



CITY OF BELL GARDENS



COMPREHENSIVE ANNUAL FINANCIAL REPORT Fiscal Year Ending June 30, 2020



CITY OF BELL GARDENS,
CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2020

Prepared by:
Finance and Administrative
Services Department

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CITY OF BELL GARDENS
Comprehensive Annual Financial Report
Year Ended June 30, 2020

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December 23, 2020

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, 2020.

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

Gruber and Associates, PC, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the City of Bell Gardens' financial statements for the year ended June 30, 2020. 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 42,845. Bell Gardens is a general law City and uses the Council/City Manager form of government. Five City Council representatives are elected to four-year year terms of office by popular majority vote of Bell Gardens residents. The Mayor and Mayor Pro-Tem are selected from among the City Council members. The City Manager serves at the pleasure of the City Council to administer the City's affairs and to carry out policies established by the City Council.

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

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

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

Factors Affecting Financial Condition

In the first quarter of 2020, economic shutdowns began in response to the COVID-19 pandemic. To help offset some of these impacts, Federal governments stimulus packages pumped cash to business owners to keep employees on their payroll, provided one-time payments to taxpayers, and expand unemployment benefits. By mid-May, public health mandates were eased, allowing many businesses to reopen. However, as COVID-19 infection rates began to rise again, reopening plans in many areas were paused or reversed.

The Bicycle Casino (the Bike) provides over 40% of the City's General Fund revenues. In December 2015, the Bike completed a one-hundred room four-star luxury hotel as an addition to the Casino. The construction of the luxury hotel increased the Casino's revenue capabilities. In fiscal year 2018-19, the Bike revenue reached its highest revenue at \$14,329,829. For the year ended June 30, 2020, the Bike generated \$11,231,347 in casino revenue which is \$3.1 million lower than in the prior year. This decrease is due to the effects of COVID-19 mandated closures where leisure/hospitality and restaurants/retail were ordered to temporarily shutdown. The Bike was ordered to close on March 14, 2020. In June 2020, the Bike was briefly opened from 6/19/20 to 6/30/20.

Over 80% of City revenues are made from five revenue sources and a significant change in any one of these sources of revenue can have an impact on service levels provided by the City. The five major revenue sources of the City include Bicycle Casino Revenue, In-Lieu Vehicle License Fees, Property Leases, Sales Tax, and Property Tax. In August 2019, the City Council approved a resolution to place a three-fourths percent (.75%) transaction and use tax on the November 3,

2020 ballot. On November 3, 2020 ballot, Measure A was passed by a majority of voters. Prior to COVID-19 pandemic, the transaction and use tax was estimated to generate an additional \$2.3 million in General Fund revenues. The California Department of Tax and Fee Administration (CDTFA) will begin collecting the new tax on April 1, 2021 and the City will receive the first advance at the end of June 2021.

In addition to the increase to sales tax revenue, the City is expected to complete the billboard project and the advertising agreement by April 2021. The estimated revenue generated from the billboard is about \$220K per year. The City is in the process of presenting a Water and fee study and water rate studies to City Council in FY 20-21.

COVID-19 has created a financial crisis for the City's General Fund. During the fiscal year 2020-21 budget, the General Fund has a projected deficit of \$2,700,000 after additional revenue sources were identified and expenditures were cut totaling \$4,339,000. The additional revenues estimated were identified as CARES Act money, Food Program Reimbursement, advance repayments from CIP Fund to General Fund, Sales Tax Measure and Fee Study adjustments. On the expenditures side, the City defunded multiple positions, funded 75% of Code Enforcement positions with CDBG funds, lowered recreation, and community services programming.

COVID-19 pandemic continued to cause major revenue losses in the first half of fiscal year 2020-21 as the City continues to explore areas where additional revenues can be generated, and expenditures can be reduced. The Bike was only opened one (1) day in July and sixteen (16) days in October bringing revenue to a total of \$766,207 as compared to \$7.5 million collected from the Bike card club last year. The City also met and conferred on a side letter of agreement with each of the five (5) bargaining units. All five (5) bargaining unit agreed to a 7.5% temporary base salary decrease or a reduction of City paid Health Benefit contributions equal to 7.5% of base salary for a period of 6-8 months. In addition, the Los Angeles County has partnered with the City to utilize Recreation and Community Services' staff department personnel to review and process the applications for the 211 rental relief reimbursement programs. In exchange, the County would reimburse a total of \$432,618 to the City for services rendered.

Despite the fact that COVID-19 has created a financial crisis and causing of major revenue losses, City Council conducted a public hearing on the proposed amendments to the FY2019-20 and FY2020-21 Community Development Block Grant (CDBG) programs in order to allocate supplemental funds from the Coronavirus Aid, Relief and Economic Security Act (CARES Act) to help residents of the City. Programs that are being supported by this funding are: small non-essential business assistance grant, residential rental assistance grants, childcare subsidy, and emergency utility assistance grants.

In addition, the City has allocated \$400,000 of general fund to support residents in various programs such as Bell Gardens' scholarship funds, homework/learning WIFI, recreation leaders (to provide homework assistance, tutoring and educational classes at the Homework/Learning Centers), emergency food programs, and small business assistance programs.

Finally, as discussed later in the Management Discussion and Analysis, the economy is expected to slow down in the next few years. As a result, the City maintains a reasonably conservative and

cautious outlook for budgeting and fiscal management to ensure the City's ability to respond to increasing costs of services and potential weakness in revenue.

Relevant Financial Polices

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

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

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. State statutes require an annual audit of the City's financial records by independent certified public accountants. As a result, the independent accounting firm of Gruber and Associates, PC was selected to perform the audit for the fiscal year ended June 30, 2020. The auditors' unqualified (clean) opinion on the basic financial statements and accompanying footnotes is included in the Financial Section of this report (CAFR).

Long-Term Financial Planning

In 2008, the City implemented a reserve policy in which they initially committed \$1,000,000 for contingencies and added \$200,000 per year until the amount committed for contingencies reached 10% of the General Fund's expenditures. As of June 30, 2020, the amount committed for contingencies is \$3,300,000 with \$200,000 budgeted for the fund in fiscal year 2020-2021. As the first half of the fiscal year 2020-21 is ending, results of the COVID-19 vaccinations will be coming soon. The City is hopeful that once the vaccinations are implemented, the global economy could slowly get back to "normal". the City continues to closely monitor COVID-19 operating environment and provide a mid-year update in early 2021. In addition to this COVID pandemic causing a financial crisis, the City continues to have other fiscal challenges such as the City's water utility operating at a deficit. The City's retiree healthcare liability continues to grow and in need of a funding source.

Award

The Government Finance Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bell Gardens, California, for its comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently

organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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,



Michael B. O'Kelly
City Manager



Manuel Carrillo
Director of Finance and Administration

City of Bell Gardens

City Officials

City Council

Alejandra Cortez	Mayor
Lisbeth Flores	Mayor Pro Tem
Pedro Aceituno	Councilmember
Marco Barcena	Councilmember
Vacant	Councilmember

Administration and Department Heads

Michael B. O’Kelly
City Manager

Vacant
Assistant City Manager

Scott Fairfield
Chief of Police

Manuel Carrillo
Director of Finance & Administrative Services

Gustavo Romo
Acting Director of Community Development

Rozanne Adanto
Director of Recreation & Community Services

Chau Vu
Director of Public Works

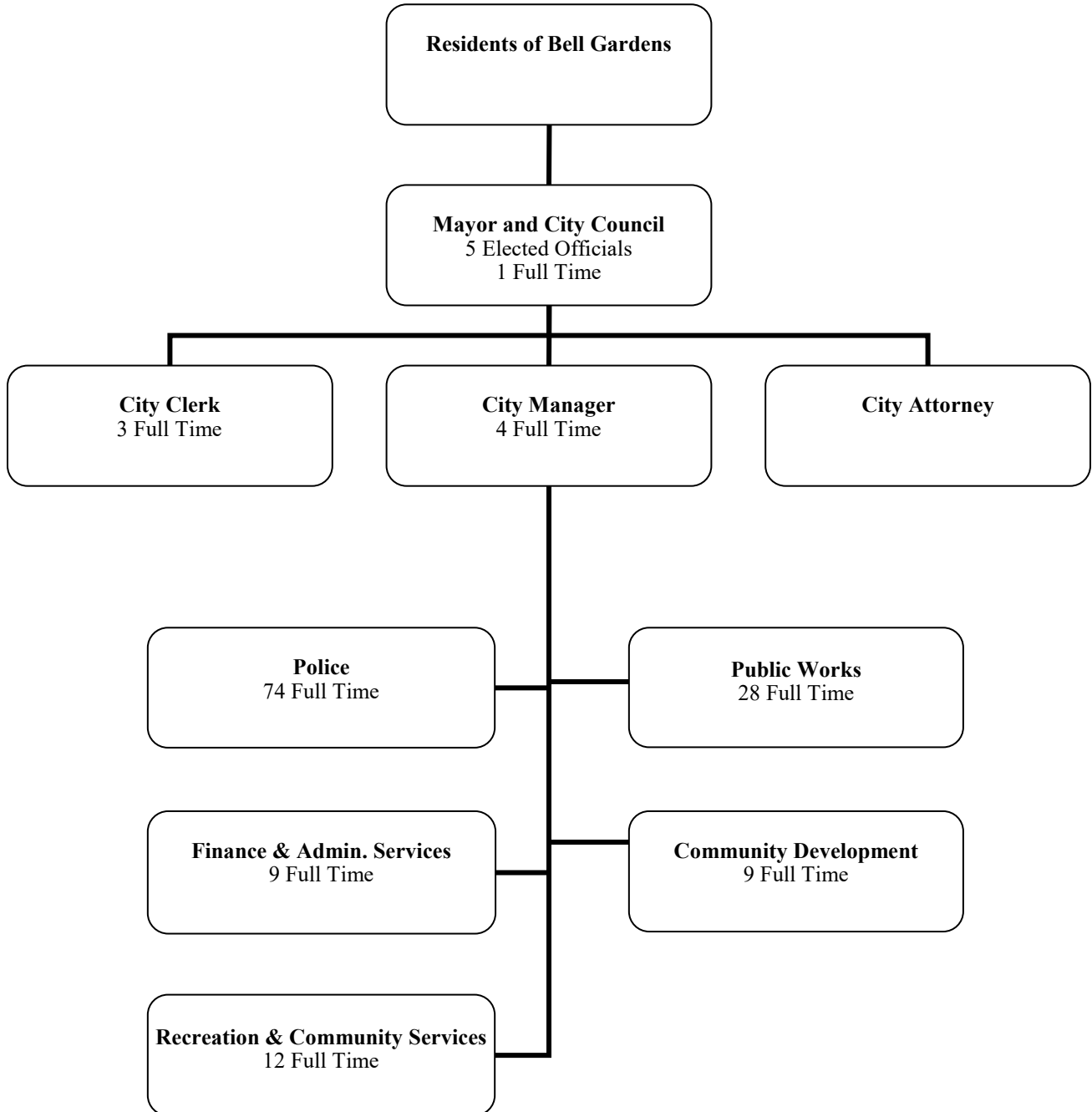
Jane Halstead
City Clerk

Rick R. Olivarez
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, 2019

Christopher P. Morill

Executive Director/CEO



An Independent CPA Firm

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

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bell Gardens, California (City), as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Managements' 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.

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, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020 on our consideration of the City of Bell Gardens’ internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bell Gardens’ internal control over financial reporting and compliance.

David L. Gruber and Associates, Inc.

David L. Gruber and Associates, Inc.
Newport Beach, California
December 23, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF BELL GARDENS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Bell Gardens, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Bell Gardens for the fiscal year ended June 30, 2020. 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, 2020, the City's net position (excess of assets over liabilities) was \$60 million. This is a decrease from prior year of about \$16 million. Net position for governmental activities decreased by \$15 million during fiscal year ended June 30, 2020, and business-type activities net position decreased by \$1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

Governmental Activities

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

Business-Type Activities

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As stated in the financial highlights above, at June 30, 2020, the City's net position (excess of assets over liabilities) was \$60 million. This includes a decrease of \$16 million from prior year's net position. Net position may serve over time as a useful indicator of a government's financial position.

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2020 and 2019. Approximately \$94 million (160%) of the governmental activities net position consist of the City's investment in capital assets such as land, buildings, structures, machinery and equipment, less any related debt to acquire those assets that is still outstanding. These assets are used to provide services to the citizens of the City of Bell Gardens; therefore, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 76,034,232	\$ 74,753,498	\$ (1,905,609)	\$ (3,236,214)	\$ 72,543,934	\$ 71,522,284
Capital assets	96,341,128	99,848,641	4,731,850	6,595,818	109,849,302	106,444,459
Total assets	172,375,360	174,607,139	2,826,241	3,359,604	175,201,601	177,966,743
Deferred outflows of resources	14,305,692	12,285,064	102,855	126,571	14,408,547	12,411,635
Total deferred outflow of resources	14,305,692	12,285,064	102,855	126,571	14,408,547	12,411,635
Current and other liabilities	4,718,945	4,523,810	435,173	495,363	5,154,118	5,019,173
Long-term liabilities outstanding	111,818,851	119,192,794	2,552,412	2,616,834	114,371,263	121,809,628
Total liabilities	116,537,796	123,716,604	2,987,585	3,112,197	119,525,381	126,828,801
Deferred inflows of resources	1,733,849	4,292,629	20,302	50,821	1,754,151	4,343,450
Total deferred inflows of resources	1,733,849	4,292,629	20,302	50,821	1,754,151	4,343,450
Net position:						
Net investment in capital assets	96,341,128	94,319,104	4,731,850	4,864,055	107,531,765	99,183,159
Restricted	13,508,005	14,869,823	398,840	399,479	11,877,347	15,269,302
Unrestricted	(35,706,062)	(50,305,957)	(3,177,331)	(4,540,898)	(38,427,260)	(54,846,855)
Total net position	\$ 74,143,071	\$ 58,882,970	\$ 1,953,359	\$ 722,636	\$ 76,096,430	\$ 59,605,606

Statement of Activities

The following is the condensed Statement of Activities for the fiscal years ended June 30, 2020 and 2019. The government-wide Statement of Activities is used to report changes in the net position reported on the government-wide statement of assets.

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues:						
Charges for services	\$ 2,264,129	\$ 1,912,631	\$ 1,314,415	\$ 1,289,367	\$ 3,578,544	\$ 3,201,998
Operating grants and contrib	5,268,930	4,613,116	-	-	5,268,930	4,613,116
Capital grants and contrib	1,543,927	2,129,774	-	-	1,543,927	2,129,774
General revenues:						
Sales Taxes	3,293,906	2,902,461	-	-	3,293,906	2,902,461
Transient occupancy taxes	751,886	595,441	-	-	751,886	595,441
Franchise taxes	3,777,830	4,052,142	-	-	3,777,830	4,052,142
Business license taxes	269,091	255,447	-	-	269,091	255,447
Property taxes	1,235,171	1,521,691	-	-	1,235,171	1,521,691
Other taxes	6,030	4,063	-	-	6,030	4,063
Motor vehicle in lieu	4,582,970	4,901,583	-	-	4,582,970	4,901,583
Used of money and property	4,399,595	4,664,367	1,281	641	4,400,876	4,665,008
Card club taxes	14,329,820	11,231,347	-	-	14,329,820	11,231,347
Other	149,574	212,054	-	-	149,574	212,054
Total Revenues	41,872,859	38,996,117	1,315,696	1,290,008	43,188,555	40,286,125
Expenses						
General government	9,579,450	12,322,003	-	-	9,579,450	12,322,003
Public safety	20,099,425	24,409,260	-	-	20,099,425	24,409,260
Community development	1,054,777	1,114,821	-	-	1,054,777	1,114,821
Parks and recreation	2,976,205	3,011,198	-	-	2,976,205	3,011,198
Public works	12,367,768	13,245,178	-	-	12,367,768	13,245,178
Interest and fiscal charges	222,679	160,317	-	-	222,679	160,317
Water Utility	-	-	1,480,401	2,283,601	1,480,401	2,283,601
Golf course	-	-	293,272	230,571	293,272	230,571
Total Expenses	46,300,304	54,262,777	1,773,673	2,514,172	48,073,977	56,776,949
Increases (Decreases) in net assets						
before transfers	(4,427,445)	(15,266,660)	(457,977)	(1,224,164)	(4,885,422)	(16,490,824)
Transfers	8,243	6,559	(8,243)	(6,559)	-	-
Changes in Net Position	(4,419,202)	(15,260,101)	(466,220)	(1,230,723)	(4,885,422)	(16,490,824)
Net Position-beginning of the year	78,418,349	74,143,071	2,419,579	1,953,359	80,837,928	76,096,430
Restatement of Net Position	143,924	-	-	-	143,924	-
Net Position-end of the year	\$ 74,143,071	\$ 58,882,970	\$ 1,953,359	\$ 722,636	\$ 76,096,430	\$ 59,605,606

Governmental Activities

The City's net position from governmental activities totaled \$58.9 million. The cost of all governmental activities this year was \$54.3 million. Overall, the City's governmental program revenues totaled \$8.7 million. The City paid the remaining "public benefit" portion of governmental activities from \$20.6 million in taxes (some of which could only be used for certain programs) and \$9.8 million with other revenues, such as interest earnings, in-lieu motor vehicle fees and general entitlements.

Revenue highlights:

City-wide revenues decreased by \$2.9 million. Revenue received from card club taxes decreased by \$3.01 million as compared to the prior year due to the Bike closed from mid-March 2020 to June 30, 2020. This was an executive order from the Governor to slow down the

COVID-19 pandemic spread. In addition, there were small decreases in program revenues, transient occupancy taxes, sales taxes, business licenses and increases in property tax, franchise tax, and other tax revenues totaling a decrease of \$200K. Business-type revenues decreased by \$26k.

Expense highlights:

Governmental activity expenses decreased by \$8 million as compared to the prior year. The majority of the decreases were from general government (\$2.7 million), public safety (\$4.3 million) community development (\$60k) parks and recreation (\$34k), and public works (\$877k), and interest & fiscal charges (\$62k).

Business Type Activities

The City's business-type activities' net position decreased by \$1.2 million. The key elements of the net results include:

- ◆ Revenues decreased by \$25K primarily due to a decrease water sales and service charges of \$18k and a decrease in Golf Course revenue of \$7k.
- ◆ Expenses decreased by \$1.2 million. Water utility expenses increased by \$1.1 million, and golf course expenses increased by \$90k.
- ◆ Transfers out from the water enterprise to general fund to pay the water bond was \$146K.

FUND FINANCIAL STATEMENT ANALYSIS

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

Governmental Funds

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

As of fiscal year ended June 30, 2020, the City's governmental funds reported combined ending fund balance of \$22.5 million, a decrease of \$1.6 million compared to the prior year balance of \$24.1 million. The city maintains three major governmental funds: General Fund, Low and Moderate Housing fund, and Capital Improvement Projects fund. The General Fund's fund balance decreased by \$2.4 million during the fiscal year. The decrease was mainly due to the closure of the Bike. The closure was mandated by the State due to COVID-19 pandemic. The Bike was closed from mid-March to June 30,2020, this resulted in a decrease in card club tax receipts of \$3.1 million. The remainder of the \$0.7 million increase is from other various revenues received offsetting by an overall higher expenditure than in the prior year. The low and moderate housing fund's fund balance increased by \$121k due to \$84k received as part of loans repaid from the Successor Agency and \$37k in interest earned. Capital Improvement Projects fund decreased by \$271k as grant reimbursement receipts were less than capital outlay expenditures. Other governmental funds' fund balance increased by \$924k resulting from less spending due to COVID-19 as compare to revenue received.

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 \$32,126,416. During the year, there were additional appropriations and carryovers bringing the ending General Fund expenditure budget to \$33,465,254. The amount above included the \$200,000 budgeted in General Fund for contingency.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Bell Gardens has \$106.4 million invested in capital assets, as compared to \$108.8 million in the prior year. In fiscal 2020, capital assets decreased by approximately \$2.4 million primarily due to annual depreciation expenditures from the governmental activities of \$2.4 million, depreciable assets increased by \$288k, a decrease in CIP of \$84k and from the business-type activities of \$168k from annual depreciation expenditures. Additional information about the City's capital assets can be found in Note 5 of this report.

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

	Governmental Activities		Business-Type Activities		Totals	
	2019	2020	2019	2020	2019	2020
Land	\$ 67,249,714	\$ 67,249,714	\$ 1,011,000	\$ 1,011,000	\$ 68,260,714	\$ 68,260,714
Buildings	9,366,782	8,793,115	-	-	9,366,782	8,793,115
Equipment	2,391,779	1,958,328	4,394,060	4,245,018	6,785,839	6,203,346
Construction in Progress	2,105,817	2,021,588	-	-	2,105,817	2,021,588
Infrastructure	20,960,700	19,825,896	-	-	20,960,700	19,825,896
Intangibles	-	-	1,358,940	1,339,800	1,358,940	1,339,800
Total	<u>\$ 102,074,792</u>	<u>\$ 99,848,641</u>	<u>\$ 6,764,000</u>	<u>\$ 6,595,818</u>	<u>\$ 108,838,792</u>	<u>\$ 106,444,459</u>

Long-term Debt

At year-end, the City had \$126.1 million in long-term debts including bonds, notes, pension obligations, other post-employment benefit obligations, and accrued leaves. Long-term debt increased by \$7.7 million as compared to the prior year amount of \$6.3 million. The most significant increase is from pension obligations which increased by \$8.4 million. The City did not issue or refund long-term debt during the year and the other decreases were due to scheduled principal payments totaling \$743k. Additional information about the City's long-term debt can be found in Note 6, 7 and 8 on this report.

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

	Governmental Activities		Business-Type Activities		Totals	
	2019	2020	2019	2020	2019	2020
Accrued Leave Payable	\$ 3,254,994	\$ 3,222,332	\$ -	\$ -	\$ 3,254,994	\$ 3,222,332
Other post employment obligations	68,244,166	74,652,340	-	-	68,244,166	74,652,340
Net Pension Liability	38,909,950	40,950,046	-	-	38,909,950	40,950,046
CJPIA Retrospective Deposit Liability	196,208	(37,472)	-	-	196,208	(37,472)
Southern California Edison On Bill Financing	9,146	4,102	-	-	9,146	4,102
2015 Lease Revenue Refunding Bonds	5,200,000	5,020,000	-	-	5,200,000	5,020,000
2004 Water Refunding Revenue Bonds	-	-	2,030,000	1,730,000	2,030,000	1,730,000
Unamortized bond premium	533,664	509,537	2,150	1,763	535,814	511,300
Total	\$ 116,348,128	\$ 124,320,885	\$ 2,032,150	\$ 1,731,763	\$ 118,380,278	\$ 126,052,648

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City of Bell Gardens' finances are dependent on the local and national economies. The COVID-19 pandemic has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. The stay at-home order, loss of wages, closure of restaurants, leisure/hospitality and retail is expected to have significant impact on tax revenue. During the fiscal year 2020-21 budget, the General Fund has a projected deficit of \$2,700,000 after considering other various revenues and reduction in expenditures. The City defunded five (5) positions, by funding 75% Code Enforcement positions with CDBG funds, lowering recreation and community services programming plus an additional city-wide expenditure cut.

The General Fund projected deficit in fiscal year 2020-21 is largely due to the expectation temporary closure of the Bike casino to continue in fiscal year 2020-21. Over 45% of the City's general fund revenues are received from one local source (Bicycle Club). This was the biggest hit financially to the City in FY2019-20 as the Bike was closed from mid-March 2020 to the end of the fiscal year, June 30,2020. The total card club receipts from the Bike were \$3.1 million less than the prior year.

Prior to the pandemic, a basic five (5) year forecast predicted budget deficits for the City's General Fund. To address the forecasted deficits, the City has made decisions to increase resources through updating the fee schedule and by asking voters to approve tax measures. The City has contracted a vendor to develop a Full Cost Allocation Plan and to conduct a Comprehensive City-Wide User Fee Study. However, the Fee Study was put on hold due to COVID-19 pandemic. Additionally, in August 2019, the City Council approved a resolution to place a three-fourths percent (.75%) transaction and use tax on the November 3, 2020, ballot and this measure was passed on November 3rd, 2020 by a simple majority of voters, the transaction and use tax is estimated to generate an additional \$510k in FY2020-21, \$2,3 million in FY2021-22 and \$2.4 million in FY2022-23 to General Fund revenues. The City is in the

process of completing a billboard advertising agreement which is estimated raise an additional \$220,000 per year for the General Fund. Lastly, the City's Recreation and Community Services' department has partnered up with Los Angeles County to review and process the applications for the 211 Rental Relief reimbursement program. In exchange, the County would reimburse a total of \$432,618 to the City for services rendered.

From an operating expenditures perspective, rising pension costs are due to CalPERS utilizing various assumptions to estimate the net pension liability and the required contributions in order to meet future pension obligations. One of those assumptions is the discount rate, which may significantly impact the City's total net pensions liability. In addition, increasing health insurance costs will place a continued drag on City finances. The City is also beginning to see an increase in number of employees retiring. On one end, this is financially beneficial to the City as new employees will be hired under lower tiered retirement benefits. On the other end, the City's retiree health care expense will increase. The City's current liability for retiree healthcare is over \$74.7 million.

To help slow down the personnel cost due to COVID-19 pandemic, the five (5) bargaining units agreed to a 7.5% temporary base salary decrease or a reduction of City paid health benefit contributions equal to 7.5% of base salary for a period of 6-8 months in fiscal year 2020-21.

The City's fiscal year 2020-21 operating budget has been challenging as the COVID-19 pandemic caused the City to reflect its commitment to foster steady, controlled growth and provide the highest level of service to the community. Questions or requests for information regarding the City of Bell Gardens' 2020-21 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 money received. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department, at the City of Bell Gardens, 7100 Garfield Avenue, Bell Gardens, CA 90201.

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CITY OF BELL GARDENS
Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments (note 2)	\$ 19,845,675	32,287	19,877,962
Receivable:			
Accounts	1,347,469	206,099	1,553,568
Notes and loans (note 3)	8,895,782	-	8,895,782
Accrued interest	59,880	-	59,880
Internal balances (note 4)	3,474,600	(3,474,600)	-
Advances to Successor Agency	39,440,825	-	39,440,825
Prepaid items	37,332	-	37,332
Due from other governments	1,227,120	-	1,227,120
Total current assets	<u>74,328,683</u>	<u>(3,236,214)</u>	<u>71,092,469</u>
Noncurrent assets:			
Cash and investments with fiscal agent (note 2)	429,815	399,479	829,294
Capital assets (note 5):			
Non-depreciable	69,271,302	1,011,000	70,282,302
Depreciable, net	<u>30,577,339</u>	<u>5,584,818</u>	<u>36,162,157</u>
Total capital assets	<u>99,848,641</u>	<u>6,595,818</u>	<u>106,444,459</u>
Total noncurrent assets	<u>100,278,456</u>	<u>6,995,297</u>	<u>107,273,753</u>
Total assets	<u>174,607,139</u>	<u>3,759,083</u>	<u>178,366,222</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions (note 7)	5,538,611	52,608	5,591,219
OPEB (note 8)	<u>6,746,453</u>	<u>73,963</u>	<u>6,820,416</u>
Total deferred outflows of resources	<u>12,285,064</u>	<u>126,571</u>	<u>12,411,635</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,204,698	153,816	1,358,514
Accrued liabilities	982,491	5,596	988,087
Interest payable	19,234	20,564	39,798
Unearned revenue	17,240	-	17,240
Deposits payable	475,752	-	475,752
Bonds, notes, and claims payable - due within one year (note 6)	213,229	315,387	528,616
Compensated absences - due within one year (note 6)	<u>1,611,166</u>	<u>-</u>	<u>1,611,166</u>
Total current liabilities	<u>4,523,810</u>	<u>495,363</u>	<u>5,019,173</u>
Noncurrent liabilities:			
Bonds, notes, and claims payable - due in more than one year (note 6)	5,282,938	1,416,376	6,699,314
Net pension liability (note 7)	39,869,905	393,623	40,263,528
Net OPEB liability (note 8)	72,428,785	806,835	73,235,620
Compensated absences - due in more than one year (note 6)	<u>1,611,166</u>	<u>-</u>	<u>1,611,166</u>
Total noncurrent liabilities	<u>119,192,794</u>	<u>2,616,834</u>	<u>121,809,628</u>
Total liabilities	<u>123,716,604</u>	<u>3,112,197</u>	<u>126,828,801</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions (note 7)	2,140,741	27,229	2,167,970
OPEB (note 8)	<u>2,151,888</u>	<u>23,592</u>	<u>2,175,480</u>
Total deferred inflows of resources	<u>4,292,629</u>	<u>50,821</u>	<u>4,343,450</u>
NET POSITION			
Net investment in capital assets	94,319,104	4,864,055	99,183,159
Restricted for:			
Community development projects	9,916,942	-	9,916,942
Public safety	892,966	-	892,966
Parks and recreation	366,969	-	366,969
Public works	2,838,394	-	2,838,394
Capital projects	854,552	-	854,552
Debt service	<u>-</u>	<u>399,479</u>	<u>399,479</u>
Total restricted	<u>14,869,823</u>	<u>399,479</u>	<u>15,269,302</u>
Unrestricted	<u>(50,305,957)</u>	<u>(4,540,898)</u>	<u>(54,846,855)</u>
Total net position	<u>\$ 58,882,970</u>	<u>722,636</u>	<u>59,605,606</u>

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Total Program Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 12,322,003	286,337	52,865	-	339,202
Public safety	24,409,260	760,878	474,242	-	1,235,120
Community development	1,114,821	268,136	160,856	-	428,992
Parks and recreation	3,011,198	275,756	82,125	-	357,881
Public works	13,245,178	321,524	3,843,028	2,129,774	6,294,326
Interest on fiscal charges	160,317	-	-	-	-
Total governmental activities	<u>54,262,777</u>	<u>1,912,631</u>	<u>4,613,116</u>	<u>2,129,774</u>	<u>8,655,521</u>
Business-type activities:					
Water	2,283,601	1,198,474	-	-	1,198,474
Golf Course	230,571	90,893	-	-	90,893
Total business-type activities	<u>2,514,172</u>	<u>1,289,367</u>	<u>-</u>	<u>-</u>	<u>1,289,367</u>
Total primary government	<u>\$ 56,776,949</u>	<u>3,201,998</u>	<u>4,613,116</u>	<u>2,129,774</u>	<u>9,944,888</u>

General revenues:

Taxes:

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

Total taxes

Motor vehicle in lieu - unrestricted
Use of money and property
Other
Transfers

Total general revenues

Change in net position

Net position - beginning of year

Net position - end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
(11,982,801)	-	(11,982,801)
(23,174,140)	-	(23,174,140)
(685,829)	-	(685,829)
(2,653,317)	-	(2,653,317)
(6,950,852)	-	(6,950,852)
<u>(160,317)</u>	<u>-</u>	<u>(160,317)</u>
<u>(45,607,256)</u>	<u>-</u>	<u>(45,607,256)</u>
-	(1,085,127)	(1,085,127)
<u>-</u>	<u>(139,678)</u>	<u>(139,678)</u>
-	(1,224,805)	(1,224,805)
<u>(45,607,256)</u>	<u>(1,224,805)</u>	<u>(46,832,061)</u>
11,231,347	-	11,231,347
1,521,691	-	1,521,691
595,441	-	595,441
2,902,461	-	2,902,461
4,052,142	-	4,052,142
255,447	-	255,447
<u>4,063</u>	<u>-</u>	<u>4,063</u>
20,562,592	-	20,562,592
4,901,583	-	4,901,583
4,664,367	641	4,665,008
212,054	-	212,054
<u>6,559</u>	<u>(6,559)</u>	<u>-</u>
<u>30,347,155</u>	<u>(5,918)</u>	<u>30,341,237</u>
(15,260,101)	(1,230,723)	(16,490,824)
<u>74,143,071</u>	<u>1,953,359</u>	<u>76,096,430</u>
<u>\$ 58,882,970</u>	<u>722,636</u>	<u>59,605,606</u>

CITY OF BELL GARDENS

Balance Sheet

Governmental Funds

June 30, 2020

		Special Revenue Fund	Capital Projects Fund		
	General Fund	Low and Moderate Housing	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments (note 2)	\$ 14,178,699	771,016	-	4,895,960	19,845,675
Receivables:					
Accounts	1,343,104	1,835	-	2,530	1,347,469
Notes and loans (note 3)	121,543	6,647,604	-	2,126,635	8,895,782
Interest	47,857	-	-	12,023	59,880
Prepaid items	17,592	-	19,740	-	37,332
Due from other governments	-	-	957,036	270,084	1,227,120
Due from other funds (note 4)	4,144,314	-	-	-	4,144,314
Advances to Successor Agency	38,693,736	747,089	-	-	39,440,825
Restricted assets:					
Cash and investments with fiscal agents (note 2)	-	-	429,815	-	429,815
Total assets	<u>\$ 58,546,845</u>	<u>8,167,544</u>	<u>1,406,591</u>	<u>7,307,232</u>	<u>75,428,212</u>
LIABILITIES					
Accounts payable	\$ 525,088	-	149,347	530,263	1,204,698
Accrued liabilities	982,491	-	-	-	982,491
Deposits payable	422,681	-	-	53,071	475,752
Unearned revenue	-	-	17,240	-	17,240
Due to other funds (note 4)	-	-	449,662	220,052	669,714
Total liabilities	<u>1,930,260</u>	<u>-</u>	<u>616,249</u>	<u>803,386</u>	<u>3,349,895</u>
DEFERRED IN FLOWS OF RESOURCES					
Unavailable revenue	<u>39,215,895</u>	<u>7,394,693</u>	<u>680,280</u>	<u>2,266,259</u>	<u>49,557,127</u>
Total deferred in flows of resources	<u>39,215,895</u>	<u>7,394,693</u>	<u>680,280</u>	<u>2,266,259</u>	<u>49,557,127</u>
FUND BALANCES (note 12)					
Nonspendable	3,613,735	-	19,740	-	3,633,475
Restricted	-	772,851	-	4,188,907	4,961,758
Assigned	13,786,955	-	90,322	146,326	14,023,603
Unassigned	-	-	-	(97,646)	(97,646)
Total fund balances (deficits)	<u>17,400,690</u>	<u>772,851</u>	<u>110,062</u>	<u>4,237,587</u>	<u>22,521,190</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 58,546,845</u>	<u>8,167,544</u>	<u>1,406,591</u>	<u>7,307,232</u>	<u>75,428,212</u>

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS
Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Position
June 30, 2020

Fund balances of governmental funds	\$ 22,521,190
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the governmental funds balance sheet. Capital assets were adjusted as follows:	
Capital assets	146,202,169
Accumulated depreciation	(46,353,528)
Certain revenues were not available to pay for current-period expenditures and, therefore, were deferred in funds.	49,557,127
Long-term debt and compensated absences have not been included in the governmental fund activity:	
Lease Revenue Refunding Bonds	(5,020,000)
Unamortized bond premiums/discounts	(509,537)
Southern California Edison On Bill Financing Agreement	(4,102)
CJPIA General Liability Retrospective Asset (deposit)	37,472
Compensated absences	(3,222,332)
Governmental funds report all Pension and OPEB contributions as expenditures, however, in the statement of net position and excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability:	
Net pension liability	(39,869,905)
Net OPEB liability	(72,428,785)
Deferred outflows related to Pension	5,538,611
Deferred outflows related to OPEB	6,746,453
Deferred inflows related to Pension	(2,140,741)
Deferred inflows related to OPEB	(2,151,888)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.	(19,234)
Net position of governmental activities	\$ 58,882,970

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2020

	Special Revenue Fund	Capital Projects Fund		
	Low and Moderate Housing	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
	General Fund			
Revenues:				
Taxes	\$ 17,099,024	-	4,723,658	21,822,682
Intergovernmental	366,924	-	3,389,369	4,224,076
Licenses and permits	5,187,109	-	-	5,187,109
Charges for services	259,176	-	195,338	454,514
Use of money and property	4,926,926	36,962	197,420	5,161,940
Fines and forfeitures	541,879	-	14,415	556,294
Contributions	250,000	-	-	250,000
Other revenue	791,700	-	1,446	793,146
Total revenues	29,422,738	36,962	8,521,646	38,449,761
Expenditures:				
Current:				
General government	5,978,022	-	788,824	6,766,846
Public works	4,029,686	-	5,937,876	9,967,562
Public safety	16,183,389	-	278,711	16,462,100
Community development	1,114,821	-	-	1,114,821
Parks and recreation	2,767,518	-	243,680	3,011,198
Capital outlay	566,015	-	739,818	2,346,272
Debt service:				
Interest and fiscal charges	185,044	-	-	185,044
Principal retirement	241,917	-	-	241,917
Total expenditures	31,066,412	-	8,289,530	40,095,760
Excess (deficiency) of revenues over (under) expenditures	(1,643,674)	36,962	232,116	(1,645,999)
Other financing sources (uses):				
Transfers in (note 4)	196,504	84,003	844,003	1,124,510
Transfers out (note 4)	(966,251)	-	(151,700)	(1,117,951)
Total other financing sources (uses)	(769,747)	84,003	692,303	6,559
Net change in fund balances	(2,413,421)	120,965	924,419	(1,639,440)
Fund balances, beginning of year	19,814,111	651,886	3,313,168	24,160,630
Fund balances, end of year	\$ 17,400,690	772,851	4,237,587	22,521,190

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Governmental-wide Statement of Activities
For the Year Ended June 30, 2020**

Changes in fund balances of governmental funds \$ (1,639,440)

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

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

Capital outlay	203,460
Depreciation expense	(2,429,611)

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

Repayment of long-term debt:	
Lease Revenue Refunding Bonds	180,000
Southern California Edison On Bill Financing Agreement	5,044
CJPIA General Liability Retrospective Payable	233,680
Amortization bond premiums/discounts	24,127

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period 600

Revenues in the government-wide statement of activities that did not provide current financial resources were not reported as revenues in the governmental funds. 546,356

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 32,662

Governmental funds report all contributions in relation to the annual required contribution (ARC) for Pensions and OPEB as expenditures, however in the statement of activities only the ARC is an expense. (12,416,979)

Change in net position of governmental activities \$ (15,260,101)

CITY OF BELL GARDENS
Statement of Fund Net Position
Proprietary Funds
June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Water	Golf Course	Totals
ASSETS			
Current assets:			
Cash and investments (note 2)	\$ -	32,287	32,287
Receivables:			
Accounts	206,099	-	206,099
Restricted:			
Cash and investments with fiscal agents (note 2)	399,479	-	399,479
Total current assets	<u>605,578</u>	<u>32,287</u>	<u>637,865</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation (note 5):	6,595,818	-	6,595,818
Total noncurrent assets	<u>6,595,818</u>	<u>-</u>	<u>6,595,818</u>
Total assets	<u>7,201,396</u>	<u>32,287</u>	<u>7,233,683</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions (note 7)	52,608	-	52,608
OPEB (note 8)	73,963	-	73,963
Total deferred outflows of resources	<u>126,571</u>	<u>-</u>	<u>126,571</u>
LIABILITIES			
Current liabilities:			
Accounts payable	127,275	26,541	153,816
Accrued liabilities	-	5,596	5,596
Interest payable	20,564	-	20,564
Due to other funds (note 4)	3,474,600	-	3,474,600
Long-term debt - due within one year (note 6)	315,387	-	315,387
Total current liabilities	<u>3,937,826</u>	<u>32,137</u>	<u>3,969,963</u>
Noncurrent liabilities:			
Long-term debt - due in more than one year (note 6)	1,416,376	-	1,416,376
Net pension liability (note 7)	393,623	-	393,623
Net OPEB liability (note 8)	806,835	-	806,835
Total noncurrent liabilities	<u>2,616,834</u>	<u>-</u>	<u>2,616,834</u>
Total liabilities	<u>6,554,660</u>	<u>32,137</u>	<u>6,586,797</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions (note 7)	27,229	-	27,229
OPEB (note 8)	23,592	-	23,592
Total deferred inflows of resources	<u>50,821</u>	<u>-</u>	<u>50,821</u>
NET POSITION			
Net investment in capital assets	4,864,055	-	4,864,055
Restricted for:			
Debt service	399,479	-	399,479
Unrestricted	<u>(4,541,048)</u>	<u>150</u>	<u>(4,540,898)</u>
Total net position	<u>\$ 722,486</u>	<u>150</u>	<u>722,636</u>

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Golf Course</u>	<u>Totals</u>
Operating revenues:			
Sales and service charges	\$ 1,038,705	86,282	1,124,987
Other revenues	<u>159,769</u>	<u>4,611</u>	<u>164,380</u>
Total operating revenues	<u>1,198,474</u>	<u>90,893</u>	<u>1,289,367</u>
Operating expenses:			
Administration and general	663,315	63,460	726,775
Cost of sales and services	1,361,727	167,111	1,528,838
Depreciation (note 5)	<u>168,182</u>	<u>-</u>	<u>168,182</u>
Total operating expenses	<u>2,193,224</u>	<u>230,571</u>	<u>2,423,795</u>
Operating income (loss)	<u>(994,750)</u>	<u>(139,678)</u>	<u>(1,134,428)</u>
Non-operating revenues (expenses):			
Investment income	641	-	641
Interest expense and fees	<u>(90,377)</u>	<u>-</u>	<u>(90,377)</u>
Total non-operating revenues (expenses)	<u>(89,736)</u>	<u>-</u>	<u>(89,736)</u>
Income (loss) before transfers	(1,084,486)	(139,678)	(1,224,164)
Transfers in (note 4)	-	139,745	139,745
Transfers out (note 4)	<u>(146,304)</u>	<u>-</u>	<u>(146,304)</u>
Change in net position	(1,230,790)	67	(1,230,723)
Net position at beginning of year	<u>1,953,276</u>	<u>83</u>	<u>1,953,359</u>
Net position, end of year	<u>\$ 722,486</u>	<u>150</u>	<u>722,636</u>

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Water	Golf Course	Totals
Cash flows from operating activities:			
Cash received from customers and users	\$ 1,182,354	90,893	1,273,247
Cash paid to suppliers for goods or services	(1,329,371)	(141,662)	(1,471,033)
Cash paid to employees for services	(276,703)	(66,749)	(343,452)
Net cash provided (used by) operating activities	(423,720)	(117,518)	(541,238)
Cash flows from noncapital financing activities:			
Transfers in (out) from/to other funds	(146,304)	139,745	(6,559)
Cash borrowed from other funds	964,442	-	964,442
Net cash provided (used by) noncapital financing activities	818,138	139,745	957,883
Cash flows from capital and related financing activities:			
Principal paid on capital debt	(300,000)	-	(300,000)
Interest paid on capital debt	(94,420)	-	(94,420)
Net cash provided (used by) capital and related financing activities	(394,420)	-	(394,420)
Cash flows from investing activities:			
Investment income	641	-	641
Net cash provided (used by) investing activities	641	-	641
Net increase (decrease) in cash and cash equivalents	639	22,227	22,866
Cash and equivalents, beginning of year	398,840	10,060	408,900
Cash and equivalents, end of year	\$ 399,479	32,287	431,766
FINANCIAL STATEMENT PRESENTATION:			
Cash and investments	\$ -	32,287	32,287
Cash and investments with fiscal agent	399,479	-	399,479
Total cash, cash equivalents, and investments	\$ 399,479	32,287	431,766
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (994,750)	(139,678)	(1,134,428)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	168,182	-	168,182
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(16,120)	-	(16,120)
Increase (decrease) in accounts payable	32,356	25,449	57,805
Increase (decrease) in accrued liabilities	-	(3,289)	(3,289)
Increase (decrease) in net pension liability and net OPEB liability, net of deferred outflows and inflows	386,612	-	386,612
Total adjustments	571,030	22,160	593,190
Net cash provided (used) by operating activities	\$ (423,720)	(117,518)	(541,238)

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS
Statement of Fiduciary Net Position
Trust Funds
June 30, 2020

	Private- Purpose Trust Fund
	Successor Agency of the Former Community Development Commission
ASSETS	
Cash and investments (notes 2 and 13)	\$ 2,804,292
Receivables:	
Notes and loans (note 13)	7,990,107
Accrued interest	2,640
Restricted assets:	
Cash and investments with fiscal agents (notes 2 and 13)	2,799,560
Capital assets:	
Capital assets, not being depreciated (note 13)	<u>1,773,001</u>
Total assets	<u>15,369,600</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions (note 7)	<u>65,204</u>
LIABILITIES	
Current liabilities:	
Accounts payable	5,471
Interest payable	340,912
Long-term liabilities:	
Due in one year (note 13)	1,735,171
Due in more than one year (note 13)	55,974,109
Net pension liability (note 7)	686,518
Net OPEB liability (note 8)	<u>1,165,830</u>
Total Liabilities	<u>59,908,011</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions (note 7)	<u>237,758</u>
NET POSITION	
Held in trust for other purposes	<u>(44,710,965)</u>
Total net position	<u>\$ (44,710,965)</u>

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS
Statement of Changes in Fiduciary Net Position
Trust Funds
For the year ended June 30, 2020

	Private- Purpose Trust Fund <hr/> Successor Agency of the Former Community Development Commission <hr/>
Additions:	
Taxes	\$ 3,206,005
Investment income	253,213
Other income	<u>47,404</u>
Total additions	<u>3,506,622</u>
Deductions:	
Contractual services	19,111
Interest expense	1,231,516
Contributions to other governments	<u>250,000</u>
Total deductions	<u>1,500,627</u>
Change in net position	2,005,995
Net position (deficit), beginning of year	<u>(46,716,960)</u>
Net position (deficit), end of year	<u>\$ (44,710,965)</u>

See accompanying notes to the basic financial statements.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

Year ended June 30, 2020

(1) Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

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

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

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

Separate financial statements are not prepared for the Authority.

b. Government-wide and Fund Financial Statements

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

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

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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

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

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

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

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

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

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

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

The City reports the following major governmental funds:

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

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

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

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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

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

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

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

Cash and Investments

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

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

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

Receivables and Payables

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

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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

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

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

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

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

Inventories and Prepaid Items

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

Restricted Assets

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

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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

Capital Assets

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

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

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

Deferred outflows/inflows of resources

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

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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

Deferred outflows/inflows of resources (continued)

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

Compensated absences

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

Long-Term Obligations

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

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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

Long-Term Obligations (continued)

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

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

Fund Balances and Spending Policy

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

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

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

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

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

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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

Fund Balances and Spending Policy (cont.)

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

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

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

Net Position Flow Assumption

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

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

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

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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

Fund Balance Flow Assumption

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

e. Use of Estimates

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

f. Pensions

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

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments

As of June 30, 2020, cash and investments, including cash and investments with fiscal agent, were reported in the accompanying financial statements as follows:

Governmental activities	\$20,275,490
Business-type activities	431,766
Fiduciary funds	<u>5,603,852</u>
Total cash and investments	<u>\$26,311,108</u>

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

As of June 30, 2020, the carrying amount of the City's deposits was \$4,957,885 and the bank balance was \$5,429,488. The \$471,603 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments (continued)

Investments Authorized by the City’s Investment Policy

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

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

Investments Authorized by Debt Agreements

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

Investments in State Investment Pool

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

Credit Risk

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

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments (continued)

<u>Investment Type</u>		<u>Minimum Legal Rating</u>	<u>Ratings as of Year End</u>			<u>Not Rated</u>
			<u>AAA</u>	<u>AA</u>	<u>A</u>	
Local Agency Investment Fund	\$17,637,432	N/A	-	-	-	17,637,432
Held by Fiscal Agent: Money Market Funds	<u>3,628,853</u>	N/A	-	-	-	<u>3,628,853</u>
Total	<u>\$21,266,285</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>21,266,285</u>

Concentration of Credit Risk

The City's investment policy does not impose restrictions on the maximum percentage it can invest in a single type of investment. As of June 30, 2020, 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, 2020, the City was not exposed to concentration of credit risk.

Custodial Credit Risk

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

The custodial credit risk for investments is the risk that, in the event of the failure of a counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2020, none of the City's deposits or investments were exposed to custodial credit risk.

Disclosures Relating to Interest Rate Risk

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

CITY OF BELL GARDENS
 NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments (continued)

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

<u>Investment Type</u>	<u>Remaining Investment Maturities</u>			<u>Total</u>
	<u>Less than 1 Year</u>	<u>1 to 3 Years</u>	<u>4 to 5 Years</u>	
Local Agency Investment Fund Held by Fiscal Agent:	\$17,637,432	-	-	17,637,432
Money market Mutual Funds	<u>3,628,853</u>	-	-	<u>3,628,853</u>
Total	<u>\$21,266,285</u>	<u>-</u>	<u>-</u>	<u>21,266,285</u>

Fair Value Classifications

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

Investments' fair value measurements are as follows as of June 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Local Agency Investment Fund	\$17,637,432			
Held by Fiscal Agent:				
Money Market Mutual Fund	<u>3,628,285</u>			
Total	<u>\$21,266,285</u>			

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

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(3) Notes and Loans Receivable

Notes and loans receivable at June 30, 2020, 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, 2020 is \$440,554. The City's Low and Moderate Housing Fund has recorded unavailable revenue as of June 30, 2020 for the remainder of the outstanding loan.
- b. As of June 30, 2020, 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 \$363,598 which has also been recorded as unavailable revenue.
- c. The City and Southern California Water Company executed an agreement effective July 1, 1990, providing for reimbursement to the City of certain costs incurred by the City for water system improvements. The total reimbursement has been estimated at approximately \$466,563 and is to be repaid in annual installments. As of June 30, 2020, the balance of the receivable was \$83,602 which has also been recorded as unavailable revenue.
- d. During 1997-98, the City instituted a deferred loan program for academic scholarships. As of June 30, 2020, the balance of the loans outstanding is \$377,237 which has also been recorded as unavailable revenue.
- e. As of June 30, 2020, the City has \$37,941 in settlements receivable. The City is scheduled to receive \$3,600 annually toward the receivable.
- f. The Bell Gardens former Commission is required by State Law to set aside funds to create and preserve housing that is affordable to low and moderate income families and individuals. The City has decided to utilize these funds for a second mortgage and/or closing costs, as needed for low-to-moderate income first time homebuyers. The City has established a not-to-exceed cap of \$33,000 per case on an as needed basis. The Bell Gardens First Time Home Buyer Program is a deferred equity share loan secured by a second deed of trust and note with an annual rate of 3%. The loan shall become due and payable only when the property is sold, leased or transferred. Repayment terms of principal, shared equity and interest at 3% per annum simple interest vary depending on the year sold or transferred. After the twentieth year, the loan is forgiven. The former Commission's share of equity in the property shall not exceed the proportional investment as a percentage of the original purchase price. The balance of the First Time Home Buyer Program as of June 30, 2020 is \$833,940 which has also been recorded as unavailable revenue. As a result of dissolution of the Community Development Commission, the loan receivable was transferred to the City's Low and Moderate Housing Fund.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(3) Notes and Loans Receivable (continued)

- g. On March 22, 2011, Terra Bella, LLP, a California limited partnership (the Borrower) and the Bell Gardens former RDA entered into an owner participation agreement to develop a senior affordable housing project consisting of 65 units. Pursuant to the agreement, the former Commission has provided financial assistance in the amount of \$2,600,000 for the partial acquisition, construction, operation and maintenance of the units plus \$32,000 on preconstruction loans. The promissory note shall bear simple interest at a rate of 3% per annum which is recorded as unavailable revenue. Payments shall be made annually in arrears on May 1. The entire unpaid principal balance, together with all accrued and unpaid interest, shall be due on the date which is 57 years from the date a certificate of occupancy is issued for the last residential unit in the project. The balance as of June 30, 2020, including accrued interest of \$694,409, is \$3,326,409. The loan receivable is recorded in the City's Low and Moderate Housing Fund.
- h. On May 3, 2000, Las Cases de Bell Gardens, a California limited partnership (the Borrower) and the City of Bell Gardens entered into an owner participation agreement to develop a affordable housing project consisting of 10 units. Pursuant to the agreement, the City has provided financial assistance in the amount of \$85,000 for the partial acquisition, construction, operation and maintenance of the units. The promissory note shall bear simple interest at a rate of 3% per annum which is recorded as unavailable revenue. Payments shall be made annually in arrears on May 1. The entire unpaid principal balance, together with all accrued and unpaid interest, shall be due on the date which is 654 years from the date a certificate of occupancy is issued for the last residential unit in the project. The balance as of June 30, 2020, including accrued interest of \$45,436, is \$130,436. The loan receivable is recorded in the City's Low and Moderate Housing Fund.
- i. On April 1, 2005, Bell Gardens Housing Partners, L.P., a California limited partnership entered in a promissory note to pay the Bell Gardens former RDA \$3,812,202 for the payment of public and private debts. The Low and Moderate Housing has provided certain financial assistance in construction of a 72-unit senior affordable housing project by providing a Commission Loan (which is represented by this Promissory Note) in the amount of \$3,812,202 for the acquisition and clearing of the site and to help defray Developer's costs. The promissory note amount shall bear simple interest at the rate of 3% per annum, and 10% per annum and shall accrue upon the amount of each payment required upon the date each such payment is due. The Promissory Note shall be paid from "Residual Receipts", defined as an amount equal to sixty-five percent (65%) of the net profits produced from the project (on a prorated basis), until the note amount has been repaid in full. Any remaining principal, interest and other amounts due and owing under this promissory note shall be paid in full on or before the fifty-fifth (55th) anniversary of the date of promissory note.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(3) Notes and Loans Receivable (continued)

The balance of the promissory note and the related interest has also been recorded as unavailable revenue. The outstanding balance at June 30, 2020, is as follows:

	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
CDBG Special Revenue	\$ 964,100	421,700	1,385,800
Former Community Development Commission	1,514,959	662,648	2,177,607
Low and Moderate Housing	<u>1,333,143</u>	<u>583,122</u>	<u>1,916,265</u>
Subtotal	3,812,202	1,667,470	5,479,672
Less amount reported in the Successor Agency	<u>1,514,959</u>	<u>662,648</u>	<u>2,177,607</u>
Total	<u>\$2,297,243</u>	<u>1,004,822</u>	<u>3,302,065</u>

Total notes and loans receivable as of June 30, 2020 is \$8,895,782.

(4) Inter-fund Receivables, Payables and Transfers

a. Due To / From Other Funds:

The following summarizes the total due to and from other funds as of June 30, 2020:

	Capital Improvement Projects Fund	<u>Due To Other Funds:</u>		<u>Total</u>
		Nonmajor Governmental Funds	Enterprise Water Fund	
<u>Due From Other Funds:</u>				
General Fund	<u>\$449,662</u>	<u>220,052</u>	<u>3,474,600</u>	<u>\$4,144,314</u>

Inter-fund receivables and payables as of June 30, 2020 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, 2020:

	General Fund	Low-Mod Housing Fund	<u>Transfers In:</u>		<u>Total</u>
			Nonmajor Governmental Funds	Golf Enterprise Fund	
<u>Transfers Out:</u>					
General Fund	\$ -	84,003	742,503	139,745	966,251
Nonmajor Governmental Funds	50,200	-	101,500	-	151,700
Water Enterprise Fund	<u>146,304</u>	-	-	-	<u>146,304</u>
Total	<u>\$196,504</u>	<u>84,003</u>	<u>844,003</u>	<u>139,745</u>	<u>1,264,255</u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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

The transfer to the General Fund from Non-Major Governmental Funds was to fund administrative costs.

(5) Capital Assets

A summary of the changes in capital asset activity for the year ended June 30, 2020, is as follows:

Governmental Activities:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$ 67,249,714	-	-	67,249,714
Construction in process	<u>2,105,817</u>	<u>989,194</u>	<u>(1,073,423)</u>	<u>2,021,588</u>
Total non-depreciable	<u>69,355,531</u>	<u>989,194</u>	<u>(1,073,423)</u>	<u>69,271,302</u>
Depreciable:				
Buildings and structures	17,818,216	-	-	17,818,216
Equipment	10,821,702	287,689	-	11,109,391
Infrastructure	<u>48,003,260</u>	<u>-</u>	<u>-</u>	<u>48,003,260</u>
Total depreciable capital assets	<u>76,643,178</u>	<u>287,689</u>	<u>-</u>	<u>76,930,867</u>
Less accumulated depreciation for:				
Buildings and structures	8,451,434	573,667	-	9,025,101
Equipment	8,429,923	721,140	-	9,151,063
Infrastructure	<u>27,042,560</u>	<u>1,134,804</u>	<u>-</u>	<u>28,177,364</u>
Total accumulated depreciation	<u>43,923,917</u>	<u>2,429,611</u>	<u>-</u>	<u>46,353,528</u>
Total depreciable capital assets, net	<u>32,719,261</u>	<u>(2,141,922)</u>	<u>-</u>	<u>30,577,339</u>
Total capital assets, net	<u>\$102,074,792</u>	<u>(1,152,728)</u>	<u>-</u>	<u>99,848,641</u>

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

Governmental Activities:

General Government	\$1,294,807
Public Works	<u>1,134,804</u>
Total	<u>\$2,429,611</u>

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(5) Capital Assets (continued)

Business-type Activities:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$1,011,000	-	-	1,011,000
Total non-depreciable	<u>1,011,000</u>	<u>-</u>	<u>-</u>	<u>1,011,000</u>
Depreciable:				
Water rights	1,914,000	-	-	1,914,000
Equipment	<u>6,973,549</u>	<u>-</u>	<u>-</u>	<u>6,973,549</u>
Total depreciable capital assets	<u>8,887,549</u>	<u>-</u>	<u>-</u>	<u>8,887,549</u>
Less accumulated depreciation for:				
Water rights	555,060	19,140	-	574,200
Equipment	<u>2,579,489</u>	<u>149,042</u>	<u>-</u>	<u>2,728,531</u>
Total accumulated depreciation	<u>3,134,549</u>	<u>168,182</u>	<u>-</u>	<u>3,302,731</u>
Total depreciable capital assets, net	<u>5,753,000</u>	<u>(168,182)</u>	<u>-</u>	<u>5,584,818</u>
Total capital assets, net	<u>\$6,764,000</u>	<u>(168,182)</u>	<u>-</u>	<u>6,595,818</u>

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

Business-Type Activities	
Water	<u>\$168,182</u>
Total	<u>\$168,182</u>

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(6) Long-term Liabilities

(a) **Governmental Activities**

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
2015 Lease revenue					
refunding bonds	\$5,200,000	-	180,000	5,020,000	185,000
Unamortized bond premium	533,664	-	24,127	509,537	24,127
Notes payable:					
So Cal Edison Bill Financing	9,146	-	5,044	4,102	4,102
Compensated absences	3,254,994	1,402,358	1,435,020	3,222,332	1,611,166
CJPIA Retrospective Deposit					
Liability (Asset)	<u>196,208</u>	<u>-</u>	<u>233,680</u>	<u>(37,472)</u>	<u>-</u>
Total governmental activities	<u>\$9,194,012</u>	<u>1,402,358</u>	<u>1,877,871</u>	<u>8,718,499</u>	<u>1,824,395</u>

2015 Lease Revenue Refunding Bonds:

On April 14, 2015, the Authority issued \$5,830,000 of Lease Revenue Refunding Bonds. The proceeds were used to refund 2006 Certificates of Participation, to fund various capital projects within the City, to fund a reserve account and to finance the costs of the transaction. The bond refunded \$3,260,000 in principal with a \$32,600 premium for a total cost to refund the 2006 Certificates of Participation of \$3,292,600. This refunding resulted in a net present value savings for the City of approximately \$335,270. Interest rates range from 3.0% to 5.0% and is payable semiannually on each June 1 and December 1, commencing on June 1, 2016. Principal payments range from \$135,000 to \$370,000. As of June 30, 2020, the unamortized premium outstanding was \$509,537 and the total principal balance outstanding was \$5,020,000. In the event of default, the Authority may only recover rent and other monetary charges as they become due.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 185,000	230,813	415,813
2022	190,000	223,413	413,413
2023	200,000	215,813	415,813
2024	205,000	207,813	412,813
2025	220,000	199,613	419,613
2026-2030	1,245,000	834,813	2,079,813
2031-2035	1,590,000	491,313	2,081,313
2036-2040	<u>1,185,000</u>	<u>126,688</u>	<u>1,311,688</u>
Total	<u>\$5,020,000</u>	<u>2,530,279</u>	<u>7,550,279</u>

CITY OF BELL GARDENS
 NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(6) Long-term Liabilities (continued)

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, 2020, the total principal balance outstanding was \$4,102.

At June 30, 2020, the annual requirements to repay the outstanding indebtedness were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	<u>\$ 4,102</u>	<u>-</u>	<u>4,102</u>
Total	<u>\$ 4,102</u>	<u>-</u>	<u>4,102</u>

Accrued Leave Payable (Compensated Absences)

For governmental funds, accrued leave payable amounted to \$3,222,332 as of June 30, 2020. The balance is broken down as follows: \$822,817 in vacation leave, \$2,002,870 in sick leave, \$88,568 in compensatory time, \$257,213 in holiday, 22,585 in floating holiday, and \$28,279 in administrative leave.

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(6) Long-term Liabilities (continued)

CJPIA Retrospective Deposit Liability

Retrospective deposits are cost allocation adjustments to prior coverage periods. Some claims take many years to resolve and over time their estimated value changes. The retrospective adjustments are calculated annually and take into consideration all the changes in claim values that occurred during the most recent year. The formula is designed to adequately cover the cost of claims brought against members and to ensure the overall financial strength and security of the Authority. The formula was developed to be as equitable as possible by taking into consideration both risk exposure and claims experience of individual members. CJPIA has temporarily deferred the payment on retrospective deposits owed to the Authority by members. The payment deferral period extends until July 1, 2013 for the Liability program and July 1, 2015 for the Workers' Compensation program. Retrospective deposit payments are scheduled to resume on these dates. The October 2020 annual retrospective adjustment is included in these balances. As of June 30, 2020, the City has a retrospective deposit (asset) of \$37,472.

Optional Payment Plans:

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

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

Retrospective Balances will Change Annually:

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

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

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

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(6) Long-term Liabilities (continued)

(b) **Business-Type Activities:**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Business-type Activities:					
2004 Revenue bonds	\$2,030,000	-	300,000	1,730,000	315,000
Unamortized bond premium	<u>2,150</u>	<u>-</u>	<u>387</u>	<u>1,763</u>	<u>387</u>
Total business-type activities	<u>\$2,032,150</u>	<u>-</u>	<u>300,387</u>	<u>1,731,763</u>	<u>315,387</u>

2004 Water Refunding Revenue Bonds

During fiscal year 2004-2005, the Bell Gardens Financing Authority issued \$5,240,000 of refunding revenue bonds to refund the 1994 Water Revenue Bonds and pay the cost of issuing the bonds (insurance, underwriter discount, and other costs). The maturity date of the bonds is October 1, 2024. The interest rate ranges from 1.75% to 4.875%. As of June 30, 2020, the unamortized premium on the 2004 Water Refunding Revenue Bonds was \$1,763 and the outstanding balance was \$1,730,000.

The debt service requirements to maturity for the revenue bonds outstanding as of June 30, 2020, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 315,000	82,255	397,255
2022	330,000	67,608	397,608
2023	345,000	52,098	397,098
2024	360,000	35,710	395,710
2025	<u>380,000</u>	<u>18,430</u>	<u>398,430</u>
Total	<u>\$1,730,000</u>	<u>256,101</u>	<u>1,986,101</u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Defined Benefit Pension Plans

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

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

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

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

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

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Defined Benefit Pension Plans (continued)

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City of Bell Gardens is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plans were \$1,156,428 and \$1,704,209 for the Miscellaneous and Safety plans, respectively, for the year ended June 30, 2020.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2018, the City of Bell Gardens reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$14,517,728
Safety	<u>26,432,318</u>
Total Net Pension Liability	<u><u>\$40,950,046</u></u>

The City of Bell Gardens' net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City of Bell Gardens' proportion of the net pension liability was based on a projection of the City of Bell Gardens' long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City of Bell Gardens' proportionate share of the net pension liability for each Plan as of June 30, 2017 and 2018 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion – June 30, 2018	0.35456%	0.43540%
Proportion – June 30, 2019	0.36254%	0.42342%
Change – Increase (Decrease)	0.00797%	(0.01198%)

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Defined Benefit Pension Plans (continued)

For the year ended June 30, 2020, the City of Bell Gardens recognized pension expense of \$8,341,089. At June 30, 2020, the City of Bell Gardens reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in proportion	239,712	(79,381)
Net difference in actual contributions vs. proportionate share of contributions	-	(347,536)
Net difference between expected and actual experience	1,008,317	(78,124)
Net differences between projected and actual earnings on plan investments	-	(253,815)
Change in assumptions	692,272	(245,405)
Total	\$ 1,940,301	(1,004,261)

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in proportion	23,685	(826,419)
Net difference in actual contributions vs. proportionate share of contributions	883,230	-
Net difference between expected and actual experience	1,725,792	-
Net differences between projected and actual earnings on plan investments	-	(363,621)
Change in assumptions	1,083,415	(211,427)
Total	\$ 3,716,122	(1,401,467)

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

Year Ended	Miscellaneous	Safety
June 30		
2021	\$ 971,260	\$2,090,687
2022	(201,104)	(127,687)
2023	114,596	280,905
2024	51,288	70,750
	\$ 936,040	\$2,314,655

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Defined Benefit Pension Plans (continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.5%	2.5%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	Varies by Entry Age	Varies by Entry Age
Investment Rate of Return	7.5% (1)	7.5% (2)
Mortality	Varies (2)	Varies (2)

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

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

Change of Assumptions – In Fiscal Year 2019-20, demographic assumptions and the inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. Deferred outflows of resources and deferred inflows of resources for changes of assumptions represent the unamortized portion of the changes of assumptions related to prior measurement periods.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Defined Benefit Pension Plans (continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

<u>Asset Class (a)</u>	<u>New Strategic Allocation</u>
Public Equity	50.0%
Global Fixed Income	28.0%
Real Assets	13.0%
Private Equity	8.0%
Liquidity	1.0%
Total	<u>100%</u>

- (a) In the CalPERS CAFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.
- (b) An expected inflation of 2.0% used for this period.
- (c) An expected inflation of 2.92% used for this period.

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

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$22,023,904	\$39,316,480
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$14,517,728	\$26,432,318
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 8,321,910	\$15,869,324

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(8) Other Post Employment Benefits (OPEB)

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

Employee Covered – As of June 30, 2020 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active employees	136
Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u>191</u>

Contributions - Currently, the City funds retiree healthcare benefits on a pay-as-you-go basis. The City recognizes expenditure for its share of the annual premiums as these benefits become due. For fiscal year 2019-2020, the City paid \$788,824 for benefits of 55 retired employees.

Net OPEB Liability - The City of Bell Gardens net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OEPB liability was determined by an actuarial valuation date June 30, 2018 that was rolled forward to determine the June 30, 2020 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	
Discount Rate	2.20%
Projected Salary Increase	Salary Scale
General Inflation	2.75%
Mortality	Varies (1)

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

Discount Rate – The discount rate used to measure the OPEB liability was 2.20 percent, using the average of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, Fidelity GO AA 20 Year Bond Index.

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (c)=(a)-(b)
Balance at Fiscal Year Ending 6/30/19			
<i>Measurement Date 6/30/18</i>	\$68,466,562	\$ 242,396	\$68,244,166
Changes During the Period:			
Service Cost	2,397,228	-	2,397,228
Interest Cost	2,178,333	9,798	2,168,535
Expected Investment Income	-	-	-
Employer Contributions	-	1,023,490	(1,023,490)
Changes of Benefit Terms	-	-	-
Benefit Payments	(1,023,490)	(1,023,490)	-
Assumption Changes	(1,846,156)	-	(1,846,156)
Plan Experience	4,479,863	-	4,479,863
Investment Experience	-	-	-
Recognized Deferred Resources	-	-	-
Administrative Expenses	-	(1,304)	1,304
Net Changes in Fiscal Year 2019-20	6,185,778	8,494	6,177,284
Balance at Fiscal Year Ending 6/30/20			
<i>Measurement Date 6/30/19</i>	\$74,652,340	\$ 250,890	\$74,401,450

As of June 30, 2020, \$1,165,830 of the net OPEB liability has been allocated to the Successor Agency of the Former Community Development Commission.

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

1% Decrease	1.20%
Net OPEB Liability	\$90,903,230
Current Discount Rate	2.20%
Net OPEB Liability	\$74,401,450
1% Increase	3.20%
Net OPEB Liability	\$61,691,878

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trends – The following presents the net OPEB liability of the City of Bell Gardens’ if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for the measurement period June 30, 2020:

1% Decrease	5.5%HMO/6.0%PPO Decreasing to 4.0%HMO/4.0%PPO
Net OPEB Liability	\$59,829,019
Current Healthcare Cost Trend Rates	6.5%HMO/7.0%PPO Decreasing to 5.0%HMO/5.0%PPO
Net OPEB Liability	\$74,401,450
1% Increase	7.5%HMO/8.0%PPO Decreasing to 6.0%HMO/6.0%PPO
Net OPEB Liability	\$93,940,320

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the fiscal year ended June 30, 2020, the City of Bell Gardens recognized OPEB expense of \$5,485,991. As of the fiscal year ended June 30, 2020, the City of Bell Gardens reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,839,882	-
Differences between projected and actual return on assets	3,765	(2,173,968)
Change in assumptions	<u>2,976,769</u>	<u>(1,512)</u>
Total	<u>\$ 6,820,416</u>	<u>(2,175,480)</u>

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

<u>Year Ended June 30</u>	
2021	\$ 923,631
2022	923,630
2023	923,812
2024	1,121,376
2025	376,244
Thereafter	<u>376,243</u>
	<u>\$4,644,936</u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(9) California Joint Powers Insurance Authority Insurance Program

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

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

b. Self-Insurance Program of the Authority

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

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

Liability

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

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

Workers' Compensation

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

For 2019-20 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Worker's Compensation Law.

Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

c. Purchased Insurance

Pollution Legal Liability Insurance

The City of Bell Gardens participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets and storm drains owned by the City of Bell Gardens. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has an aggregate limit of \$50 million for the 3- year period from July 1, 2017 through July 1, 2020. 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 \$39,909,909. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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.

(10) Contingent Liabilities

a. *Lawsuits in the Normal Course of Business*

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

b. *Federal and State Grant Programs*

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

c. *Ongoing Operations*

The City's operations may be affected by the recent and ongoing outbreak of COVID-19, which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, possible effects may include, but are not limited to, a reduction in certain tax revenues and a decline in the value of investments, which could have an impact on the City's financial position and operating results. There is significant uncertainty as to the severity and longevity of the outbreak and City management is in the process of evaluating the impact on the City and its financial statements.

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(11) Operating Lease Agreements

- a. On November 9, 1987, the Bell Gardens former RDA approved a Lease Agreement with the Bicycle Club. The Bicycle Club agreed to lease property from the former RDA for use as a parking lot. The lease term is 15 years at an annual minimum rent of \$559,200 per year, adjusted every five years by the greater of the Consumer Price Index or 120%. During 1989-90 the parking lot was transferred to the City of Bell Gardens as a repayment of City loans. The lease agreement was assigned to the City along with the transfer. On July 1, 2005, the Bell Gardens former RDA approved an amendment to the original lease in the amount of \$633,535 and \$239,179 for Parcel D and C, respectively. Rent paid to the City under this agreement was \$2,648,223 for the year ended June 30, 2020.
- b. On November 11, 1987, the Bell Gardens former RDA approved a Lease Agreement with the Bell Gardens Hotel Partnership. The Hotel Partnership agreed to lease property with all buildings, structures, improvements and fixtures thereon for the use as a hotel and restaurant. The lease term is 99 years at a revised rate of \$81,510 per year, adjusted every five years by the Consumer Price Index, plus the excess, if any, of the sum of the following over the annual rate: 6.25% of gross room revenues, 3% of gross food and beverage revenues, and 10% of all other revenues. During 1991-92, the property was transferred to the City of Bell Gardens as a repayment of City loans. The lease agreement was assigned to the City along with the transfer. Rent paid to the City under this agreement was \$151,885 for the year ended June 30, 2020.
- 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 \$1,510,685 for the year ended June 30, 2020.

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

<u>Fiscal Year</u>	<u>Parking Lot</u>	<u>Hotel</u>	<u>Shopping Center</u>
2021	\$ 2,648,223	151,885	1,510,685
2022	2,648,223	151,885	1,510,685
2023	2,648,223	151,885	1,571,112
2024	2,648,223	151,885	1,571,112
2025	2,648,223	151,885	1,571,112
Thereafter	<u>92,025,557</u>	<u>11,239,464</u>	<u>-</u>
Total	<u>\$105,266,672</u>	<u>11,998,921</u>	<u>7,734,706</u>

CITY OF BELL GARDENS
 NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(12) Classification of Fund Balances

The City has adopted the provisions of GASB Statement No. 54, “Fund Balance and Governmental Fund Type Definitions”. GASB 54 establishes fund balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The governmental fund statements conform to this classification and are summarized as follows as of June 30, 2020:

	<u>General Fund</u>	<u>Low and Moderate Housing Special Revenue Fund</u>	<u>Capital Improvement Projects Capital Project Fund</u>	<u>Non-major Governmental Funds</u>	<u>Totals</u>
<i>Nonspendable</i>					
Prepaid expenses	\$ 17,592	-	19,740	-	37,332
Notes and loans	121,543	-	-	-	121,543
Due from Water Fund	<u>3,474,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,474,600</u>
Total Nonspendable	<u>3,613,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,633,475</u>
<i>Restricted</i>					
Housing	-	772,851	-	-	772,851
Recreation and community services	-	-	-	202,075	202,075
Public safety	-	-	-	900,976	900,976
Transportation	-	-	-	2,875,094	2,875,094
Environmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,762</u>	<u>210,762</u>
Total Restricted	<u>-</u>	<u>772,851</u>	<u>-</u>	<u>4,188,907</u>	<u>4,961,758</u>
<i>Assigned</i>					
Contingencies	3,300,000	-	-	-	3,300,000
Post employment benefits	6,594,909	-	-	146,326	6,741,235
Capital projects	-	-	90,322	-	90,322
Compensated absences	3,222,332	-	-	-	3,222,332
Interfund loans receivable	<u>669,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>669,714</u>
Total Assigned	<u>13,786,955</u>	<u>-</u>	<u>90,322</u>	<u>146,325</u>	<u>14,023,603</u>
<i>Unassigned</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(97,646)</u>	<u>(97,646)</u>
Totals	<u>\$ 17,400,690</u>	<u>772,851</u>	<u>110,062</u>	<u>4,237,587</u>	<u>22,521,190</u>

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

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

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

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

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

a. Cash and investments

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

Cash and investments	\$2,804,292
Cash and investments with fiscal agent	<u>2,799,560</u>
Total cash and investments	<u>\$5,603,852</u>

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

b. Notes and Loans Receivable

Notes and loans receivable as of June 30, 2020, 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, 2020, including accrued interest of \$2,812,500, is \$5,812,500.

On April 1, 2005, Bell Gardens Housing Partners, L.P., a California limited partnership entered into a promissory note to pay the former Bell Gardens Community Development Commission \$3,812,203 for the payment of public and private debts. The former Commission has provided certain financial assistance in construction of a 72-unit senior affordable housing project by providing a Commission Loan (which is represented by this Promissory Note) in the amount of \$3,812,203 for the acquisition and clearing of the site and to help defray Developer's costs. The promissory note amount shall bear simple interest at the rate of 3% per annum, and 10% per annum shall accrue upon the amount of each payment required upon the date each such payment is due. The Promissory Note shall be paid from "Residual Receipts", defined as an amount equal to sixty-five percent (65%) of the net profits produced from the project (on a prorate basis), until the note amount has been repaid in full. Any remaining principal, interest and other amounts due and owing under this promissory note shall be paid in full on or before the fifty-fifth (55th) anniversary of the date of the promissory note. The Successor Agency's outstanding balance as of June 30, 2020, including interest of \$662,648, is \$2,177,607.

Total notes and loans receivable at June 30, 2020, were \$7,990,107.

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

c. Capital Assets

An analysis of capital assets as of June 30, 2020, follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$ 1,773,001	_____ -	_____ -	1,773,001
Total non-depreciable	<u>\$ 1,773,001</u>	<u>_____ -</u>	<u>_____ -</u>	<u>1,773,001</u>

d. Long-Term Debt

The following debt was transferred from the Community Development Commission to the Successor Agency as of February 1, 2012 as a result of the dissolution. A description of long-term debt outstanding of the Successor Agency as of June 30, 2020, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Advances from City	\$39,465,733	395,103	420,011	39,440,825	-
Tax Allocation Bonds Payable:					
2014 Refunding Series A	1,945,000	-	455,000	1,490,000	475,000
2014 Refunding Series B	5,350,000	-	400,000	4,950,000	415,000
2014 Refunding Series C	9,450,000	-	455,000	8,995,000	470,000
Unamortized Bond Premium	402,293	-	79,746	322,547	79,748
Unamortized Bond Discount	(17,337)	-	(1,445)	(15,892)	(1,445)
Revenue Bonds Payable:					
2005 Series A Project Area No. 1	640,000	-	140,000	500,000	155,000
2005 Series A Central City Project Area	2,090,000	-	125,000	1,965,000	135,000
Unamortized Bond Premium	<u>68,670</u>	<u>_____ -</u>	<u>6,870</u>	<u>61,800</u>	<u>6,868</u>
Subtotal	<u>\$59,394,359</u>	<u>395,103</u>	<u>2,080,182</u>	<u>57,709,280</u>	<u>1,735,171</u>

The advances from the City consist of \$39,440,825 loans including accrued interest of \$15,376,992. Accrued interest is calculated in accordance with HSC Section 34191.416 which states that interest shall be calculated from the origin of the loan at a simple interest rate of three percent.

CITY OF BELL GARDENS
 NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

d. Long-Term Debt, (Continued)

2005 Revenue Bonds, Series A

On June 22, 2005, the Commission issued \$4,775,000 of revenue bonds with an interest rate of 7.75%. The proceeds were used to finance redevelopment activities to benefit Project No. 1 Redevelopment Area and Central City Redevelopment Area, to fund a reserve fund, and to pay for the costs of issuing the bonds (insurance, underwriter discount, and other costs). Interest is paid semi-annually on April 1 and October 1 with a final maturity date of October 1, 2029. As of June 30, 2020, the unamortized premium outstanding was \$61,800 and the total principal outstanding was \$2,465,000.

At June 30, 2020, the annual requirements to repay the outstanding indebtedness were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 290,000	191,038	481,038
2022	315,000	168,563	483,563
2023	340,000	144,150	484,150
2024	170,000	117,800	287,800
2025	185,000	104,625	289,625
2026-2030	<u>1,165,000</u>	<u>284,425</u>	<u>1,449,425</u>
Total	<u>\$2,465,000</u>	<u>1,010,601</u>	<u>3,475,601</u>

CITY OF BELL GARDENS
 NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

d. Long-Term Debt, (Continued)

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

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

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

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

At June 30, 2020, the total principal outstanding for the 2014 Series A, B, and C were \$15,435,000.

As of June 30, 2020, the annual requirements to repay the outstanding indebtedness for the 2014 Series A bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 475,000	62,625	537,625
2022	495,000	38,375	533,375
2023	<u>520,000</u>	<u>13,000</u>	<u>533,000</u>
Total	<u>\$1,490,000</u>	<u>114,000</u>	<u>1,604,000</u>

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

d. Long-Term Debt, (Continued)

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

As of June 30, 2020, the annual requirements to repay the outstanding indebtedness for the 2014 Series B bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 415,000	187,100	602,100
2022	430,000	172,350	602,350
2023	445,000	159,225	604,225
2024	460,000	145,650	605,650
2025	475,000	126,875	601,875
2026-2030	<u>2,725,000</u>	<u>276,688</u>	<u>3,001,688</u>
Total	<u>\$4,950,000</u>	<u>1,067,888</u>	<u>6,017,888</u>

As of June 30, 2020, the annual requirements to repay the outstanding indebtedness for the 2014 Series C bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 470,000	425,735	895,735
2022	485,000	408,710	893,710
2023	500,000	389,304	889,304
2024	520,000	367,941	887,941
2025	540,000	345,079	885,079
2026-2030	3,135,000	1,279,707	4,414,707
2031-2032	<u>3,345,000</u>	<u>174,219</u>	<u>3,519,219</u>
Total	<u>\$8,995,000</u>	<u>3,390,695</u>	<u>12,385,695</u>

CITY OF BELL GARDENS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

d. Long-Term Debt, (Continued)

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$23,483,184 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 \$3,206,005 and the debt service obligation on the bonds was \$2,516,341. The Successor Agency was able to cover the debt service obligations for the year ended June 30, 2020.

e. Successor Agency Unfunded Liabilities

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

During the ROPS 15-16B process, the unfunded accrued liability was calculated, placed on the ROPS and approved by all three entities including the State Department of Finance. The total approved liability is \$2,053,404, is made up of \$1,366,885 for the OPEB; \$660,681 for the CalPERS pension; and \$25,837 for the CalPERS side fund and is being amortized over a 20 year; 22 year; and 12 year period, respectively. As of June 30, 2020 the unfunded accrued liability is \$1,852,348. However, subsequent to the ROPS 15-16B approval, the liability was rejected by the DOF. The City met and conferred over the issue with the DOF reasserted their conclusion. The City is currently weighing their options.

f. Insurance

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

CITY OF BELL GARDENS
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(14) Other Required Disclosures

Deficit Fund Balances

The following funds had deficit fund balances as of June 30, 2020:

Nonmajor Special Revenue Funds:

Waste Management	\$ 80,516 (a)
ABC Grants	2,052 (a)
JAG Grants	1,519 (a)
Office of Traffic Safety Grant	13,559 (a)

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

(15) Subsequent Events

Management has evaluated subsequent events through December 23, 2020 which is the date the financial statements were available to be issued, and has determined that there are no transactions that will have a significant impact on the City.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BELL GARDENS

General Fund

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

For the Year Ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 20,254,251	20,254,251	17,099,024	(3,155,227)
Licenses and permits	366,000	366,000	366,924	924
Intergovernmental	4,782,590	4,782,590	5,187,109	404,519
Charges for services	346,965	346,965	259,176	(87,789)
Use of money and property	4,833,223	4,833,223	4,926,926	93,703
Fines and forfeitures	458,605	458,605	541,879	83,274
Contributions	-	-	250,000	250,000
Other revenue	550,510	550,510	791,700	241,190
Total revenues	<u>31,592,144</u>	<u>31,592,144</u>	<u>29,422,738</u>	<u>(2,169,406)</u>
Expenditures:				
Current:				
General government	5,947,684	6,102,149	5,978,022	124,127
Public works	4,142,415	4,214,772	4,029,686	185,086
Public safety	16,188,460	16,750,456	16,183,389	567,067
Community development	1,165,190	1,167,016	1,114,821	52,195
Parks and recreation	3,020,165	3,041,172	2,767,518	273,654
Capital outlay	75,940	603,118	566,015	37,103
Debt service:				
Interest and fiscal charges	187,380	187,380	185,044	2,336
Principal retirement	242,013	242,013	241,917	96
Total expenditures	<u>30,969,247</u>	<u>32,308,076</u>	<u>31,066,412</u>	<u>1,241,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>622,897</u>	<u>(715,932)</u>	<u>(1,643,674)</u>	<u>(927,742)</u>
Other financing sources (uses):				
Transfers in	700,504	700,504	196,504	(504,000)
Transfers out	(1,157,178)	(1,157,178)	(966,251)	190,927
Total other financing sources (uses)	<u>(456,674)</u>	<u>(456,674)</u>	<u>(769,747)</u>	<u>(313,073)</u>
Net change in fund balances	166,223	(1,172,606)	(2,413,421)	(1,240,815)
Fund balance, beginning of year	19,814,111	19,814,111	19,814,111	-
Fund balance, end of year	<u>\$ 19,980,334</u>	<u>18,641,505</u>	<u>17,400,690</u>	<u>(1,240,815)</u>

CITY OF BELL GARDENS

Low and Moderate Housing Special Revenue Fund

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

For the Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Use of money and property	\$ 37,000	37,000	36,962	(38)
Total revenues	<u>37,000</u>	<u>37,000</u>	<u>36,962</u>	<u>(38)</u>
Expenditures:				
Current:				
Community development	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,000</u>	<u>37,000</u>	<u>36,962</u>	<u>(38)</u>
Other financing sources (uses):				
Transfers in	<u>84,003</u>	<u>84,003</u>	<u>84,003</u>	<u>-</u>
Total other financing sources (uses)	<u>84,003</u>	<u>84,003</u>	<u>84,003</u>	<u>-</u>
Net change in fund balances	121,003	121,003	120,965	(38)
Fund balance, beginning of year	<u>651,886</u>	<u>651,886</u>	<u>651,886</u>	<u>-</u>
Fund balance, end of year	<u>\$ 772,889</u>	<u>772,889</u>	<u>772,851</u>	<u>(38)</u>

CITY OF BELL GARDENS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2020

Stewardship, Compliance and Accountability

General Budget Policies

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

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

CITY OF BELL GARDENS

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios ¹ June 30, 2020

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

	June 30, 2019 ¹ Fiscal Year 2019-20	June 30, 2018 ¹ Fiscal Year 2018-19	June 30, 2017 ¹ Fiscal Year 2017-18	June 30, 2016 ¹ Fiscal Year 2016-17	June 30, 2015 ¹ Fiscal Year 2015-16	June 30, 2014 ¹ Fiscal Year 2014-15
Proportion of the net pension liability (asset)	0.14168%	0.13867%	0.13756%	0.13644%	0.13592%	0.11614%
Proportionate share of the net pension liability (asset)	\$ 14,517,728	\$ 13,362,387	\$ 13,642,621	\$ 11,806,379	\$ 9,329,086	\$ 7,226,815
Covered payroll ²	\$ 6,070,128	\$ 6,415,166	\$ 6,527,431	\$ 5,988,354	\$ 5,673,946	\$ 5,534,792
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	239.17%	208.29%	209.00%	197.16%	164.42%	130.57%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	73.99%	74.75%	72.58%	73.42%	77.67%	82.23%
Proportionate Share of Aggregate Employer Contributions	\$ 1,710,852	\$ 1,506,791	\$ 1,366,134	\$ 1,214,243	\$ 1,122,673	\$ 904,303

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

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

Notes to Schedule:

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

Changes in assumptions: The discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent to correct for an adjustment to exclude administrative expense for June 30, 2018.

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

CITY OF BELL GARDENS
Schedule of Plan Contributions - Defined Benefit Pension Plan ¹
June 30, 2020

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

	Fiscal Year 2019-20 ¹	Fiscal Year 2018-19 ¹	Fiscal Year 2017-18 ¹	Fiscal Year 2016-17 ¹	Fiscal Year 2015-16 ¹	Fiscal Year 2014-15 ¹
Actuarially determined contribution ²	\$ 1,423,751	\$ 1,305,689	\$ 1,172,671	\$ 1,037,345	\$ 860,858	\$ 828,117
Contributions in relation to the actuarially determined contributions ²	<u>\$ (1,423,751)</u>	<u>\$ (1,305,689)</u>	<u>\$ (1,172,671)</u>	<u>\$ (1,037,345)</u>	<u>\$ (860,858)</u>	<u>\$ (828,117)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ³	\$ 4,826,842	\$ 5,009,721	\$ 4,982,950	\$ 4,712,671	\$ 4,427,688	\$ 4,257,011
Contributions as a percentage of covered payroll ³	29.50%	26.06%	23.53%	22.01%	19.44%	19.45%

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

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

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

Notes to Schedule:

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

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

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

CITY OF BELL GARDENS

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios ¹ June 30, 2020

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

	June 30, 2019 ¹	June 30, 2018 ¹	June 30, 2017 ¹	June 30, 2016 ¹	June 30, 2015 ¹	June 30, 2014 ¹
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Proportion of the net pension liability (asset)	0.25795%	0.26512%	0.26462%	0.27618%	0.29656%	0.30157%
Proportionate share of the net pension liability (asset)	\$ 26,432,318	\$ 25,547,563	\$ 26,242,972	\$ 23,898,271	\$ 20,355,288	\$ 18,765,190
Covered payroll ²	\$ 5,734,040	\$ 6,080,034	\$ 5,685,550	\$ 5,339,083	\$ 5,076,167	\$ 4,756,423
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	460.97%	420.19%	461.57%	447.61%	401.00%	394.52%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	71.89%	71.24%	68.85%	68.48%	71.66%	73.81%
Proportionate Share of Aggregate Employer Contributions	\$ 2,963,859	\$ 2,669,487	\$ 2,001,511	\$ 1,793,929	\$ 1,751,135	\$ 1,496,855

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

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

Notes to Schedule:

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

Changes in assumptions: The discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent to correct for an adjustment to exclude administrative expense for June 30, 2018.

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

CITY OF BELL GARDENS
Schedule of Plan Contributions - Defined Benefit Pension Plan ¹
June 30, 2020

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

	Fiscal Year 2019-20 ¹	Fiscal Year 2018-19 ¹	Fiscal Year 2017-18 ¹	Fiscal Year 2016-17 ¹	Fiscal Year 2015-16 ¹	Fiscal Year 2014-15 ¹
Actuarially determined contribution ²	\$ 62,719	\$ 3,137,998	\$ 2,972,647	\$ 2,712,086	\$ 2,451,516	\$ 2,189,458
Contributions in relation to the actuarially determined contributions ²	<u>\$ (62,719)</u>	<u>\$ (3,137,998)</u>	<u>\$ (2,972,647)</u>	<u>\$ (2,712,086)</u>	<u>\$ (2,451,516)</u>	<u>\$ (2,189,458)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ³	\$ 6,891,626	\$ 7,404,808	\$ 7,520,280	\$ 6,896,675	\$ 6,397,957	\$ 6,251,206
Contributions as a percentage of covered payroll ³	0.91%	42.38%	39.53%	39.32%	38.32%	35.02%

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

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

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

Notes to Schedule:

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

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

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

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

	Fiscal Year 2019-20	Fiscal Year 2018-19	Fiscal Year 2017-18
Total OPEB Liability			
Service cost	\$ 2,397,228	\$ 2,333,069	\$ 2,325,434
Interest on the total OPEB Liability	2,178,333	2,179,874	2,038,237
Actual and expected experience difference	4,479,863	-	-
Changes in assumptions	(1,846,156)	4,445,153	(1,183,098)
Benefit payments **	<u>(1,023,490)</u>	<u>(881,139)</u>	<u>(827,361)</u>
Net change in total OPEB liability	6,185,778	8,076,957	2,353,212
Total OPEB liability - beginning	<u>68,466,562</u>	<u>60,389,605</u>	<u>58,036,393</u>
Total OPEB liability - ending (a)	<u><u>\$ 74,652,340</u></u>	<u><u>\$ 68,466,562</u></u>	<u><u>\$ 60,389,605</u></u>
Plan Fiduciary Net Position			
Contribution - employer	\$ 1,023,490	\$ 881,139	\$ 827,361
Net investment income	9,798	15,543	13,744
Benefit payments **	(1,023,490)	(881,139)	(827,361)
Administrative expense	<u>(1,304)</u>	<u>(575)</u>	<u>(559)</u>
Net change in plan fiduciary net position	8,494	14,968	13,185
Plan fiduciary net position - beginning	<u>242,396</u>	<u>227,428</u>	<u>214,243</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 250,890</u></u>	<u><u>\$ 242,396</u></u>	<u><u>\$ 227,428</u></u>
Net OPEB liability - ending (a)-(b)	<u><u>\$ 74,401,450</u></u>	<u><u>\$ 68,224,166</u></u>	<u><u>\$ 60,162,177</u></u>
Employee payroll	\$ 11,586,109	\$ 12,414,529	\$ 12,895,877
Net OPEB liability as a percentage of employee payroll	642.16%	549.55%	466.52%

Notes to Schedule

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

* - Fiscal year 2017-18 was the 1st year of implementation, therefore only three years are shown.

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

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

	Fiscal Year 2019-20	Fiscal Year 2018-19	Fiscal Year 2017-18
Actuarially determine contribution	\$ 1,023,490	\$ 881,139	\$ 823,361
Contribution in relation to the actuarially determined contributions	<u>(1,023,490)</u>	<u>(881,139)</u>	<u>(823,361)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employee payroll	\$ 11,586,109	\$ 12,414,529	\$ 12,895,877
Contributions as a percentage of employee payroll	8.83%	7.10%	6.38%

Notes to Schedule

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

* - Fiscal year 2017-18 was the 1st year of implementation, therefore only three years are shown.

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

SUPPLEMENTARY INFORMATION

CITY OF BELL GARDENS
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2020

	Special Revenue Funds			
	Public Safety Augmentation	COPS State (SLESF)	State Gas Tax	Asset Forfeiture
<u>ASSETS</u>				
Cash and investments	\$ 165,559	226,130	134,486	493,309
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	176	881	-	1,122
Due from other governments	-	-	-	54,897
	-	-	-	54,897
Total assets	<u>\$ 165,735</u>	<u>227,011</u>	<u>134,486</u>	<u>549,328</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 1,150	-	96,081	10,348
Deposits payable	-	-	-	53,071
Due to other funds	-	-	-	-
	-	-	-	-
Total liabilities	<u>1,150</u>	<u>-</u>	<u>96,081</u>	<u>63,419</u>
<u>DEFERRED IN FLOWS OF RESOURCES</u>				
Unavailable revenue	-	-	-	54,897
	-	-	-	54,897
Total deferred in flows (outflows) of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,897</u>
<u>FUND BALANCES</u>				
Restricted	164,585	227,011	38,405	431,012
Assigned	-	-	-	-
Unassigned	-	-	-	-
	-	-	-	-
Total fund balances (deficits)	<u>164,585</u>	<u>227,011</u>	<u>38,405</u>	<u>431,012</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 165,735</u>	<u>227,011</u>	<u>134,486</u>	<u>549,328</u>

Special Revenue Funds

Waste Management	Community Development Block Grant	Proposition A	Proposition C	Air Quality Improvement	Recycling Grants	Academic Pursuit
-	26,438	352,372	1,111,921	45,879	172,172	-
-	-	-	-	-	-	-
-	1,749,398	-	-	-	-	377,237
-	-	1,068	2,221	157	461	-
<u>64,995</u>	<u>-</u>	<u>64,210</u>	<u>-</u>	<u>13,449</u>	<u>-</u>	<u>-</u>
<u>64,995</u>	<u>1,775,836</u>	<u>417,650</u>	<u>1,114,142</u>	<u>59,485</u>	<u>172,633</u>	<u>377,237</u>
9,622	26,438	64,956	12,271	168	7,739	-
-	-	-	-	-	-	-
<u>135,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>145,511</u>	<u>26,438</u>	<u>64,956</u>	<u>12,271</u>	<u>168</u>	<u>7,739</u>	<u>-</u>
<u>-</u>	<u>1,749,398</u>	<u>64,210</u>	<u>-</u>	<u>13,449</u>	<u>-</u>	<u>377,237</u>
<u>-</u>	<u>1,749,398</u>	<u>64,210</u>	<u>-</u>	<u>13,449</u>	<u>-</u>	<u>377,237</u>
-	-	288,484	1,101,871	45,868	164,894	-
-	-	-	-	-	-	-
<u>(80,516)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(80,516)</u>	<u>-</u>	<u>288,484</u>	<u>1,101,871</u>	<u>45,868</u>	<u>164,894</u>	<u>-</u>
<u>64,995</u>	<u>1,775,836</u>	<u>417,650</u>	<u>1,114,142</u>	<u>59,485</u>	<u>172,633</u>	<u>377,237</u>

CITY OF BELL GARDENS
Nonmajor Governmental Funds, Continued
Combining Balance Sheet
June 30, 2020

	Special Revenue Funds					
	Post Employment Benefits	Measure R	ABC Grants	JAG Grants	COPS Grant	Anson Ford Park
<u>ASSETS</u>						
Cash and investments	\$ 146,326	1,225,372	-	-	78,157	220,608
Receivables:						
Accounts	-	-	-	-	-	-
Notes and loans	-	-	-	-	-	-
Interest	-	2,838	-	-	211	-
Due from other governments	-	-	11,877	-	-	-
Total assets	<u>\$ 146,326</u>	<u>1,228,210</u>	<u>11,877</u>	<u>-</u>	<u>78,368</u>	<u>220,608</u>
<u>LIABILITIES</u>						
Accounts payable	\$ -	89	-	-	-	18,533
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	13,929	1,519	-	-
Total liabilities	<u>-</u>	<u>89</u>	<u>13,929</u>	<u>1,519</u>	<u>-</u>	<u>18,533</u>
<u>DEFERRED IN FLOWS OF RESOURCES</u>						
Unavailable revenue	-	-	-	-	-	-
Total deferred in flows (outflows) of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>						
Restricted	-	1,228,121	-	-	78,368	202,075
Assigned	146,326	-	-	-	-	-
Unassigned	-	-	(2,052)	(1,519)	-	-
Total fund balances (deficits)	<u>146,326</u>	<u>1,228,121</u>	<u>(2,052)</u>	<u>(1,519)</u>	<u>78,368</u>	<u>202,075</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 146,326</u>	<u>1,228,210</u>	<u>11,877</u>	<u>-</u>	<u>78,368</u>	<u>220,608</u>

Special Revenue Funds		Capital Projects Fund		
SB 1 Road Maintenance	Measure M	Office of Traffic Safety Grant	Transportation Development Act	Total Nonmajor Governmental Funds
-	492,406	-	4,825	4,895,960
-	-	-	2,530	2,530
-	-	-	-	2,126,635
1,568	1,243	-	77	12,023
<u>53,588</u>	<u>-</u>	<u>7,068</u>	<u>-</u>	<u>270,084</u>
<u>55,156</u>	<u>493,649</u>	<u>7,068</u>	<u>7,432</u>	<u>7,307,232</u>
-	275,436	-	7,432	530,263
-	-	-	-	53,071
<u>55,156</u>	<u>-</u>	<u>13,559</u>	<u>-</u>	<u>220,052</u>
<u>55,156</u>	<u>275,436</u>	<u>13,559</u>	<u>7,432</u>	<u>803,386</u>
-	-	<u>7,068</u>	-	<u>2,266,259</u>
-	-	<u>7,068</u>	-	<u>2,266,259</u>
-	218,213	-	-	4,188,907
-	-	-	-	146,326
-	-	<u>(13,559)</u>	-	<u>(97,646)</u>
-	<u>218,213</u>	<u>(13,559)</u>	-	<u>4,237,587</u>
<u>55,156</u>	<u>493,649</u>	<u>7,068</u>	<u>7,432</u>	<u>7,307,232</u>

CITY OF BELL GARDENS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Public Safety Augmentation	COPS State (SLESF)	State Gas Tax	Asset Forfeiture
Revenues:				
Taxes and assessments	\$ -	-	-	-
Intergovernmental	123,987	155,948	1,659,930	85,301
Charges for services	-	-	-	-
Use of money and property	1,651	4,189	3,978	6,956
Fines and forfeitures	-	-	-	14,415
Other revenue	1,446	-	-	-
Total revenues	127,084	160,137	1,663,908	106,672
Expenditures:				
Current:				
General government	-	-	-	-
Public works	-	-	1,623,412	-
Public safety	222,040	-	-	45,106
Parks and recreation	-	-	-	-
Capital outlay	-	-	70,767	156,383
Total expenditures	222,040	-	1,694,179	201,489
Excess (deficiency) of revenues over (under) expenditures	(94,956)	160,137	(30,271)	(94,817)
Other financing sources (uses):				
Transfers in	101,500	-	30,828	-
Transfers out	-	(101,500)	-	-
Total other financing sources (uses)	101,500	(101,500)	30,828	-
Net change in fund balances	6,544	58,637	557	(94,817)
Fund balances (deficit), beginning of year,	158,041	168,374	37,848	525,829
Fund balances (deficit), end of year	\$ 164,585	227,011	38,405	431,012

Special Revenue Funds

Waste Management	Community Development Block Grant	Proposition A	Proposition C	Air Quality Improvement	Recycling Grants	Academic Pursuit
3,196,945	-	834,496	692,217	-	-	-
-	15,850	63,125	-	40,624	17,460	-
-	-	-	40,418	-	-	-
-	-	8,578	11,490	1,870	2,558	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,196,945</u>	<u>15,850</u>	<u>906,199</u>	<u>744,125</u>	<u>42,494</u>	<u>20,018</u>	<u>-</u>
-	-	-	-	-	-	-
3,077,887	-	1,149,796	1,460	67,773	17,548	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	15,850	14,743	147,026	99,385	-	-
<u>3,077,887</u>	<u>15,850</u>	<u>1,164,539</u>	<u>148,486</u>	<u>167,158</u>	<u>17,548</u>	<u>-</u>
<u>119,058</u>	<u>-</u>	<u>(258,340)</u>	<u>595,639</u>	<u>(124,664)</u>	<u>2,470</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
119,058	-	(258,340)	595,639	(124,664)	2,470	-
<u>(199,574)</u>	<u>-</u>	<u>546,824</u>	<u>506,232</u>	<u>170,532</u>	<u>162,424</u>	<u>-</u>
<u>(80,516)</u>	<u>-</u>	<u>288,484</u>	<u>1,101,871</u>	<u>45,868</u>	<u>164,894</u>	<u>-</u>

CITY OF BELL GARDENS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
For the Year ended June 30, 2020

	Special Revenue Funds					
	Post Employment Benefits	Measure R	ABC Grants	JAG Grants	COPS Grant	Anson Ford Park
Revenues:						
Taxes and assessments	\$ -	-	-	-	-	-
Intergovernmental	-	518,420	22,061	-	-	-
Charges for services	77,150	-	-	-	-	77,770
Use of money and property	-	14,364	343	-	899	135,577
Fines and forfeitures	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>77,150</u>	<u>532,784</u>	<u>22,404</u>	<u>-</u>	<u>899</u>	<u>213,347</u>
Expenditures:						
Current:						
General government	788,824	-	-	-	-	-
Public works	-	-	-	-	-	-
Public safety	-	-	11,565	-	-	-
Parks and recreation	-	-	-	-	-	243,680
Capital outlay	-	39,335	-	-	-	-
Total expenditures	<u>788,824</u>	<u>39,335</u>	<u>11,565</u>	<u>-</u>	<u>-</u>	<u>243,680</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(711,674)</u>	<u>493,449</u>	<u>10,839</u>	<u>-</u>	<u>899</u>	<u>(30,333)</u>
Other financing sources (uses):						
Transfers in	711,675	-	-	-	-	-
Transfers out	-	-	-	-	-	(50,200)
Total other financing sources (uses)	<u>711,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,200)</u>
Net change in fund balances	1	493,449	10,839	-	899	(80,533)
Fund balances (deficit), beginning of year,	<u>146,325</u>	<u>734,672</u>	<u>(12,891)</u>	<u>(1,519)</u>	<u>77,469</u>	<u>282,608</u>
Fund balances (deficit), end of year	<u>\$ 146,326</u>	<u>1,228,121</u>	<u>(2,052)</u>	<u>(1,519)</u>	<u>78,368</u>	<u>202,075</u>

Special Revenue Funds		Capital Projects Fund		Total
SB 1 Road Maintenance	Measure M	Office of Traffic Safety Grant	Transportation Development Act	Nonmajor Governmental Funds
-	-	-	-	4,723,658
-	583,439	52,224	51,000	3,389,369
-	-	-	-	195,338
-	4,758	-	209	197,420
-	-	-	-	14,415
-	-	-	-	1,446
-	<u>588,197</u>	<u>52,224</u>	<u>51,209</u>	<u>8,521,646</u>
-	-	-	-	788,824
-	-	-	-	5,937,876
-	-	-	-	278,711
-	-	-	-	243,680
-	<u>385,717</u>	<u>60,024</u>	<u>51,209</u>	<u>1,040,439</u>
-	<u>385,717</u>	<u>60,024</u>	<u>51,209</u>	<u>8,289,530</u>
-	<u>202,480</u>	<u>(7,800)</u>	<u>-</u>	<u>232,116</u>
-	-	-	-	844,003
-	-	-	-	(151,700)
-	-	-	-	692,303
-	202,480	(7,800)	-	924,419
-	<u>15,733</u>	<u>(5,759)</u>	<u>-</u>	<u>3,313,168</u>
-	<u>218,213</u>	<u>(13,559)</u>	<u>-</u>	<u>4,237,587</u>

CITY OF BELL GARDENS

Public Safety Augmentation Special Revenue Fund

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

For the Year Ended June 30, 2020

	<u>Budget</u> Final	<u>Actual</u> Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 135,614	123,987	(11,627)
Use of money and property	1,500	1,651	151
Other revenue	<u>1,500</u>	<u>1,446</u>	<u>(54)</u>
 Total revenues	 <u>138,614</u>	 <u>127,084</u>	 <u>(11,530)</u>
 Expenditures:			
Current:			
Public safety	<u>258,596</u>	<u>222,040</u>	<u>36,556</u>
 Total expenditures	 <u>258,596</u>	 <u>222,040</u>	 <u>36,556</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(119,982)</u>	 <u>(94,956)</u>	 <u>25,026</u>
 Other financing sources (uses):			
Transfers in	<u>120,982</u>	<u>101,500</u>	<u>(19,482)</u>
 Total other financing sources (uses)	 <u>120,982</u>	 <u>101,500</u>	 <u>(19,482)</u>
 Net change in fund balances	 1,000	 6,544	 5,544
 Fund balance, beginning of year	 <u>158,041</u>	 <u>158,041</u>	 <u>-</u>
 Fund balance, end of year	 <u><u>\$ 159,041</u></u>	 <u><u>164,585</u></u>	 <u><u>5,544</u></u>

CITY OF BELL GARDENS
COPS State (SLESF) Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020

	<u>Budget</u> <u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:			
Intergovernmental	\$ 100,000	155,948	55,948
Use of money and property	<u>1,500</u>	<u>4,189</u>	<u>2,689</u>
Total revenues	<u>101,500</u>	<u>160,137</u>	<u>58,637</u>
Expenditures:			
Current:			
Public safety	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>101,500</u>	<u>160,137</u>	<u>58,637</u>
Other financing sources (uses):			
Transfers out	<u>(101,500)</u>	<u>(101,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(101,500)</u>	<u>(101,500)</u>	<u>-</u>
Net change in fund balances	-	58,637	58,637
Fund balance, beginning of year	<u>168,374</u>	<u>168,374</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 168,374</u></u>	<u><u>227,011</u></u>	<u><u>58,637</u></u>

CITY OF BELL GARDENS

State Gas Tax Special Revenue Fund

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

For the Year Ended June 30, 2020

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ 1,830,212	1,659,930	(170,282)
Use of money and property	<u> -</u>	<u> 3,978</u>	<u> 3,978</u>
Total revenues	<u>1,830,212</u>	<u>1,663,908</u>	<u>(166,304)</u>
Expenditures:			
Current:			
Public works	1,606,722	1,623,412	(16,690)
Capital outlay	<u> 258,500</u>	<u> 70,767</u>	<u> 187,733</u>
Total expenditures	<u>1,865,222</u>	<u>1,694,179</u>	<u>171,043</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,010)</u>	<u>(30,271)</u>	<u>4,739</u>
Other financing sources (uses):			
Transfers in	<u> -</u>	<u> 30,828</u>	<u> 30,828</u>
Total other financing sources (uses)	<u> -</u>	<u> 30,828</u>	<u> 30,828</u>
Net change in fund balances	(35,010)	557	35,567
Fund balance, beginning of year	<u> 37,848</u>	<u> 37,848</u>	<u> -</u>
Fund balance, end of year	<u><u> \$ 2,838</u></u>	<u><u> 38,405</u></u>	<u><u> 35,567</u></u>

CITY OF BELL GARDENS

Asset Forfeiture Special Revenue Fund

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

For the Year Ended June 30, 2020

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ -	85,301	85,301
Use of money and property	7,500	6,956	(544)
Fines and forfeitures	<u>104,000</u>	<u>14,415</u>	<u>(89,585)</u>
 Total revenues	 <u>111,500</u>	 <u>106,672</u>	 <u>(4,828)</u>
 Expenditures:			
Current:			
Public safety	94,000	45,106	48,894
Capital outlay	<u>268,083</u>	<u>156,383</u>	<u>111,700</u>
 Total expenditures	 <u>362,083</u>	 <u>201,489</u>	 <u>160,594</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(250,583)</u>	 <u>(94,817)</u>	 <u>155,766</u>
 Other financing sources (uses):			
Transfers out	<u>(54,000)</u>	<u>-</u>	<u>(54,000)</u>
 Total other financing sources (uses)	 <u>(54,000)</u>	 <u>-</u>	 <u>(54,000)</u>
 Net change in fund balances	 (304,583)	 (94,817)	 101,766
 Fund balance, beginning of year	 <u>525,829</u>	 <u>525,829</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 221,246</u>	 <u>431,012</u>	 <u>101,766</u>

CITY OF BELL GARDENS

Waste Management Special Revenue Fund

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

For the Year Ended June 30, 2020

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Taxes and assessments	\$ 3,341,502	3,196,945	(144,557)
Total revenues	<u>3,341,502</u>	<u>3,196,945</u>	<u>(144,557)</u>
Expenditures:			
Current:			
Public works	<u>3,284,913</u>	<u>3,077,887</u>	<u>207,026</u>
Total expenditures	<u>3,284,913</u>	<u>3,077,887</u>	<u>207,026</u>
Net change in fund balances	56,589	119,058	62,469
Fund balance (deficit), beginning of year	<u>(199,574)</u>	<u>(199,574)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (142,985)</u></u>	<u><u>(80,516)</u></u>	<u><u>62,469</u></u>

CITY OF BELL GARDENS

Community Development Block Grant Special Revenue Fund

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

For the Year Ended June 30, 2020

	<u>Budget Final</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	<u>\$ 708,288</u>	<u>15,850</u>	<u>(692,438)</u>
Total revenues	<u>708,288</u>	<u>15,850</u>	<u>(692,438)</u>
Expenditures:			
Capital outlay	<u>708,288</u>	<u>15,850</u>	<u>692,438</u>
Total expenditures	<u>708,288</u>	<u>15,850</u>	<u>692,438</u>
Net change in fund balances	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

CITY OF BELL GARDENS
Proposition "A" Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Taxes and assessments	\$ 870,000	834,496	(35,504)
Intergovernmental	62,000	63,125	1,125
Use of money and property	<u>8,000</u>	<u>8,578</u>	<u>578</u>
 Total revenues	 <u>940,000</u>	 <u>906,199</u>	 <u>(33,801)</u>
 Expenditures:			
Current:			
Public works	1,344,188	1,149,796	194,392
Capital outlay	<u>16,000</u>	<u>14,743</u>	<u>1,257</u>
 Total expenditures	 <u>1,360,188</u>	 <u>1,164,539</u>	 <u>195,649</u>
 Net change in fund balances	 (420,188)	 (258,340)	 161,848
 Fund balance, beginning of year	 <u>546,824</u>	 <u>546,824</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 126,636</u>	 <u>288,484</u>	 <u>161,848</u>

CITY OF BELL GARDENS
Proposition "C" Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020

	Budget	Actual	Variance with
	Final	Amounts	Final Budget
			Positive
			(Negative)
Revenues:			
Taxes and assessments	\$ 722,315	692,217	(30,098)
Charges for services	68,000	40,418	(27,582)
Use of money and property	<u>8,000</u>	<u>11,490</u>	<u>3,490</u>
Total revenues	<u>798,315</u>	<u>744,125</u>	<u>(54,190)</u>
Expenditures:			
Current:			
Public works	212,587	1,460	211,127
Capital outlay	<u>757,629</u>	<u>147,026</u>	<u>610,603</u>
Total expenditures	<u>970,216</u>	<u>148,486</u>	<u>821,730</u>
Net change in fund balances	(171,901)	595,639	767,540
Fund balance, beginning of year	<u>506,232</u>	<u>506,232</u>	<u>-</u>
Fund balance, end of year	<u>\$ 334,331</u>	<u>1,101,871</u>	<u>767,540</u>

CITY OF BELL GARDENS

Air Quality Improvement Special Revenue Fund

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

For the Year Ended June 30, 2020

	<u>Budget</u> Final	<u>Actual</u> Amounts	<u>Variance with</u> Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 54,000	40,624	(13,376)
Use of money and property	<u>1,500</u>	<u>1,870</u>	<u>370</u>
Total revenues	<u>55,500</u>	<u>42,494</u>	<u>(13,006)</u>
Expenditures:			
Current:			
Public works	37,300	67,773	(30,473)
Capital outlay	<u>200,000</u>	<u>99,385</u>	<u>100,615</u>
Total expenditures	<u>237,300</u>	<u>167,158</u>	<u>70,142</u>
Net change in fund balances	(181,800)	(124,664)	57,136
Fund balance, beginning of year	<u>170,532</u>	<u>170,532</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ (11,268)</u></u>	<u><u>45,868</u></u>	<u><u>57,136</u></u>

CITY OF BELL GARDENS

Recycling Grants Special Revenue Fund

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

For the Year Ended June 30, 2020

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ 23,750	17,460	(6,290)
Use of money and property	<u>1,500</u>	<u>2,558</u>	<u>1,058</u>
 Total revenues	 <u>25,250</u>	 <u>20,018</u>	 <u>(5,232)</u>
 Expenditures:			
Current:			
Public works	<u>22,964</u>	<u>17,548</u>	<u>5,416</u>
 Total expenditures	 <u>22,964</u>	 <u>17,548</u>	 <u>5,416</u>
 Net change in fund balances	 2,286	 2,470	 184
 Fund balance, beginning of year	 <u>162,424</u>	 <u>162,424</u>	 <u>-</u>
 Fund balance, end of year	 <u><u>\$ 164,710</u></u>	 <u><u>164,894</u></u>	 <u><u>184</u></u>

CITY OF BELL GARDENS
Post Employment Benefits Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020

	<u>Budget</u> Final	<u>Actual</u> Amounts	<u>Variance with</u> Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 68,252	77,150	8,898
Total revenues	<u>68,252</u>	<u>77,150</u>	<u>8,898</u>
Expenditures:			
Current:			
General government	<u>820,471</u>	<u>788,824</u>	<u>31,647</u>
Total expenditures	<u>820,471</u>	<u>788,824</u>	<u>31,647</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(752,219)</u>	<u>(711,674)</u>	<u>40,545</u>
Other financing sources (uses):			
Transfers in	<u>752,219</u>	<u>711,675</u>	<u>(40,544)</u>
Total other financing sources (uses)	<u>752,219</u>	<u>711,675</u>	<u>(40,544)</u>
Net change in fund balances	-	1	1
Fund balance, beginning of year	<u>146,325</u>	<u>146,325</u>	<u>-</u>
Fund balance, end of year	<u>\$ 146,325</u>	<u>146,326</u>	<u>1</u>

CITY OF BELL GARDENS

Measure R Special Revenue Fund

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

For the Year Ended June 30, 2020

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 541,794	518,420	(23,374)
Use of money and property	<u>5,000</u>	<u>14,364</u>	<u>9,364</u>
Total revenues	<u>546,794</u>	<u>532,784</u>	<u>(14,010)</u>
Expenditures:			
Current:			
Public works	139,220	-	139,220
Capital outlay	<u>634,096</u>	<u>39,335</u>	<u>594,761</u>
Total expenditures	<u>773,316</u>	<u>39,335</u>	<u>733,981</u>
Net change in fund balances	(226,522)	493,449	719,971
Fund balance, beginning of year	<u>734,672</u>	<u>734,672</u>	<u>-</u>
Fund balance, end of year	<u>\$ 508,150</u>	<u>1,228,121</u>	<u>719,971</u>

CITY OF BELL GARDENS
ABC Grants Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Positive</u>
			<u>(Negative)</u>
Revenues:			
Intergovernmental	\$ 31,500	22,061	(9,439)
Use of money and property	<u>-</u>	<u>343</u>	<u>343</u>
Total revenues	<u>31,500</u>	<u>22,404</u>	<u>(9,096)</u>
Expenditures:			
Current:			
Public safety	<u>31,500</u>	<u>11,565</u>	<u>19,935</u>
Total expenditures	<u>31,500</u>	<u>11,565</u>	<u>19,935</u>
Net change in fund balances	-	10,839	10,839
Fund balance (deficit), beginning of year	<u>(12,891)</u>	<u>(12,891)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (12,891)</u></u>	<u><u>(2,052)</u></u>	<u><u>10,839</u></u>

CITY OF BELL GARDENS
COPS Grant Special Revenue Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020

	<u>Budget</u> Final	<u>Actual</u> Amounts	<u>Variance with</u> Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	899	899
Total revenues	<u>-</u>	<u>899</u>	<u>899</u>
Expenditures:			
Current:			
Public safety	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	899	899
Fund balance, beginning of year	<u>77,469</u>	<u>77,469</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 77,469</u></u>	<u><u>78,368</u></u>	<u><u>899</u></u>

CITY OF BELL GARDENS

Anson Ford Park Special Revenue Fund

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

For the Year Ended June 30, 2020

	<u>Budget</u> <u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:			
Charges for services	\$ 123,200	77,770	(45,430)
Use of money and property	<u>170,000</u>	<u>135,577</u>	<u>(34,423)</u>
 Total revenues	 <u>293,200</u>	 <u>213,347</u>	 <u>(79,853)</u>
Expenditures:			
Current:			
Parks and recreation	<u>330,000</u>	<u>243,680</u>	<u>86,320</u>
 Total expenditures	 <u>330,000</u>	 <u>243,680</u>	 <u>86,320</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(36,800)</u>	 <u>(30,333)</u>	 <u>6,467</u>
Other financing sources (uses):			
Transfers out	<u>(50,200)</u>	<u>(50,200)</u>	<u>-</u>
 Total other financing sources (uses)	 <u>(50,200)</u>	 <u>(50,200)</u>	 <u>-</u>
 Net change in fund balances	 (87,000)	 (80,533)	 6,467
 Fund balance, beginning of year	 <u>282,608</u>	 <u>282,608</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 195,608</u>	 <u>202,075</u>	 <u>6,467</u>

CITY OF BELL GARDENS

Measure M Special Revenue Fund

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

For the Year Ended June 30, 2020

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 613,967	583,439	(30,528)
Use of money and property	<u>7,000</u>	<u>4,758</u>	<u>(2,242)</u>
Total revenues	<u>620,967</u>	<u>588,197</u>	<u>(32,770)</u>
Expenditures:			
Capital outlay	<u>563,801</u>	<u>385,717</u>	<u>178,084</u>
Total expenditures	<u>563,801</u>	<u>385,717</u>	<u>178,084</u>
Net change in fund balances	57,166	202,480	145,314
Fund balance, beginning of year	<u>15,733</u>	<u>15,733</u>	<u>-</u>
Fund balance, end of year	<u>\$ 72,899</u>	<u>218,213</u>	<u>145,314</u>

CITY OF BELL GARDENS

Office of Traffic Safety Grant Special Revenue Fund

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

For the Year Ended June 30, 2020

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ 128,856	52,224	(76,632)
Total revenues	<u>128,856</u>	<u>52,224</u>	<u>(76,632)</u>
Expenditures:			
Capital outlay	<u>192,856</u>	<u>60,024</u>	<u>132,832</u>
Total expenditures	<u>192,856</u>	<u>60,024</u>	<u>132,832</u>
Net change in fund balances	(64,000)	(7,800)	56,200
Fund balance (deficit), beginning of year	<u>(5,759)</u>	<u>(5,759)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (69,759)</u></u>	<u><u>(13,559)</u></u>	<u><u>56,200</u></u>

CITY OF BELL GARDENS
Transportation Development Act Capital Projects Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 31,065	51,000	19,935
Use of money and property	<u>150</u>	<u>209</u>	<u>59</u>
Total revenues	<u>31,215</u>	<u>51,209</u>	<u>19,994</u>
Expenditures:			
Capital outlay	<u>67,403</u>	<u>51,209</u>	<u>16,194</u>
Total expenditures	<u>67,403</u>	<u>51,209</u>	<u>16,194</u>
Net change in fund balances	(36,188)	-	36,188
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (36,188)</u></u>	<u><u>-</u></u>	<u><u>36,188</u></u>

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Statistical Section

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities										
Net investment in capital assets	\$ 74,822,075	\$ 114,874,209	\$ 100,379,238	\$ 99,300,460	\$ 97,439,996	\$ 96,995,245	\$ 97,101,421	\$ 102,917,119	\$ 96,341,128	\$ 94,319,104
Restricted	17,354,065	6,518,912	7,453,015	20,538,992		6,485,391	14,654,518	11,470,333	13,508,005	14,869,823
Unrestricted	4,804,396	39,268,190	32,521,095	10,361,721	20,271,500	8,141,746	2,531,794	(35,969,103)	(35,706,062)	(50,305,957)
Total governmental activities										
net position	<u>\$ 96,980,536</u>	<u>\$ 160,661,311</u>	<u>\$ 140,353,348</u>	<u>\$ 130,201,173</u>	<u>\$ 117,711,496</u>	<u>\$ 111,622,382</u>	<u>\$ 114,287,733</u>	<u>\$ 78,418,349</u>	<u>\$ 74,143,071</u>	<u>\$ 58,882,970</u>
Business-type activities										
Net investment in capital assets	\$ 3,480,128	\$ 4,307,348	\$ 4,333,225	\$ 4,383,784	\$ 4,333,240	\$ 4,382,797	\$ 4,475,003	\$ 4,614,646	\$ 4,731,850	\$ 4,864,055
Restricted	399,355	416,340	400,037	399,535	398,744	398,751	397,976	407,014	398,840	399,479
Unrestricted	251,365	39,308	(485,221)	(686,717)	(1,048,651)	(1,324,084)	(1,736,560)	(2,458,157)	(3,177,331)	(4,540,898)
Total business-type activities										
net position	<u>\$ 4,130,848</u>	<u>\$ 4,762,996</u>	<u>\$ 4,248,041</u>	<u>\$ 4,096,602</u>	<u>\$ 3,683,333</u>	<u>\$ 3,457,464</u>	<u>\$ 3,136,419</u>	<u>\$ 2,563,503</u>	<u>\$ 1,953,359</u>	<u>\$ 722,636</u>
Primary government										
Net investment in capital assets	\$ 78,302,203	\$ 119,181,557	\$ 104,712,463	\$ 103,684,244	\$ 101,773,236	\$ 101,378,042	\$ 101,576,424	\$ 107,531,765	\$ 101,072,978	\$ 99,183,159
Restricted	17,753,420	6,935,252	7,853,052	20,938,527	398,744	6,884,142	15,052,494	11,877,347	13,906,845	15,269,302
Unrestricted	5,055,761	39,307,498	32,035,874	9,675,004	19,222,849	6,817,662	795,234	(38,427,260)	(38,883,393)	(54,846,855)
Total primary government										
net position	<u>\$ 101,111,384</u>	<u>\$ 165,424,307</u>	<u>\$ 144,601,389</u>	<u>\$ 134,297,775</u>	<u>\$ 121,394,829</u>	<u>\$ 115,079,846</u>	<u>\$ 117,424,152</u>	<u>\$ 80,981,852</u>	<u>\$ 76,096,430</u>	<u>\$ 59,605,606</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental activities:										
General government	\$ 8,821,722	\$ 9,171,894	\$ 8,765,852	\$ 9,335,078	\$ 9,517,139	\$ 7,475,621	\$ 9,428,611	\$ 8,712,219	\$ 9,579,450	\$ 12,322,003
Public safety	12,393,794	12,740,622	11,962,803	12,130,706	13,055,529	13,809,907	13,805,735	19,969,281	20,099,425	24,409,260
Public works	2,241,756	2,408,181	9,792,085	1,151,619	908,350	1,011,500	975,513	1,119,201	1,054,777	1,114,821
Community Development	2,838,313	2,647,386	1,123,548	2,363,305	2,497,441	2,715,948	2,907,759	2,947,132	2,976,205	3,011,198
Recreation	10,146,753	10,178,663	2,334,788	10,348,627	9,931,312	9,628,821	11,248,611	12,665,811	12,367,768	13,245,178
Interest and fiscal charges	1,972,014	1,164,716	305,236	331,911	476,273	372,171	330,085	263,511	222,679	160,317
Total governmental activities expenses	<u>38,414,352</u>	<u>38,311,462</u>	<u>34,284,312</u>	<u>35,661,246</u>	<u>36,386,044</u>	<u>35,013,968</u>	<u>38,696,314</u>	<u>45,677,155</u>	<u>46,300,304</u>	<u>54,262,777</u>
Business-type activities:										
Water	1,532,393	1,344,353	1,408,572	1,503,954	1,459,000	1,465,697	1,260,039	1,246,971	1,480,401	2,283,601
Interest and fiscal charges										
Golf Course	216,584	241,823	225,224	218,744	227,726	319,165	257,431	216,378	293,272	230,571
Total business-type activities expenses	<u>1,748,977</u>	<u>1,586,176</u>	<u>1,633,796</u>	<u>1,722,698</u>	<u>1,686,726</u>	<u>1,784,862</u>	<u>1,517,470</u>	<u>1,463,349</u>	<u>1,773,673</u>	<u>2,514,172</u>
Total primary government expenses	<u>\$ 40,163,329</u>	<u>\$ 39,897,638</u>	<u>\$ 35,918,108</u>	<u>\$ 37,383,944</u>	<u>\$ 38,072,770</u>	<u>\$ 36,798,830</u>	<u>\$ 40,213,784</u>	<u>\$ 47,140,504</u>	<u>\$ 48,073,977</u>	<u>\$ 56,776,949</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,651,510	\$ 134,994	\$ 171,167	\$ 170,956	\$ 301,769	\$ 338,249	\$ 342,463	\$ 323,653	\$ 331,190	\$ 286,337
Publicsafety	-	705,874	469,800	533,782	782,601	634,835	1,356,767	571,834	841,816	760,878
Community development	-	-	-	-	37,618	255,812	280,090	278,614	286,460	268,136
Parks and recreation	-	313,946	274,325	274,818	469,769	165,014	164,346	98,339	452,631	275,756
Public works	-	368,433	398,705	648,132	322,887	348,916	347,616	394,728	352,032	321,524
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Operating contributions and grants	2,146,983	5,360,465	1,965,613	1,205,929	4,360,505	3,642,395	4,361,504	4,256,834	5,268,930	4,613,116
Capital contributions and grants	1,839,711	2,563,187	2,410,285	1,964,183	678,093	623,406	1,023,124	2,058,437	1,543,927	2,129,774
Total governmental activities program revenues	<u>5,638,204</u>	<u>9,446,899</u>	<u>5,689,895</u>	<u>4,797,800</u>	<u>6,953,242</u>	<u>6,008,627</u>	<u>7,875,910</u>	<u>7,982,439</u>	<u>9,076,986</u>	<u>8,655,521</u>
Business-type activities:										
Charges for services:										
Water	1,249,287	1,261,619	1,260,620	1,543,072	1,275,948	1,542,145	1,095,560	1,167,953	1,216,817	1,198,474
Golf Course	152,569	159,898	140,768	144,718	134,886	177,563	146,113	96,175	97,598	90,893
Total business-type activities program revenues	<u>1,401,856</u>	<u>1,421,517</u>	<u>1,401,388</u>	<u>1,687,790</u>	<u>1,410,834</u>	<u>1,719,708</u>	<u>1,241,673</u>	<u>1,264,128</u>	<u>1,314,415</u>	<u>1,289,367</u>
Total primary government program revenues	<u>\$ 7,040,060</u>	<u>\$ 10,868,416</u>	<u>\$ 7,091,283</u>	<u>\$ 6,485,590</u>	<u>\$ 8,364,076</u>	<u>\$ 7,728,335</u>	<u>\$ 9,117,583</u>	<u>\$ 9,246,567</u>	<u>\$ 10,391,401</u>	<u>\$ 9,944,888</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net (Expense)/Revenue										
Governmental activities	\$ (32,776,148)	\$ (28,864,563)	\$ (28,594,417)	\$ (30,863,446)	\$ (29,432,802)	\$ (29,005,341)	\$ (30,820,404)	\$ (37,694,716)	\$ (37,223,318)	\$ (45,607,256)
Business-type activities	<u>(347,121)</u>	<u>(164,659)</u>	<u>(232,408)</u>	<u>(34,908)</u>	<u>(275,892)</u>	<u>(65,154)</u>	<u>(275,797)</u>	<u>(199,221)</u>	<u>(459,258)</u>	<u>(1,224,805)</u>
Total primary government net expense	<u>\$ (33,123,269)</u>	<u>\$ (29,029,222)</u>	<u>\$ (28,826,825)</u>	<u>\$ (30,898,354)</u>	<u>\$ (29,708,694)</u>	<u>\$ (29,070,495)</u>	<u>\$ (31,096,201)</u>	<u>\$ (37,893,937)</u>	<u>\$ (37,682,576)</u>	<u>\$ (46,832,061)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Sales taxes	2,321,800	\$ 2,844,538	\$ 2,554,034	\$ 2,709,528	2,755,036	2,972,041	2,906,014	2,978,666	3,293,906	2,902,461
Property taxes	4,696,696	2,396,411	1,160,306	1,057,205	1,128,467	1,313,441	1,360,575	1,338,926	1,235,171	1,521,691
Other taxes	17,853,565	17,401,997	17,793,562	18,160,638	17,714,879	20,797,686	22,961,050	21,986,790	23,717,627	21,040,023
Use of money and property	3,281,827	3,888,527	3,966,769	(1,686,213)	4,626,532	3,815,632	3,565,789	4,526,786	4,399,595	4,664,367
Others	<u>249,606</u>	<u>66,782,676</u>	<u>519,704</u>	<u>470,113</u>	<u>272,688</u>	<u>384,225</u>	<u>3,497,000</u>	<u>509,076</u>	<u>157,817</u>	<u>218,613</u>
Total governmental activities	<u>28,403,494</u>	<u>93,314,149</u>	<u>25,994,375</u>	<u>20,711,271</u>	<u>26,497,602</u>	<u>29,283,025</u>	<u>34,290,428</u>	<u>31,340,244</u>	<u>32,804,116</u>	<u>30,347,155</u>
Business-type activities:										
Investment earnings	8,664	27,996	577	13,599	3,555	3,562	2,819	12,583	1,281	641
Miscellaneous	<u>-</u>	<u>-</u>	<u>(130,856)</u>	<u>(130,130)</u>	<u>-</u>	<u>34,788</u>	<u>(48,067)</u>	<u>149,927</u>	<u>(8,243)</u>	<u>(6,559)</u>
Total business-type activities	<u>8,664</u>	<u>27,996</u>	<u>(130,279)</u>	<u>(116,531)</u>	<u>3,555</u>	<u>38,350</u>	<u>(45,248)</u>	<u>162,510</u>	<u>(6,962)</u>	<u>(5,918)</u>
Total primary government	<u>\$ 28,412,158</u>	<u>\$ 93,342,145</u>	<u>\$ 25,864,096</u>	<u>\$ 20,594,740</u>	<u>\$ 26,501,157</u>	<u>\$ 29,321,375</u>	<u>\$ 34,245,180</u>	<u>\$ 31,502,754</u>	<u>\$ 32,797,154</u>	<u>\$ 30,341,237</u>
Change in Net Position										
Governmental activities	\$ (4,372,654)	\$ 64,449,586	\$ (2,600,042)	\$ (10,152,175)	\$ (2,935,200)	\$ 277,684	\$ 3,470,024	\$ (6,354,472)	\$ (4,419,202)	\$ (15,260,101)
Business-type activities	<u>(338,457)</u>	<u>(136,663)</u>	<u>(362,687)</u>	<u>(151,439)</u>	<u>(272,337)</u>	<u>(26,804)</u>	<u>(321,045)</u>	<u>(36,711)</u>	<u>(466,220)</u>	<u>(1,230,723)</u>
Total primary government	<u>\$ (4,711,111)</u>	<u>\$ 64,312,923</u>	<u>\$ (2,962,729)</u>	<u>\$ (10,303,614)</u>	<u>\$ (3,207,537)</u>	<u>\$ 250,880</u>	<u>\$ 3,148,979</u>	<u>\$ (6,391,183)</u>	<u>\$ (4,885,422)</u>	<u>\$ (16,490,824)</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function/Program										
Governmental activities:										
General government	\$ 207,740	\$ 203,038	\$ 232,347	\$ 238,627	\$ 481,300	\$ 452,527	\$ 412,444	\$ 323,653	\$ 331,190	\$ 339,202
Public safety	1,485,166	1,846,946	1,227,375	758,406	1,558,134	1,019,638	1,693,762	820,587	1,390,056	1,235,120
Public works	2,507,890	3,053,246	3,053,241	2,346,995	68,137	338,110	349,086	318,345	449,004	428,992
Community Development	1,157,639	3,949,929	879,716	1,178,954	469,769	165,014	164,346	98,339	452,631	357,881
Recreation	279,769	393,740	297,216	274,818	4,375,902	4,033,338	5,256,272	6,421,515	6,454,105	6,294,326
Subtotal governmental activities	<u>5,638,204</u>	<u>9,446,899</u>	<u>5,689,895</u>	<u>4,797,800</u>	<u>6,953,242</u>	<u>6,008,627</u>	<u>7,875,910</u>	<u>7,982,439</u>	<u>9,076,986</u>	<u>8,655,521</u>
Business-type activities:										
Water	1,249,287	1,261,619	1,260,620	1,543,072	1,275,948	1,542,145	1,095,560	1,167,953	1,216,817	1,198,474
Golf Course	152,569	159,898	140,768	144,718	134,886	177,563	146,113	96,175	97,598	90,893
Subtotal business-type activities	<u>1,401,856</u>	<u>1,421,517</u>	<u>1,401,388</u>	<u>1,687,790</u>	<u>1,410,834</u>	<u>1,719,708</u>	<u>1,241,673</u>	<u>1,264,128</u>	<u>1,314,415</u>	<u>1,289,367</u>
Total primary government	<u>\$ 7,040,060</u>	<u>\$ 10,868,416</u>	<u>\$ 7,091,283</u>	<u>\$ 6,485,590</u>	<u>\$ 8,364,076</u>	<u>\$ 7,728,335</u>	<u>\$ 9,117,583</u>	<u>\$ 9,246,567</u>	<u>\$ 10,391,401</u>	<u>\$ 9,944,888</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 31,101,324	\$ 31,063,371	\$ 31,225,087	\$ 15,040,086	\$ 16,026,718	\$ 13,649,022	\$ 13,601,162	\$ 2,148,992	\$ 2,661,903	\$ 3,613,735
Restricted	2,653,435	-	-	-	-	-	-	-	-	-
Committed	1,500,000	1,700,000	1,900,000	2,100,000	2,300,000	2,500,000	2,700,000	2,900,000	-	-
Assigned	4,788,238	6,506,443	7,598,763	10,100,279	8,358,491	12,574,042	16,937,770	12,907,322	17,152,208	13,786,955
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 40,042,997</u>	<u>\$ 39,269,814</u>	<u>\$ 40,723,850</u>	<u>\$ 27,240,365</u>	<u>\$ 26,685,209</u>	<u>\$ 28,723,064</u>	<u>\$ 33,238,932</u>	<u>\$ 17,956,314</u>	<u>\$ 19,814,111</u>	<u>\$ 17,400,690</u>
All Other Governmental Funds										
Nonspendable	\$ 3,907,450	\$ -	\$ -	\$ -	\$ -	\$ 3,387	\$ -	\$ 5,537	\$ -	\$ 19,740
Restricted										
Housing	-	-	-	663,101	693,620	775,919	997,199	536,826	651,886	772,851
Comm Development Proj	429,398	442,846	468,060	562,178	-	-	-	-	-	-
Recreation and Comm Svcs	123,854	121,469	117,741	116,019	729,771	730,810	730,810	120,884	282,608	202,075
Public Works	2,030,498	1,177,422	1,091,302	1,100,615	-	-	-	-	-	-
Public Safety	805,968	832,532	827,949	837,880	600,476	356,541	1,055,351	918,275	923,954	900,976
Transportation	-	-	-	31,474	1,393,310	974,519	1,851,822	1,827,769	2,222,774	2,875,094
Environmental	-	-	-	-	297,779	327,303	385,104	390,510	332,956	210,762
Capital Improvement Projects	792	23,454	80,216	139,849	3,637,951	3,554,948	3,294,209	-	-	-
Debt Service	10,886,625	-	-	-	-	-	-	-	-	-
Committed										
Post Emploument Benefits	778,291	-	-	-	-	-	-	-	-	-
Assigned	-	324,016	73,707	131,449	150,653	150,751	150,752	150,632	146,325	236,648
Unassigned	(57,463,227)	(316,482)	(122,001)	(213,126)	(338,925)	(170,854)	(87,603)	(502,682)	(213,984)	(97,646)
Total all other governmental funds	<u>\$ (38,500,351)</u>	<u>\$ 2,605,257</u>	<u>\$ 2,536,974</u>	<u>\$ 3,369,439</u>	<u>\$ 7,164,635</u>	<u>\$ 6,703,324</u>	<u>\$ 8,377,644</u>	<u>\$ 3,447,751</u>	<u>\$ 4,346,519</u>	<u>\$ 5,120,500</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Taxes (see Schedule 6)	\$ 20,803,506	\$ 18,957,727	\$ 8,186,973	\$ 8,229,740	\$ 19,080,069	\$ 22,415,867	\$ 24,300,284	\$ 23,165,933	\$ 24,990,387	\$ 21,822,682
Licenses and permits	425,579	246,684	296,646	526,682	3,910,865	4,020,146	3,061,686	4,066,421	5,415,634	4,224,076
Fines and forfeitures	665,888	658,947	410,651	461,973	746,328	582,265	4,200,624	4,374,440	4,832,065	5,187,109
Use of money and property	5,208,244	3,869,148	3,980,288	4,262,980	4,483,440	4,193,622	649,604	569,371	619,791	454,514
From other Agencies	8,135,923	8,573,115	8,095,770	7,400,120	3,330,088	2,803,809	4,445,859	4,670,113	4,931,407	5,161,940
Charges for services	510,030	575,465	10,255,382	10,406,153	598,817	677,357	1,295,306	510,712	743,679	556,294
Other revenues	<u>424,963</u>	<u>319,264</u>	<u>548,434</u>	<u>491,789</u>	<u>1,194,298</u>	<u>702,143</u>	<u>4,339,168</u>	<u>1,249,951</u>	<u>971,653</u>	<u>1,043,146</u>
Total revenues	<u>36,174,133</u>	<u>33,200,350</u>	<u>31,774,144</u>	<u>31,779,437</u>	<u>33,343,905</u>	<u>35,395,209</u>	<u>42,292,531</u>	<u>38,606,941</u>	<u>42,504,616</u>	<u>38,449,761</u>
Expenditures										
General government	5,510,615	5,021,662	4,523,348	4,458,587	5,243,358	5,715,862	5,733,380	6,303,209	5,968,070	6,766,846
Public safety	12,357,221	12,594,893	11,960,492	12,116,850	8,314,613	8,465,041	9,450,700	9,791,978	10,067,951	9,967,562
Public works	8,360,219	7,911,996	7,919,556	8,150,563	13,055,529	13,809,907	14,902,518	15,760,348	16,058,371	16,462,100
Community Development	2,207,786	2,429,742	1,099,124	1,152,346	908,350	1,011,500	975,513	1,119,201	1,054,777	1,114,821
Recreation	2,818,574	2,614,651	2,391,734	2,352,708	2,497,441	2,715,948	2,907,759	2,947,132	2,976,205	3,011,198
Capital Outlay	2,412,065	1,854,584	1,779,346	1,059,727	927,565	1,323,911	754,104	5,513,706	1,694,180	2,346,272
Debt service										
Interest	2,043,241	1,563,700	321,527	325,787	498,571	400,370	329,879	300,118	260,173	185,044
Principal	1,340,644	1,338,280	530,571	555,571	257,069	647,953	689,876	709,901	748,132	241,917
Bond Issuance costs	-	-	-	-	1,043,792	-	-	-	-	-
Total expenditures	<u>37,050,365</u>	<u>35,329,508</u>	<u>30,525,698</u>	<u>30,172,139</u>	<u>32,746,288</u>	<u>34,090,492</u>	<u>35,743,729</u>	<u>42,445,593</u>	<u>38,827,859</u>	<u>40,095,760</u>
Excess of revenues over (under) expenditures	(876,232)	(2,129,158)	1,248,446	1,607,298	597,617	1,304,717	6,548,802	(3,838,652)	3,676,757	(1,645,999)

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Other Financing Sources (Uses)										
Bonds issued	-	-	-	-	5,830,000	-	-	-	-	-
Premium on bonds issued	-	-	-	-	630,175	-	-	-	-	-
Payments to escrow agent	-	-	-	-	(2,452,943)	-	-	-	-	-
Other debts issued	-	-	-	-	-	-	-	-	-	-
Transfers in	586,071	1,497,933	1,165,595	1,596,377	1,858,093	1,148,793	2,112,928	2,807,125	1,035,236	1,124,510
Transfers out	(829,443)	(2,266,744)	(1,034,739)	(919,644)	(1,950,963)	(1,183,581)	(2,064,861)	(2,957,052)	(1,026,993)	(1,117,951)
Total other financing sources (uses)	(243,372)	(768,811)	130,856	676,733	3,914,362	(34,788)	48,067	(149,927)	8,243	6,559
Extraordinary gain/(loss) on dissolution of Red Ag	-	43,519,044	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ (1,119,604)</u>	<u>\$ 40,332,425</u>	<u>\$ 1,385,753</u>	<u>\$ 1,985,818</u>	<u>\$ 4,334,721</u>	<u>\$ 1,377,477</u>	<u>\$ 1,377,477</u>	<u>\$ (5,688,306)</u>	<u>\$ 2,612,641</u>	<u>\$ (1,639,440)</u>
Debt service as a percentage of noncapital expenditures	9.77%	8.67%	2.96%	3.03%	2.37%	3.20%	2.91%	2.73%	2.72%	1.13%

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

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales & Use</u>	<u>Occupancy</u>	<u>Franchise</u>	<u>Property Transfer</u>	<u>Other</u>	<u>Total</u>
2011	4,955,009	2,150,865	223,480	517,145	23,999	16,235,880	24,106,378
2012	4,730,399	2,390,885	238,104	518,889	14,738	14,971,352	22,864,367
2013	4,807,151	2,533,682	258,666	589,683	33,368	15,614,309	23,836,859
2014	4,854,325	2,635,981	314,060	582,545	26,768	16,016,240	24,429,919
2015	5,475,800	2,755,036	362,340	675,274	30,883	16,876,306	26,175,639
2016	5,302,713	2,724,441	534,412	634,387	37,364	18,630,606	27,863,923
2017	5,525,193	2,906,014	742,345	704,476	43,383	24,112,701	34,034,112
2018	5,623,586	2,978,666	737,207	737,113	95,964	20,541,169	30,713,705
2018	5,623,586	2,978,666	737,207	737,113	95,964	20,541,169	30,713,705
2019	5,781,864	3,293,906	751,886	790,764	42,307	21,837,310	32,498,037
2020	6,497,085	2,902,461	595,441	855,197	40,797	18,560,708	29,451,689
Change 2011–2020	31.1%	34.9%	166.4%	65.4%	70.0%	14.3%	22.2%

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Miscellaneous Property	Estimated Actual Value	Total Direct Tax Rate	Taxable Assessed Value^a as a Percentage of Actual Taxable Value
2011	963,224,292	209,532,596	143,796,745	135,222,931	1,451,776,564	1	10000.000%
2012	955,510,379	204,218,229	150,142,989	137,164,651	1,447,036,248	1	10000.000%
2013	955,933,544	208,065,529	152,823,079	133,730,238	1,450,552,390	1	10000.000%
2014	999,929,015	211,197,686	154,882,700	167,161,033	1,533,170,434	1	10000.000%
2015	1,022,936,332	219,064,657	152,796,983	170,635,741	1,565,433,713	1	10000.000%
2016	1,074,587,956	225,037,146	154,989,143	174,441,992	1,629,056,237	1	10000.000%
2017	1,112,397,761	239,905,413	160,863,704	179,475,910	1,692,642,788	1	10000.000%
2018	1,166,730,523	246,284,076	167,771,117	195,015,390	1,775,801,106	1	10000.000%
2019	1,225,224,578	256,128,286	179,966,251	199,913,074	1,861,232,189	1	10000.000%
2020	1,285,054,924	265,900,863	193,776,781	238,245,440	1,982,978,008	1	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		
2011	1.00	-	-	1.00	0.3279	0.0979
2012	1.00	-	-	1.00	0.2923	0.1000
2013	1.00	-	-	1.00	0.3251	0.0963
2014	1.00	-	-	1.00	0.2855	0.0946
2015	1.00	-	-	1.00	0.3041	0.0875
2016	1.00	-	-	1.00	0.3315	0.0875
2017	1.00	-	-	1.00	0.3323	0.1470
2018	1.00	-	-	1.00	0.3208	0.1351
2019	1.00	-	-	1.00	0.3185	0.1392
2020	1.00	-	-	1.00	0.2978	0.0931

Source: HDL

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

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

<u>Taxpayer</u>	<u>2020</u>			<u>2011</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	\$ 114,052,686	1	5.92%	\$ 31,713,204	2	2.18%
Prime CRDF Bell Gardens llc	39,808,864	2	2.07%			
Prime Store El Portal	22,236,000	3	1.16%	18,396,974	5	1.27%
Western B West California LLC	21,224,160	4	1.10%			
Prime CRDF Los Jardines llc	21,104,514	5	1.10%			
Wei Chuan International Inc.	14,343,059	6	0.74%	16,861,872	6	1.16%
James Parkhouse Trust	10,629,026	7	0.55%			
Prime Frit Los Jardines LLC	9,800,000	8	0.50%			
Garfield Avenue LLC	9,078,000	9	0.47%			
Bell Gardens Hospitality LLC	8,717,536	10	0.45%	\$7,461,610	9	0.51%
Bell Gardens Bicycle Club				31,435,126	3	2.17%
Primestor Bell Gardens LLC Sub				19,242,010	4	1.33%
Gifaffe Properties LLC				8,498,577	7	0.59%
Realty Associates Fund V				7,542,044	8	0.52%
Suva Montalane Invesfment LLC				6,939,722	10	0.48%
Florence Eastern Marketplace				36,000,000	1	2.48%
Total	<u><u>\$ 270,993,845</u></u>		<u><u>14.06%</u></u>	<u><u>\$ 184,091,139</u></u>		<u><u>12.69%</u></u>

Source: HdL Coren & Cone, Los Angeles County Assessor 2010/11 and 2019/20 Combined Tax Rolls

Bell Gardens Bicycle Club

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Collection to date	
		Amount	Percentage of Levy		Amount	Percent of Levy
2011	1,335,634	961,074	71.96%	*	961,074	71.96%
2012	1,331,273	995,598	74.79%	20,531	1,016,129	76.33%
2013	1,334,508	1,185,167	88.81%	1,191	1,186,358	88.90%
2014	1,372,471	1,077,254	78.49%	975	1,078,229	78.56%
2015	1,401,157	1,127,438	80.46%	1,029	1,128,467	80.54%
2016	1,458,844	1,313,441	90.03%	-	1,313,441	90.03%
2017	1,523,617	1,360,576	89.30%	-	1,360,576	89.30%
2018	1,585,780	1,338,925	84.43%	-	1,338,925	84.43%
2019	1,662,373	1,235,171	74.30%	-	1,235,171	74.30%
2020	1,773,585	1,521,691	85.80%	-	1,521,691	85.80%

Sources: Finance Department records and Los Angeles County Assessors Office

*** NOTE:**

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Apparel stores	\$ 30,539	\$ 33,193	\$ 33,152	\$ 34,323	\$ 31,160	\$ 34,069	\$ 38,708	\$ 37,466	\$ 37,640	\$ 37,515
General merchandise	2,276	2,065	2,159	2,404	2,447	2,511	2,415	2,480	2,437	2,437
Food stores	14,197	14,750	18,015	22,382	21,629	21,801	17,069	15,060	15,357	14,606
Eating and drinking establishments	31,607	33,026	36,057	38,703	42,616	44,119	46,617	50,928	51,050	49,650
Building materials and farm tools	4,629	7,206	5,976	5,312	5,925	6,529	5,796	6,531	6,403	7,606
Auto dealers and supplies	6,861	6,940	8,231	7,811	8,164	8,714	8,873	8,125	8,417	8,139
Service stations	34,847	44,953	47,645	45,757	48,131	41,218	35,445	41,728	51,187	47,543
Other retail stores	32,781	32,596	32,368	35,372	39,027	40,330	44,618	42,629	38,988	45,652
All other outlets	<u>54,357</u>	<u>59,754</u>	<u>62,704</u>	<u>69,589</u>	<u>75,544</u>	<u>81,171</u>	<u>85,884</u>	<u>90,059</u>	<u>92,905</u>	<u>106,333</u>
Total	\$ 212,074	\$ 234,483	\$ 246,307	\$ 261,653	\$ 274,644	\$ 280,462	\$ 285,426	\$ 295,006	\$ 304,384	\$ 319,481
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: The HdL Companies

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

Fiscal Year	City Direct Rate	Los Angeles County	State of California
2011	1.00	1.50	7.25
2012	1.00	1.50	7.25
2013	1.00	1.50	6.50
2014	1.00	1.50	6.50
2015	1.00	1.50	6.50
2016	1.00	1.50	6.50
2017	1.00	1.50	7.00
2018	1.00	1.50	7.00
2019	1.00	1.50	7.00
2020	1.00	1.50	7.00

Sources: Los Angeles County

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

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

<u>2020</u>		<u>2011</u>	
<u>Tax Remitter</u>	<u>Business Category</u>	<u>Tax Remitter</u>	<u>Business Category</u>
76	Service Stations	76	Service Stations
Alfredo Mexican Foof	Quick-Service Restaurants	Andrea Shoes	Shoe stores
Applebees	Casual Dining	Applebees	Casual Dining
Arco AM PM	Service Stations	Arco AM PM	Service Stations
Bicycle Club Casino	Leisure/Entertainment	Auto Zone	Automotive Supply Stores
Big 5 Sporting Goods	Sporting Goods/Bike Stores	Bicycle Club Casino	Leisure/Entertainment
Bob's Discount furniture	Home Furnishings	Big 5 Sporting Goods	Sporting Goods/Bike Stores
Casa Leaders	Home Furnishings	Casa Leaders	Home Furnishings
Chevron Pronto Lube & Tune	Service Stations	Chevron Pronto Lube & Tune	Service Stations
Eastern Bell Oil	Service Stations	El Pollo Loco	Quick service Restaurants
El Pollo Loco	Quick-Service Restaurants	El Tapatio Foods	Grocery Stores Beer/Wine
Food 4 Less	Grocery Stores	Factory 2U	Family Apparel
Marahalls	Family Apparel	Food 4 Less	Grocery Stores
Mc Donalds	Quick-Service Restaurants	IHOP	Casual Dining
Mosier	Building Materials	Jack in the Box	Quick service Restaurants
O'Reilly Auto Parts	Automotive Supply Stores	Marahalls	Family Apparel
Parkhouse Tire Service	Trailers/Auto Parts	Mc Donalds	Quick-Service Restaurants
Petco	Specialty Stores	Mosier	Building Material
Prime Metal Supply	Heavy Industrial	Parkhouse Tire Service	Trailers/Auto Parts
Rite Aid	Drug Stores	Rite Aid	Drug Stores
Ross	Family Apparel	Ross	Family Apparel
Super A Foods	Grocery Stores	Super A Foods	Grocery Stores
USA Gasoline	Service Stations	Thrifty Oil	Service Stations
West Coast Accudyne	Heavy Industrial	Toys R Us	Specialty Stores
Wilcox Machine	Heavy Industrial	Valero	Service Stations

Percent of FY Total Paid by Top 25 Acco 66.14% 67.02%

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

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

Fiscal Year	Governmental Activities				Business - type Activities			
	Tax Allocation Bonds	Revenue Bonds	Notes Payable	Certificates of Participation	Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2011	13,865,000	4,295,000	12,621,267	3,510,000	4,010,000	34,291,267	6.77%	869
2012	-	-	3,360,000	3,430,000	3,795,000	6,790,000	1.84%	240
2013	-	-	3,144,151	3,306,355	3,574,474	6,450,506	2.10%	238
2014	-	-	2,673,580	3,260,000	3,340,000	5,933,580	1.83%	220
2015	-	6,460,172	2,175,009	-	3,103,700	8,635,181	2.18%	252
2016	-	6,301,045	1,662,056	-	2,853,313	7,963,101	1.90%	257
2017	-	6,111,918	1,137,179	-	2,592,926	7,249,097	1.71%	229
2018	-	5,927,791	587,278	-	2,317,537	8,832,606	1.47%	207
2019	-	5,733,664	9,146	-	2,032,150	7,774,960	1.24%	181
2020	-	5,529,539	4,102	-	1,731,763	7,265,404	1.11%	173

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		
2011	-	13,865,000	13,865,000	95.50%	314.73
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-

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

**CITY OF BELL GARDENS
DIRECT & OVERLAPPING DEBT AS OF JUNE 30, 2020**

Direct Debt	Outstanding debt 6/30/2020	City Percentage	Net bonded Debt
119.01 2015 LEASE REV REF BONDS	5,020,000	100.000	5,020,000
Overlapping Debt			
*315.05 METROPOLITAN WATER DISTRICT	18,151,752	0.110	19,973
790.54 CERRITOS CCD DS 2004 SERIES 2012D	32,727,548	0.067	21,997
790.55 CERRITOS CCD DS 2012 SERIES 2014A	73,900,000	0.067	49,671
790.56 CERRITOS CCD DS 2014 REF BONDS SERIES A	76,720,000	0.067	51,566
790.57 CERRITOS CCD DS 2014 REF BONDS SERIES B	9,830,000	0.067	6,607
790.58 CERRITOS CCD DS 2012 SERIES 2018B	61,135,000	0.067	41,091
790.59 CERRITOS CCD DS 2012 SERIES 2019C	152,655,000	0.067	102,606
805.55 LA CCD DS 2003 TAXABLE SERIES 2004B	2,115,000	0.209	4,418
805.56 LA CCD DS 2001 TAXABLE SERIES 2004A	31,555,000	0.209	65,920
805.65 LA CCD DS 2008, 2009 TAXABLE SER B	75,000,000	0.209	156,679
805.66 LA CCD DS 2008, 2010 TAX SERIES D	125,000,000	0.209	261,132
805.67 LA CCD DS 2008, 2010 TAX SER E (BABS)	900,000,000	0.209	1,880,153
805.69 LA CCD DS 2008 2012 SERIES F	199,000,000	0.209	415,723
805.70 LA CCD DS 2013 REF BONDS	35,410,000	0.209	73,974
805.71 LA CCD DS 2008 SERIES G	205,725,000	0.209	429,772
805.73 LA CCD DS 2015 REF SERIES A	1,395,190,000	0.209	2,914,634
805.74 LA CCD DS 2015 REF SERIES B	24,305,000	0.209	50,775
805.75 LA CCD DS 2015 REF SERIES C	230,015,000	0.209	480,515
805.76 LA CCD DS 2008 SERIES I	197,360,000	0.209	412,297
805.78 LA CCD DS 2016 REF BONDS	813,785,000	0.209	1,700,045
853.53 DOWNEY USD DS REFUNDING 1999 SERIES A	2,905,258	0.251	7,299
853.60 DOWNEY USD DS 2007 REF BDS	13,210,000	0.251	33,186
853.61 DOWNEY USD DS 2011 REFUNDING BONDS	4,755,000	0.251	11,946
853.62 DOWNEY USD DS 2012 REF BONDS	10,810,000	0.251	27,157
853.63 DOWNEY USD DS 2014 SERIES A	37,885,000	0.251	95,175
853.65 DOWNEY USD DS 2016 REF BONDS	5,615,000	0.251	14,106
853.66 DOWNEY USD DS 2014 SERIES B	129,797,984	0.251	326,080
887.86 LOS ANGELES UNIF DS 2002 SERIES E	200,000,000	0.008	16,314
887.89 LOS ANGELES UNIF DS 2005 SERIES H-QSCBS	80,625,000	0.008	6,577
887.92 LOS ANGELES UNIF MEASURE R SERIES KRY BABS	363,005,000	0.008	29,611
887.93 LOS ANGELES UNIF MEASURE Y 2009 SERIES KRY BABS	806,795,000	0.008	65,812
887.95 LOS ANGELES UNIF MEASURE K 2010 SERIES KRY	145,250,000	0.008	11,848
887.96 LOS ANGELES UNIF MEASURE R 2010 SERIES KRY	143,360,000	0.008	11,694
887.97 LOS ANGELES UNIF MEASURE Y 2010 SERIES KRY	95,770,000	0.008	7,812
887.98 LOS ANGELES UNIF MEASURE R 2010 SERIES RY BABS	477,630,000	0.008	38,961
887.99 LOS ANGELES UNIF MEASURE Y 2010 SERIES RY BABS	772,955,000	0.008	63,052
888.55 LOS ANGELES UNIF DS 2005 2010 SERIES J-1 QSCBS	286,760,000	0.008	23,392

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

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

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

Data Source: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2019/20 Lien Date Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

**CITY OF BELL GARDENS
DIRECT & OVERLAPPING DEBT AS OF JUNE 30, 2020**

Overlapping Debt	Gross Bonded Debt Balance	City Percentage	Net bonded Debt
888.56 LOS ANGELES UNIF DS 2005 2010 SERIES J-2 QSCBS	153,350,000	0.008	12,509
888.57 LOS ANGELES UNIF DS 2011 REFUNDING BOND SERIES A 1	104,795,000	0.008	8,548
888.58 LOS ANGELES UNIF DS 2011 REFUNDING BOND SERIES A 2	141,880,000	0.008	11,573
888.59 LOS ANGELES UNIF DS 2012 REFUNDING BOND SERIES A	95,760,000	0.008	7,811
888.60 LOS ANGELES UNIF DS 2014 REF BOND SERIES A	58,580,000	0.008	4,778
888.61 LOS ANGELES UNIF DS 2014 REF BOND SERIES B	150,940,000	0.008	12,313
888.62 LOS ANGELES UNIF DS 2014 REF BOND SERIES C	821,985,000	0.008	67,051
888.63 LOS ANGELES UNIF DS 2014 REF BOND SERIES D	130,045,000	0.008	10,608
888.68 LOS ANGELES UNIF DS 2015 REF BONDS SERIES A	269,400,000	0.008	21,976
888.69 LOS ANGELES UNIF DS 2008 SERIES A 2016	600,270,000	0.008	48,965
888.70 LOS ANGELES UNIF DS 2016 REF BONDS SERIES A	403,410,000	0.008	32,907
888.71 LOS ANGELES UNIF DS 2016 REF BONDS SERIES B	498,240,000	0.008	40,643
888.72 LOS ANGELES UNIF DS 2017 REF BONDS SER A PROP BB	113,455,000	0.008	9,255
888.73 LOS ANGELES UNIF DS 2017 REF BONDS SER A MEAS K	921,240,000	0.008	75,148
888.74 LOS ANGELES UNIF DS 2005 SERIES M 1 2018	114,165,000	0.008	9,313
888.76 LOS ANGELES UNIF DS 2008 SERIES B 1 2018	1,060,780,000	0.008	86,530
888.78 LOS ANGELES UNIF DS 2019 REF 2002 SER D MEAS K	150,055,000	0.008	12,240
888.79 LOS ANGELES UNIF DS 2019 REF 2004 SER I MEAS R	333,005,000	0.008	27,164
888.80 LOS ANGELES UNIF DS 2019 REF 2005 SER F MEAS Y	90,085,000	0.008	7,348
888.81 LOS ANGELES UNIF DS 2019 REF SER KRY 2009	952,160,000	0.008	77,670
899.50 MONTEBELLO USD DS 1998 SERIES 1998	2,797,152	10.239	286,413
899.51 MONTEBELLO USD DS 1998 SERIES 1999	5,484,723	10.239	561,606
899.53 MONTEBELLO USD DS 1998 SERIES 2004	5,562,649	10.239	569,585
899.54 MONTEBELLO USD DS 1998 SERIES 2002	4,860,085	10.239	497,646
899.58 MONTEBELLO USD DS 2004 SERIES 2009A-2 BABS	12,640,000	10.239	1,294,267
899.59 MONTEBELLO USD DS 2010 REFUNDING BONDS	1,200,000	10.239	122,873
899.60 MONTEBELLO USD DS REF 2004 SERIES 2013A	16,150,000	10.239	1,653,672
899.61 MONTEBELLO USD DS REF BOND SERIES 2015	27,250,000	10.239	2,790,251
899.62 MONTEBELLO USD DS REF BONDS 2016 SERIES A	14,585,000	10.239	1,493,424
899.63 MONTEBELLO USD DS 2016 SERIES A	79,345,000	10.239	8,124,494
Total Overlapping debt			27,908,151
Total Direct and Overlapping debt			32,928,150

**2019/20 Assessed Valuation: \$1,417,566,107 After Deducting \$509,220,670 Incremental Value.
Debt To Assessed Valuation Ratios:**

Direct Debt	0.35%
Overlapping Debt	1.97%
Total Debt	<u>2.32%</u>

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

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

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

Data Source: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2019/20 Lien Date Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

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

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	\$ 1,926,786,777
Debt limit (15% of assessed value)	289,018,017
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	<u>\$ 289,018,017</u>

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 217,766,485	\$ 217,055,442	\$ 217,582,859	\$ 223,772,444	\$ 228,455,393	\$ 237,724,320	\$ 248,274,475	\$ 258,399,113	\$ 270,892,319	\$ 289,018,017
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 217,766,485</u>	<u>\$ 217,055,442</u>	<u>\$ 217,582,859</u>	<u>\$ 223,772,444</u>	<u>\$ 228,455,393</u>	<u>\$ 237,724,320</u>	<u>\$ 248,274,475</u>	<u>\$ 258,399,113</u>	<u>\$ 270,892,319</u>	<u>\$ 289,018,017</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Source: HDL

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

Water Revenue Bonds						
Fiscal Year	Utility	Less:	Net	Debt Service		Coverage
	Service Charges	Operating Expenses	Available Revenue	Principal	Interest	
2011	1,139,956	1,423,836	(283,880)	210,000	183,693	(0.72)
2012	1,150,100	1,372,324	(222,224)	215,000	176,518	(0.57)
2013	1,260,620	1,408,572	(147,952)	225,000	168,705	(0.38)
2014	1,543,070	1,365,071	177,999	230,000	160,343	0.46
2015	1,038,752	962,962	75,790	240,000	151,230	0.19
2016	1,545,560	1,318,431	227,129	250,000	140,805	0.58
2017	1,103,221	147,407	955,814	260,000	135,180	2.42
2018	1,167,877	975,029	192,848	285,000	110,418	0.49
2019	1,216,817	1,255,718	(38,901)	300,000	96,880	(0.10)
2020	1,198,473	1,759,566	(561,093)	315,000	82,255	(1.41)

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

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

Calendar Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	Unemployment Rate
2011	42,231	515,049	12,196	19.3%
2012	42,437	508,607	11,985	14.9%
2013	42,667	497,497	11,660	12.4%
2014	42,685	493,908	11,571	9.5%
2015	42,952	489,495	11,396	7.8%
2016	42,824	499,815	11,671	6.1%
2017	43,051	494,144	11,478	5.6%
2018	42,972	520,032	12,101	4.7%
2019	42,449	537,963	12,673	4.4%
2020	42,641	543,500	12,673	4.4%

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

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government										
Mayor and City Council	1	1	1	1	1	1	1	1	1	1
City Manager's Office	4	4	4	4	4	4	4	4	4	3
City Clerk's Office	2	2	2	2	2	2	2	3	3	3
Finance	10	8	10	10	10	10	10	9	9	9
Community Development	13	12	10	10	10	10	9	9	9	10
Police										
Sworn	57	51	51	51	51	51	51	51	51	48
Non-sworn	23	22	21	21	21	22	22	23	23	23
Public works	31	29	27	27	27	27	27	28	28	28
Recreation & Community Services	13	11	11	11	11	11	12	12	12	11
Total	<u>154</u>	<u>140</u>	<u>137</u>	<u>137</u>	<u>137</u>	<u>138</u>	<u>138</u>	<u>140</u>	<u>140</u>	<u>136</u>

Source: City Budget

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

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

<u>Employers</u>	<u>2020</u>		<u>2011</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	1,600	11.27%		
Briarcrest Nursing Center	250	1.76%		
Villa Del Rio Inc	240	1.69%		
First Class Vending, Inc.	150	1.06%		
Metal Surfaces Inc.	120	0.85%		
Wei-Chuan U.S. A. Inc.	100	0.70%		
Food 4 Less #307	87	0.61%		
Parkhouse Tire Inc.	86	0.61%		
Ross Dress for Less #981	65	0.46%		
Total	<u>2,698</u>	<u>19.00%</u>		

Source:

City Bell Gardens Community Development Department

California Employment Development Labor Market Information

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

*** Note**

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

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government										
Building permits issued	281	233	215	199	266	264	202	310	291	263
Police										
Physical arrests	1,586	1,817	1,638	1,330	1,399	1,343	1,220	1,246	1,360	1,204
Parking violations	4,777	5,198	4,408	4,946	4,796	7,435	7,553	10,223	10,830	13,897
Traffic violations	5,133	6,529	5,532	2,890	3,518	2,164	2,506	1,990	2,093	1,817
Refuse collection										
Refuse collected (tons per day)	72	72	43	42	23	29	29	30	32	34
Recyclables collected (tons per day)	22	22	14	13	18	20	20	21	24	22
Other public works										
Street resurfacing (miles)	3.2	1.5	0.6	0.6	0.2	0.0	0.0	1.3	3.3	1.5
Potholes repaired	295	198	185	250	270	405	405	160	230	326
Parks and recreation										
Athletic field permits issued	165	238	194	224	307	274	231	261	266	905**
Community center admissions	401,758	417,919	420,277	428,683	443,687	455,368	482,690	448,901	430,945	287,298**
Transit										
Total route miles	*	*	*	*	*	*	*	*	*	*
Passengers	*	*	230,254	*	*	*	*	*	*	*

Sources: Various city departments.

** The recording changed from FY 19 to FY 20 due to implementation of a software (Max Galaxy). Prior years reflected actual permit where 1 permit could range from 1 to 20 days in a month. The current is reflective of actual facility usage.

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	402.3	402.3	402.3	402.3	402.3	402.3	402.3	402.3	402.3	402.3
Highways (miles)	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4
Streetlights	8,162	8,162	8,162	8,162	8,162	8,162	8,162	8,162	8,162	8,162
Traffic signals	111	111	111	111	111	111	111	111	111	111
Parks and recreation										
Acreage	64	64	64	64	64	64	64	64	64	64
Playgrounds	10	10	10	10	10	10	10	10	10	10
Baseball/softball diamonds	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sanitary sewers (miles)	484.4	484.4	484.4	484.4	484.4	484.4	484.4	484.4	484.4	484.4
Storm sewers (miles)	338.5	338.5	338.5	338.5	338.5	338.5	338.5	338.5	338.5	338.5
Treatment capacity (thousands of gallons)	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,000	4,000
Transit—Senior Citizen Bus	7	7	7	7	7	7	7	7	7	7

Sources: Various city departments.

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

* Information not available