropriation (Outflow):				
Public works	2,581,402	2,581,402	2,430,361	151,041
Total Charges to Appropriations	2,581,402	2,581,402	2,430,361	151,041
Budgetary Fund Balance, June 30	\$ 207,422	\$ 207,422	\$ 322,207	\$ 114,785

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION "A"
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 95,595	\$ 95,595	\$ 95,595	\$ -
Resources (Inflows):				
Taxes	639,559	639,559	726,296	86,737
Intergovernmental	75,000	75,000	73,826	(1,174)
Charges for services	-	-	407	407
Use of money and property	800	800	587	(213)
Transfers in	-	-	4,250	4,250
Amounts Available for Appropriation	810,954	810,954	900,961	90,007
Charges to Appropriation (Outflow):				
Public works	707,639	707,639	685,670	21,969
Transfers out	-	-	15,963	(15,963)
Total Charges to Appropriations	707,639	707,639	701,633	6,006
Budgetary Fund Balance, June 30	\$ 103,315	\$ 103,315	\$ 199,328	\$ 96,013

CITY OF BELL GARDENS

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION "C"
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Taxes	530,497	530,497	603,351	72,854
Charges for services	100,748	100,748	90,682	(10,066)
Use of money and property	-	-	131	131
Miscellaneous	-	-	23,593	23,593
Amounts Available for Appropriation	631,245	631,245	717,757	86,512
Charges to Appropriation (Outflow):				
Public works	560,368	560,368	615,020	(54,652)
Capital outlay	-	-	3,388	(3,388)
Total Charges to Appropriations	560,368	560,368	618,408	(58,040)
Budgetary Fund Balance, June 30	\$ 70,877	\$ 70,877	\$ 99,349	\$ 28,472

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY IMPROVEMENT
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 96,950	\$ 96,950	\$ 96,950	\$ -
Resources (Inflows):				
Intergovernmental	57,120	57,120	37,606	(19,514)
Use of money and property	40	40	128	88
Amounts Available for Appropriation	154,110	154,110	134,684	(19,426)
Charges to Appropriation (Outflow):				
Public works	19,000	19,000	18,349	651
Capital outlay	-	36,000	35,966	34
Total Charges to Appropriations	19,000	55,000	54,315	685
Budgetary Fund Balance, June 30	\$ 135,110	\$ 99,110	\$ 80,369	\$ (18,741)

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 RECYCLING GRANTS
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 122,600	\$ 122,600	\$ 122,600	\$ -
Resources (Inflows):				
Intergovernmental	28,022	28,022	31,021	2,999
Use of money and property	154	154	177	23
Amounts Available for Appropriation	150,776	150,776	153,798	3,022
Charges to Appropriation (Outflow):				
Public works	14,136	14,136	14,148	(12)
Total Charges to Appropriations	14,136	14,136	14,148	(12)
Budgetary Fund Balance, June 30	\$ 136,640	\$ 136,640	\$ 139,650	\$ 3,010

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 ACADEMIC PURSUIT
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 442,846	\$ 442,846	\$ 442,846	\$ -
Resources (Inflows):				
Use of money and property	797	797	669	(128)
Miscellaneous	14,433	14,433	24,475	10,042
Amounts Available for Appropriation	458,076	458,076	467,990	9,914
Budgetary Fund Balance, June 30	\$ 458,076	\$ 458,076	\$ 467,990	\$ 9,914

CITY OF BELL GARDENS

**BUDGETARY COMPARISON SCHEDULE
POST EMPLOYMENT BENEFITS
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 324,016	\$ 324,016	\$ 324,016	\$ -
Resources (Inflows):				
Charges for services	50,000	50,000	54,846	4,846
Use of money and property	500	500	218	(282)
Transfers in	-	-	240,000	240,000
Amounts Available for Appropriation	374,516	374,516	619,080	244,564
Charges to Appropriation (Outflow):				
General government	516,000	516,000	545,373	(29,373)
Total Charges to Appropriations	516,000	516,000	545,373	(29,373)
Budgetary Fund Balance, June 30	\$ (141,484)	\$ (141,484)	\$ 73,707	\$ 215,191

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 MEASURE R
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 29,194	\$ 29,194	\$ 29,194	\$ -
Resources (Inflows):				
Intergovernmental	397,884	397,884	451,291	53,407
Use of money and property	700	700	159	(541)
Amounts Available for Appropriation	427,778	427,778	480,644	52,866
Charges to Appropriation (Outflow):				
Public works	150,852	178,852	96,482	82,370
Capital outlay	165,410	137,410	133,765	3,645
Total Charges to Appropriations	316,262	316,262	230,247	86,015
Budgetary Fund Balance, June 30	\$ 111,516	\$ 111,516	\$ 250,397	\$ 138,881

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 ABC GRANT
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 16,283	\$ 16,283	\$ 16,283	\$ -
Resources (Inflows):				
Intergovernmental	-	-	36,671	36,671
Use of money and property	-	-	27	27
Amounts Available for Appropriation	16,283	16,283	52,981	36,698
Charges to Appropriation (Outflow):				
Public safety	-	-	39,222	(39,222)
Capital outlay	-	-	760	(760)
Total Charges to Appropriations	-	-	39,982	(39,982)
Budgetary Fund Balance, June 30	\$ 16,283	\$ 16,283	\$ 12,999	\$ (3,284)

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE

JAG GRANTS

YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 44	\$ 44	\$ 44	\$ -
Resources (Inflows):				
Intergovernmental	50,000	50,000	23,032	(26,968)
Use of money and property	38	38	2	(36)
Amounts Available for Appropriation	50,082	50,082	23,078	(27,004)
Charges to Appropriation (Outflow):				
Public safety	-	9,750	9,845	(95)
Capital outlay	50,000	40,250	13,921	26,329
Total Charges to Appropriations	50,000	50,000	23,766	26,234
Budgetary Fund Balance, June 30	\$ 82	\$ 82	\$ (688)	\$ (770)

CITY OF BELL GARDENS

**BUDGETARY COMPARISON SCHEDULE
2008 STATE HOMELAND SECURITY GRANT
YEAR ENDED JUNE 30, 2013**

	<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	\$ -	\$ -	\$ -	\$ -
Charges to Appropriation (Outflow):				
Capital outlay	-	99,981	85,266	14,715
Total Charges to Appropriations	-	99,981	85,266	14,715
Budgetary Fund Balance, June 30	\$ -	\$ (99,981)	\$ (85,266)	\$ 14,715

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 COPS 2010 GRANT
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	54,031	54,031	36,659	(17,372)
Transfers in	365,680	365,680	365,680	-
Amounts Available for Appropriation	419,711	419,711	402,339	(17,372)
Charges to Appropriation (Outflow):				
Public safety	422,577	422,577	327,680	94,897
Total Charges to Appropriations	422,577	422,577	327,680	94,897
Budgetary Fund Balance, June 30	\$ (2,866)	\$ (2,866)	\$ 74,659	\$ 77,525

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 ANSON FORD PARK
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 119,468	\$ 119,468	\$ 119,468	\$ -
Resources (Inflows):				
Charges for services	100,340	100,340	119,495	19,155
Use of money and property	151,245	151,245	184,171	32,926
Amounts Available for Appropriation	371,053	371,053	423,134	52,081
Charges to Appropriation (Outflow):				
Parks and recreation	199,700	199,700	189,000	10,700
Capital outlay	15,000	15,000	8,900	6,100
Transfers out	-	-	107,974	(107,974)
Total Charges to Appropriations	214,700	214,700	305,874	(91,174)
Budgetary Fund Balance, June 30	\$ 156,353	\$ 156,353	\$ 117,260	\$ (39,093)

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION DEVELOPMENT ACT
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 23,454	\$ 23,454	\$ 23,454	\$ -
Resources (Inflows):				
Intergovernmental	22,675	22,675	23,208	533
Use of money and property	-	-	35	35
Amounts Available for Appropriation	46,129	46,129	46,697	568
Charges to Appropriation (Outflow):				
Capital outlay	24,122	24,122	334	23,788
Total Charges to Appropriations	24,122	24,122	334	23,788
Budgetary Fund Balance, June 30	\$ 22,007	\$ 22,007	\$ 46,363	\$ 24,356

CITY OF BELL GARDENS

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT PROJECTS
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (262,715)	\$ (262,715)	\$ (262,715)	\$ -
Resources (Inflows):				
Intergovernmental	65,860	65,860	1,412,879	1,347,019
Contributions	-	-	65,000	65,000
Amounts Available for Appropriation	(196,855)	(196,855)	1,215,164	1,412,019
Charges to Appropriation (Outflow):				
Capital outlay	-	-	1,181,311	(1,181,311)
Total Charges to Appropriations	-	-	1,181,311	(1,181,311)
Budgetary Fund Balance, June 30	\$ (196,855)	\$ (196,855)	\$ 33,853	\$ 230,708

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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)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities					
Net Investment in capital assets	\$ 72,643,986	\$ 73,967,264	\$ 74,822,075	\$ 114,874,209	\$ 100,379,238
Restricted	17,896,542	17,088,677	14,700,630	6,518,912	7,453,015
Unrestricted	<u>12,851,973</u>	<u>10,390,101</u>	<u>7,457,831</u>	<u>39,268,190</u>	<u>32,521,095</u>
Total governmental activities net position	<u>\$ 103,392,501</u>	<u>\$ 101,446,042</u>	<u>\$ 96,980,536</u>	<u>\$ 160,661,311</u>	<u>\$ 140,353,348</u>
Business-type activities					
Net Investment in capital assets	\$ 2,816,150	\$ 3,429,948	\$ 3,480,128	\$ 4,307,348	\$ 4,333,225
Restricted	398,665	398,434	399,355	416,340	400,037
Unrestricted	<u>(357,093)</u>	<u>397,551</u>	<u>251,365</u>	<u>39,308</u>	<u>(485,221)</u>
Total business-type activities net position	<u>\$ 2,857,722</u>	<u>\$ 4,225,933</u>	<u>\$ 4,130,848</u>	<u>\$ 4,762,996</u>	<u>\$ 4,248,041</u>
Primary government					
Net Investment in capital assets	\$ 75,460,136	\$ 77,397,212	\$ 78,302,203	\$ 119,181,557	\$ 104,712,463
Restricted	18,295,207	17,487,111	15,099,985	6,935,252	7,853,052
Unrestricted	<u>12,494,880</u>	<u>10,787,652</u>	<u>7,709,196</u>	<u>39,307,498</u>	<u>32,035,874</u>
Total primary government net position	<u>\$ 106,250,223</u>	<u>\$ 105,671,975</u>	<u>\$ 101,111,384</u>	<u>\$ 165,424,307</u>	<u>\$ 144,601,389</u>

The City of Bell Gardens has elected to show only five years of data for this schedule

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses					
Governmental activities:					
General government	\$ 9,601,844	\$ 10,175,559	\$ 8,821,722	\$ 9,171,894	\$ 8,765,852
Public safety	13,071,462	12,965,767	12,393,794	12,740,622	11,962,803
Public works	10,071,329	9,941,721	10,146,753	10,178,663	9,792,085
Community Development	2,667,195	2,485,134	2,838,313	2,408,181	1,123,548
Recreation	1,600,209	1,220,075	2,241,756	2,647,386	2,334,788
Interest and fiscal charges	4,996,806	4,857,978	1,972,014	1,164,716	305,236
Capital Outlay	-	-	-	-	-
Principal Retirement	-	-	-	-	-
Depreciation	-	-	-	-	-
Total governmental activities expenses	<u>42,008,845</u>	<u>41,646,234</u>	<u>38,414,352</u>	<u>38,311,462</u>	<u>34,284,312</u>
Business-type activities:					
Water	1,728,215	1,460,206	1,532,393	1,344,353	1,408,572
Interest and fiscal charges	-	-	-	-	-
Golf Course	335,189	251,694	216,584	241,823	225,224
Total business-type activities expenses	<u>2,063,404</u>	<u>1,711,900</u>	<u>1,748,977</u>	<u>1,586,176</u>	<u>1,633,796</u>
Total primary government expenses	<u>\$ 44,072,249</u>	<u>\$ 43,358,134</u>	<u>\$ 40,163,329</u>	<u>\$ 39,897,638</u>	<u>\$ 35,918,108</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 369,110	\$ 196,825	\$ 134,597	\$ 134,994	\$ 171,167
Public safety	601,491	421,681	731,516	705,874	469,800
Community development	-	-	-	-	-
Parks and recreation	245,960	244,763	279,769	313,946	274,325
Public works	258,147	516,878	505,628	368,433	398,705
Interest on long-term debt	-	-	-	-	-
Operating contributions and grants	1,905,933	3,159,241	2,146,983	5,360,465	1,965,613
Capital contributions and grants	2,524,654	3,791,143	1,839,711	2,563,187	2,410,285
Total governmental activities program revenues	<u>5,905,295</u>	<u>8,330,531</u>	<u>5,638,204</u>	<u>9,446,899</u>	<u>5,689,895</u>
Business-type activities:					
Charges for services:					
Water	1,257,433	1,235,559	1,249,287	1,261,619	1,260,620
Golf Course	199,096	186,433	152,569	159,898	140,768
Total business-type activities program revenues	<u>1,456,529</u>	<u>1,421,992</u>	<u>1,401,856</u>	<u>1,421,517</u>	<u>1,401,388</u>
Total primary government program revenues	<u>\$ 7,361,824</u>	<u>\$ 9,752,523</u>	<u>\$ 7,040,060</u>	<u>\$ 10,868,416</u>	<u>\$ 7,091,283</u>

The City of Bell Gardens has elected to show only five years of data for this schedule

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Net (Expense)/Revenue					
Governmental activities	\$ (36,103,550)	\$ (33,315,703)	\$ (32,776,148)	\$ (28,864,563)	\$ (28,594,417)
Business-type activities	<u>(591,875)</u>	<u>(289,908)</u>	<u>(347,121)</u>	<u>(164,659)</u>	<u>(232,408)</u>
Total primary government net expense	<u>\$ (36,695,425)</u>	<u>\$ (33,605,611)</u>	<u>\$ (33,123,269)</u>	<u>\$ (29,029,222)</u>	<u>\$ (28,826,825)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Sales taxes	\$ 4,908,149	\$ 4,886,712	\$ 4,696,696	\$ 2,396,411	\$ 2,554,034
Property taxes	2,086,198	2,030,961	2,321,800	2,844,538	1,160,306
Other taxes	19,188,075	18,661,906	17,853,565	17,401,997	17,793,562
Use of money and property	5,175,607	6,630,950	3,281,827	3,888,527	3,966,769
Other/transfers	<u>167,393</u>	<u>303,354</u>	<u>249,606</u>	<u>66,782,676</u>	<u>519,704</u>
Total governmental activities	<u>31,525,422</u>	<u>32,513,883</u>	<u>28,403,494</u>	<u>93,314,149</u>	<u>25,994,375</u>
Business-type activities:					
Investment earnings	10,266	6,778	8,664	27,996	577
Other/transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(130,856)</u>
Total business-type activities	<u>10,266</u>	<u>6,778</u>	<u>8,664</u>	<u>27,996</u>	<u>(130,279)</u>
Total primary government	<u>\$ 31,535,688</u>	<u>\$ 32,520,661</u>	<u>\$ 28,412,158</u>	<u>\$ 93,342,145</u>	<u>\$ 25,864,096</u>
Change in Net Position					
Governmental activities	\$ (4,578,128)	\$ (801,820)	\$ (4,372,654)	\$ 64,449,586	\$ (2,600,042)
Business-type activities	<u>(581,609)</u>	<u>(283,130)</u>	<u>(338,457)</u>	<u>(136,663)</u>	<u>(362,687)</u>
Total primary government	<u>\$ (5,159,737)</u>	<u>\$ (1,084,950)</u>	<u>\$ (4,711,111)</u>	<u>\$ 64,312,923</u>	<u>\$ (2,962,729)</u>

The City of Bell Gardens has elected to show only five years of data for this schedule

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Function/Program					
Governmental activities:					
General government	\$ 791,155	\$ 819,452	\$ 207,740	\$ 203,038	\$ 232,347
Public safety	1,363,986	1,894,446	1,485,166	1,846,946	1,227,375
Public works	2,310,181	4,140,166	2,507,890	3,053,246	3,053,241
Community Development	1,194,013	1,231,704	1,157,639	3,949,929	879,716
Recreation	<u>245,960</u>	<u>244,763</u>	<u>279,769</u>	<u>393,740</u>	<u>297,216</u>
Subtotal governmental activities	<u>5,905,295</u>	<u>8,330,531</u>	<u>5,638,204</u>	<u>9,446,899</u>	<u>5,689,895</u>
Business-type activities:					
Water	1,257,433	1,235,559	1,249,287	1,261,619	1,260,620
Golf Course	<u>214,096</u>	<u>186,433</u>	<u>152,569</u>	<u>159,898</u>	<u>140,768</u>
Subtotal business-type activities	<u>1,471,529</u>	<u>1,421,992</u>	<u>1,401,856</u>	<u>1,421,517</u>	<u>1,401,388</u>
Total primary government	<u>\$ 7,376,824</u>	<u>\$ 9,752,523</u>	<u>\$ 7,040,060</u>	<u>\$ 10,868,416</u>	<u>\$ 7,091,283</u>

The City of Bell Gardens has elected to show only five years of data for this schedule

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 27,091,253	\$ 34,015,965	\$ 34,168,652	\$ 33,874,087	\$ 31,586,007	\$ 29,533,393	\$ 28,192,377	\$ -	\$ -	\$ -
Unreserved	6,660,359	(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
Restricted	-	-	-	-	-	-	-	2,653,435	-	-
Committed	-	-	-	-	-	-	-	1,500,000	1,700,000	1,900,000
Assigned	-	-	-	-	-	-	-	4,788,238	6,506,443	7,598,763
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	\$ 33,751,612	\$ 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
All Other Governmental Funds										
Reserved	\$ 35,014,898	\$ 31,185,098	\$ 23,140,763	\$ 26,346,370	\$ 23,533,346	\$ 6,444,813	\$ 3,790,622	\$ 4,218,731	\$ -	\$ -
Restricted for, reported in:										
Special revenue funds	2,087,509	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
Capital projects funds	(61,246,257)	(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
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
Unassigned:	-	-	-	-	-	-	-	-	-	(122,001)
Total all other governmental funds	\$ (24,143,850)	\$ (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

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

	<u>2004</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>
Revenues										
Taxes	\$ 15,115,703	\$ 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
Licenses and permits	292,106	368,152	497,980	361,510	270,408	258,303	271,024	425,579	246,684	296,646
Fines and forfeitures	348,327	384,696	481,643	442,513	520,410	569,561	365,602	665,888	658,947	410,651
Use of money and property	3,138,976	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
From other Agencies	6,252,389	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
Charges for services	356,522	526,721	383,925	529,709	579,276	534,918	465,309	510,030	575,465	10,255,382
Other revenues	1,842,635	2,723,112	1,280,528	864,049	641,667	234,092	254,627	424,963	319,264	548,434
Total revenues	27,346,658	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
Expenditures										
General government	4,948,158	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
Public safety	8,228,354	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
Public works	4,966,573	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
Community Development	3,663,070	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
Recreation	1,975,354	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
Capital Outlay	2,756,814	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
Debt service										
Interest	1,513,288	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
Principal	98,475	527,445	645,149	758,406	1,122,436	1,213,608	1,273,762	1,340,644	1,338,280	530,571
Bond issuance costs	-	-	108,453	-	-	-	-	-	-	-
Total expenditures	28,150,086	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
Excess of revenues over (under) expenditures	(803,428)	(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

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

	<u>2004</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>
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	(486,216)	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Other debts issued	-	-	-	-	566,580	-	-	-	-	-
Transfers in	215,345	4,496,559	569,062	82,342	173,783	-	1,636,628	586,071	1,497,933	1,165,595
Transfers out	(215,345)	(4,496,559)	(569,062)	(82,342)	(173,783)	-	(3,103,184)	(829,443)	(2,266,744)	(1,034,739)
Total other financing sources (uses)	(486,216)	6,327,945	7,303,420	-	566,580	-	(1,466,556)	(243,372)	(768,811)	130,856
Extraordinary gain/(loss) on dissolution of former RDA	-	-	-	-	-	-	-	-	43,519,044	-
Net change in fund balances	\$ (1,289,644)	\$ (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
Debt service as a percentage of noncapital expenditures	6.35%	7.79%	10%	10.28%	10.32%	19.40%	19.64%	10.83%	9.49%	2.96%

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

Fiscal Year	Property	Sales & Use	Occupancy	Franchise	Property Transfer	Other	Total
2004	\$ 2,825,297	\$ 1,451,529	\$ 152,172	\$ 322,076	\$ 51,618	\$ 10,635,087	\$ 15,437,779
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
Change 2004–2013	70.1%	74.6%	70.0%	83.1%	-35.4%	46.8%	54.4%

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	
2004	\$ 660,944,161	\$ 106,300,730	\$ 106,850,479	\$ 92,374,341	\$ 966,469,711	1	\$ 9,664,697	10000.000%	10000.000%
2005	708,601,929	115,433,535	110,152,149	99,442,320	1,033,629,933	1	10,336,299	10000.000%	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%	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%	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%	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%	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%	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%	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%	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%	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		
2004	1.00	-	-	1.00	0.0444	0.0238
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	*	*

Source: LA County Assessor 2003/04 - 2012/13 tax rate table

*-Information not available at the time of publication

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>2013</u>			<u>2003*</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	\$ 62,254,832	1	4.29%			
Florence Eastern Marketplace	38,072,395	2	2.62%			
Primestor Bell Gardens LLC	18,906,211	3	1.30%			
Primestor Los Jardines LLC	16,330,000	4	1.13%			
Wei Chuan International Inc.	16,049,839	5	1.11%	\$ 13,534,389	3	1.48%
IIT Bell Gardens Portfolio ILP	15,861,000	6	1.09%			
Toys R Us Delaware, Inc	8,702,484	7	0.60%	4,772,725	9	0.52%
Bell Gardens Hospitality LLC	7,450,255	8	0.51%			
James P. & Judy A. Berg	7,131,438	9	0.49%	5,505,919	7	0.60%
Caster Garfield Storage LP	6,597,413	10	0.45%			
Bell Gardens Bicycle Club				34,344,705	1	3.76%
Burnham Pacific Operating Partnership				19,323,380	2	2.12%
Realty Associates Fund V				8,196,768	4	0.90%
Metal Surfaces Inc.				7,691,265	5	0.84%
Haig Kelegian				5,740,772	6	0.63%
Jamers Parkhouse Trust				5,313,526	8	0.58%
Mid Cities Paper Box Company Inc.				4,311,691	10	0.47%
Total	\$ 197,355,867		13.59%	\$ 108,735,140		11.90%

Source: HdL Coren & Cone, Los Angeles County Assessor 2012/13 and 2002/03 Combined Tax Rolls

*-City is showing 2003 information as 2004 information was not available at time of publication

**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	Collections to Date	
		Amount	Percentage of Levy		Amount	Percent of Levy
2004	\$ 856,577	\$ 802,210	93.65%	*	\$ 802,210	93.65%
2005	921,461	866,965	94.09%	*	866,965	94.09%
2006	992,774	854,809	86.10%	*	854,809	86.10%
2007	999,229	936,278	93.70%	*	936,278	93.70%
2008	1,058,324	968,838	91.54%	*	968,838	91.54%
2009	1,056,288	978,420	92.63%	*	978,420	92.63%
2010	1,037,815	950,706	91.61%	*	950,706	91.61%
2011	1,052,661	961,074	91.30%	*	961,074	91.30%
2012	1,068,495	995,598	93.18%	20,531	1,016,129	95.10%
2013	*	1,185,167	N/A	1,191	1,185,167	N/A

Sources: Finance Department records

*** NOTE:**

The City receives limited information from the Los Angeles County in relation 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 2003-2010, and does not currently have the Taxes Levied information for the fiscal year ended June 30, 2013.

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

	<u>2004</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>
Apparel stores	\$ 4,388	\$ 5,169	\$ 5,404	\$ 17,432	\$ 28,295	\$ 26,831	\$ 26,493	\$ 30,455	\$ 33,084	*
General merchandise	1,111	1,156	1,139	1,149	1,158	1,258	1,997	2,174	1,909	*
Food stores	14,640	15,298	16,379	16,298	16,434	16,812	16,602	16,231	18,016	*
Eating and drinking establishments	25,257	35,001	35,270	37,834	39,663	40,005	36,599	36,575	37,437	*
Building materials and farm tools	3,600	3,814	5,644	5,803	4,717	4,193	3,576	3,275	4,028	*
Auto dealers and supplies	14,287	17,103	19,653	17,021	17,197	17,539	15,313	16,036	17,800	*
Service stations	16,365	18,158	19,569	20,358	25,788	40,026	29,167	33,011	44,773	*
Other retail stores	28,660	31,922	33,674	33,290	36,634	34,150	30,569	32,136	31,020	*
All other outlets	36,393	38,818	40,396	43,164	42,766	42,830	36,229	38,002	45,140	*
Total	\$ 144,701	\$ 166,439	\$ 177,128	\$ 192,349	\$ 212,652	\$ 223,644	\$ 196,545	\$ 207,895	\$ 233,207	*
City direct sales tax rate	1.25%	1.25%	1.25%	1.25%	1.00%	1.00%	1.00%	1.00%	1.00%	*

Source: State of California Board of Equalization and the HdL Companies

Note: Due to confidentiality issues, the names of the top ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

*-2013 information not available at the time of publication.

**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
2004	1.25	1.00	6.00
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

Sources: California State Board of Equalization

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>2013</u>		<u>2003 *</u>	
<u>Tax Remitter</u>	<u>Business Category</u>	<u>Tax Remitter</u>	<u>Business Category</u>
Auto Zone	Automotive Supply Stores	Apco	Service Stations
Bicycle Club Casino	Restaurants Liquor	Arco AM PM Mini Mart	Service Stations
Big 5 Sporting Goods	Sporting Goods/Bike Stores	Auto Zone	Automotive Supply Stores
Calzado Anrea International	Shoe Stores	Bicycle Club Casino	Restaurants Liquor
Casa Leaders HP	Home Furnishings	Big 5 Sporting Goods	Sporting Goods/Bike Stores
Chevron Pronto Lube & Tune	Service Stations	Builders Products	Light Industrial/Printers
El Pollo Loco	Restaurants No Alcohol	Chevron Pronto Lube & Tune	Service Stations
Eurocraft Architectural Metal	Light Industrial/Printers	El Tapatio Foods	Grocery Stores Beer/Wine
Factory 2U	Family Apparel	Factory 2 U	Grocery Stores Liquor
Food 4 Less	Grocery Stores Liquor	Enterprise Products	Office Equipment
IHOP	Restaurants No Alcohol	Florence RTM	Service Stations
Jack in the Box	Restaurants No Alcohol	Florence Union 76	Service Stations
Marshalls	Family Apparel	Food 4 Less	Grocery Stores Liquor
Mc Donalds	Restaurants No Alcohol	IHOP	Restaurants No Alcohol
Mosier	Lumber/Building Materials	Industrial Forklifts	Transportation Non Auto
Parkhouse Tire Service	Automotive Supply Stores	Jack in the Box	Restaurants No Alcohol
Rite Aid	Drug Stores	John Lisee Pumps	Repair Shop/Hand Tool Rent
Ross	Department Stores	La Habra Welding	Repair Shop/Hand Tool Rent
Speedy Fuel	Service Stations	Mc Donalds	Restaurants No Alcohol
Super A Foods	Grocery Stores Liquor	Mosier	Lumber/Building Material
Toys R Us	Specialty Stores	Parkhouse Tire Service	Automotive Supply Stores
Union 76 Station	Service Stations	Rite Aid	Drug Stores
Valero	Service Stations	Super A Foods	Grocery Stores Liquor
Walmart Neighborhood Market	Grocery Stores Liquor	Toys R Us	Specialty Stores
66 Bell Gardens Gas	Service Stations	West Coast Accudyne	Heavy Industrial

Percent of FY Total Paid by Top 25 Accounts

65.32%

60.86%

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

*-The 2003 information is presented as the 2004 information was unavailable at the time of presentation

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				
2004	\$ 17,705,000	\$ -	\$ 9,822,717	\$ -	\$ 4,965,000	\$ 32,492,717	9.87%	723		
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%	252		
2013	-	-	3,144,151	3,306,355	3,574,474	10,024,980	2.10%	238		

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		
2004	\$ -	\$ 17,705,000	\$ 17,705,000	183.19%	391.19
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	-	-	-	-	-

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, 2013
(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>
<u>DIRECT DEBT</u>			
City of Bell Gardens Certificates of Participation	\$ 3,306,355	100.000%	\$ 3,306,355
County of Los Angeles-Section 108	2,965,000	100.000%	2,965,000
Southern California Edison On Bill Financing	179,151	100.000%	<u>179,151</u>
TOTAL DIRECT DEBT			<u><u>6,450,506</u></u>
<u>OVERLAPPING DEBT REPAID WITH PROPERTY TAXES *</u>			
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%	<u>262,740</u>
TOTAL OVERLAPPING DEBT REPAID WITH PROPERTY TAXES			<u><u>25,468,445</u></u>
<u>OVERLAPPING OTHER DEBT *</u>			
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
Los Angeles County Sanitation District No. 2 Authority	34,810,192	2.942%	<u>1,024,117</u>
TOTAL OVERLAPPING OTHER DEBT			<u>4,030,257</u>
Less: Los Angeles County Certificates of Participation (100% self-supporting) from leasehold revenues on properties in Marina Del Rey			<u>(347)</u>
NET OVERLAPPING OTHER DEBT			<u><u>4,029,910</u></u>
SUBTOTAL-NET OVERLAPPING DEBT			29,498,355
TOTAL COMBINED DIRECT AND OVERLAPPING DEBT			<u><u>\$ 35,948,861</u></u>

* June 30, 2013 figures are not available for these two 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 2013

Assessed value	\$1,450,552,390
Debt limit (15% of assessed value)	217,582,859
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	\$ 217,582,859

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 144,970,457	\$ 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
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 144,970,457	\$ 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
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Fiscal Year	Water Revenue Bonds						
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Interest	Coverage
				Principal			
2004	\$ 1,316,000	\$ 1,494,351	\$ (178,351)	\$ 105,000	\$	347,015	(0.39)
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)

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, 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
2004	45,259	\$ 329,048,068	\$ 33,179	10.7%
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	42,437	478,000,600	44,459	9.9%

Sources: Population provided by the California State Dept. of Finance. Personal income and per capita income provided from the Los Angeles County Economic Development corporation economic forecast and unemployment data provided by the US department of Labor and Statistics.

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

<u>Function/Program</u>	<u>2004</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>
General government										
Mayor and City Council	1	1	1	1	1	1	1	1	1	1
City Manager's Office	3	3	3	4	4	4	4	4	4	4
City Clerk's Office	2	2	2	2	2	2	2	2	2	2
Finance	8	8	10	10	9	9	10	10	8	10
Community Development	12	12	12	13	13	13	13	13	12	10
Police										
Sworn	58	58	58	58	56	56	57	52	51	51
Non-sworn	19	19	22	20	25	22	23	23	22	21
Public works	29	29	29	32	30	30	31	30	29	27
Recreation & Community Services	7	7	9	11	11	13	13	12	11	11
Total	<u>139</u>	<u>139</u>	<u>146</u>	<u>151</u>	<u>151</u>	<u>150</u>	<u>154</u>	<u>147</u>	<u>140</u>	<u>137</u>

Source: City Budget

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

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

<u>Employer</u>	<u>2012-2013</u>		<u>2003-2004</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	11.46%	*	*
Certified Network M. Inc	211	1.42%	*	*
Briarcrest Nursing Center	186	1.25%	*	*
Valet Services	182	1.23%	*	*
First Class Vending, inc	150	1.01%	*	*
Metal Surfaces, Inc	125	0.84%	*	*
Del Rio Sanitarium, Inc	100	0.67%	*	*
Wei-Chuan U.S.A. Inc	100	0.67%	*	*
Southern Ca. Braiding Co.	100	0.67%	*	*
Wal-Mart Stores, Inc	95	0.64%	*	*
	<u>2,949</u>	<u>19.89%</u>		

Sources:

City of Bell Gardens Community Development Department

California Employment Development Department Labor Market Information

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

* Note

2003-2004 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>2004</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>
General government										
Building permits issued	322	441	494	505	368	237	231	281	233	215
Police										
Physical arrests	1,899	1,818	1,531	1,684	1,318	1,642	1,524	1,586	1,817	1,638
Parking violations	7,203	8,810	6,040	7,077	7,493	7,607	5,614	4,777	5,198	4,408
Traffic violations	4,728	4,534	4,495	5,079	5,819	4,162	3,864	5,133	6,529	5,532
Refuse collection										
Refuse collected (tons per day)	72.0	72.0	74.0	87	101	93	75	72	72	43
Recyclables collected (tons per day)	9.0	11.0	11.0	23	14	11	23	22	22	14
Other public works										
Street resurfacing (miles)	*	1.7	1.4	0	7.5	*	1.5	3.2	1.5	0.6
Potholes repaired	275	280	280	277	321	288	330	295	198	185
Parks and recreation										
Athletic field permits issued	480	678	275	319	147	534	146	165	238	194
Community center admissions	144,280	146,444	148,641	156,000	163,800	260,406	430,053	401,758	417,919	420,277
Transit										
Total route miles	188,687	179,856	*	*	*	*	*	*	*	*
Passengers	312,844	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>2004</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>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	394.3	398.3	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	7,999	8,079	8,161	8,162	8,162	8,162	8,162	8,162	8,162	8,162
Traffic signals	105	106	106	111	111	111	111	111	111	111
Parks and recreation										
Acreage	64	64	64	64	64	64	64	64	64	64
Playgrounds	9	9	10	10	10	10	10	10	10	10
Baseball/softball diamonds	39	39	41	3	3	3	3	3	3	3
Wastewater										
Sanitary sewers (miles)	474.8	479.6	484.4	484.4	484.4	484.4	484.4	484.4	484.4	484.4
Storm sewers (miles)	331.8	335.1	338.5	338.5	338.5	338.5	338.5	338.5	338.5	338.5
Treatment capacity (thousands of gallons)	3,550	3,550	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Transit—Senior Citizen Bus	1	1	1	1	1	7	7	7	7	7

Sources: Various city departments.

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

* Information not available

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