

**CITY OF BELL, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**PREPARED BY FINANCE DEPARTMENT**

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Ali Saleh - *Mayor*  
Alicia Romero - *Vice Mayor*  
Fidencio Joel Gallardo - *Councilmember*  
Ana Maria Quintana - *Councilmember*  
Nestor Enrique Valencia - *Councilmember*



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## CITY OF BELL

January 19, 2016

Honorable Mayor, Members of the City Council and Citizens of the City of Bell:

The staff of the City of Bell is pleased to submit for your information the Comprehensive Annual Financial Report (CAFR) of the City of Bell (City) for the fiscal year ending on June 30, 2015. This report consists of management's representations concerning the finances of the City of Bell. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report, based on a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement.

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these presentations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse, and to compile reliable information for the preparation of this report in conformity with GAAP. As Management, we assert to the best of our knowledge and belief that this financial report is complete and reliable in all material respects within the reasonable limits of our internal control framework.

The City's financial statements have been audited by Lance, Soll & Lunghard LLP, a public accounting firm fully licensed and qualified to perform audits of the state and local governments within the State of California. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Bell's financial statements for the year ending on June 30, 2015, are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

## **PROFILE OF THE CITY**

The City of Bell, California is a Charter City authorized by the Secretary of State on January 25, 2006 and was assigned Charter Chapter Number 2 for Publication in the Statutes of 2006. Bell is located in the greater metropolitan Los Angeles area, approximately 10 miles southeast of downtown Los Angeles. It occupies a land area of 2.5 square miles and 0.12 sq. miles of water area. The City's climate is characterized as mild with a mean temperature of 70 degrees in the summer months and 55 degrees in the winter months.

The City's major employers are the U.S. Post Office Bulk Mail Center located in Bell, along with several manufacturing firms. Our citizens' median household income is approximately \$35,509, as measured in 2014. The City is operated under the City Council-City Administrator/(City Manager) form of government, and is governed by a five-member city council elected by a majority of voters in alternating terms and who in turn elect the Mayor and Vice-Mayor from among themselves for a one year term. The governing council is responsible for policymaking, passing local ordinances, adopting the budget, appointing committees, and hiring the City Administrator/City Manager and City Attorney.

The City Administrator is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointment of all department heads excluding the City Attorney and City Clerk. The City Clerk is an appointed position and is responsible for maintaining city records and overseeing elections.

The City provides a full range of services for the citizens utilizing a mix of contracts with other governmental entities or private companies. The City has its own Police Department but contracts for fire and paramedic services through the Los Angeles County Fire Department (LACFD).

The Successor Agency to the Bell Redevelopment Agency (Agency) is a component unit of the City. Component units are legally separate entities for which the primary government is financially accountable. The Bell City Council Members, in a separate session from regular City Council meetings, serve as the governing body of the Successor Agency and the Community Development Director serves as the Executive Director.

### **History of Bell**

In the 19<sup>th</sup> Century, through 1860, the land area that is now known as the City of Bell was known as Rancho San Antonio. The approximate 30,000 acres was named after local settler on Antonio Maria Lugo, a Spanish aristocrat and former soldier. The rancho later became known for its fine horses and large cattle herds that could be found grazing on its rolling pastures.

The Lugo family's fortunes are said to have dwindled with the passage of time, and from 1855 to 1865 the majority of the rancho was sold for less than \$1 per acre. The Lugo family would, however, keep their home.

A land boom occurred from 1870 to 1890, and large portions of the former rancho were divided into small plots and purchased by new settlers. James George Bell and his family arrived shortly thereafter. A farming community soon surfaced. In addition to founding what would become the City of Bell, George Bell was instrumental in establishing Occidental College in Los Angeles.

By the turn of the 19<sup>th</sup> Century, Bell had become a sparsely settled countryside with a small number of homes. On September 7, 1927, 1,518 votes were cast in favor of incorporating the City of Bell. The margin of victory was a mere 33 votes.

Following World War II, the city experienced a population boom, with many businesses, schools and community organizations cropping up. In 1925, the Alcazar Theater was built – thus marking the first “talking pictures” theater in town.

## **ECONOMIC CONDITIONS**

**Local Economy.** Although the focus of this Comprehensive Annual Financial Report is the financial condition of the City as of June 30, 2015, it may be best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The completion both the 490, 000 square feet of Bandini Development-Bell Business Center and the 500,000 square feet of Pacific Industrial Development at Dexia property have generated a total of \$450,000 in planning, development and licenses fees along with 350 full-time jobs in the City. It is anticipated that these developments will generate significant improvement to the local economy as well as an increase in City revenues.

**Long-term Financial Planning.** The City economy and tax base continues to stay the course and while maintaining the present package of core services for our residents, businesses, and visitors, and protect all essential municipal services.

In FY 2014-2015 the tax revenues received by the City experienced a slight increase due to the changing property values in the City and impacted the property tax revenues received, and it is anticipated that this trend will continue.

In addition, the City will see increased tax revenues from the California Board of Equalization which will collect a Utility User Tax on Pre-paid Wireless Services.

On the other hand, continued declines in sales tax are expected from the on-going decline in the price of oil and in the fuel and service stations industry in general.

The Southern California region continues to show signs of improved economic activity. According to local economic updates, Los Angeles County’s unemployment rate will continue to decline and the housing market will continue to show improvement. Consumer spending is expected to increase slightly as well.

## **FINANCIAL POLICIES AND PROCEDURES**

**Internal control:** City Management is responsible for establishing and maintaining adequate internal controls. Internal accounting controls are designed to ensure that the assets of the City

are protected from loss, theft, or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

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 the controls should not exceed the benefits likely to be derived; and the valuation of costs and benefits require estimates and judgment by management.

**Budgetary controls:** The annual budget serves as the foundation for the City's financial planning and control. The City Council adopts an annual budget and appropriates the funds necessary to provide the services and operations for the fiscal year. The City Manager may make appropriation transfers within and between departments which do not result in an increase in appropriations levels. The City Council must approve all appropriation changes that results in an increase in appropriations levels.

## ACKNOWLEDGEMENTS

This report was made possible by the highly dedicated Finance staff with their special efforts and teamwork. Sincere appreciation is also expressed to the Mayor and City Council, Interim City Manager Jerry Groomes for their interest and support, which made this presentation possible; and finally to the City's auditing firm of Lance, Soll & Lunghard, LLP for their professional assistance.

Respectfully submitted,



Hector Vazquez, Acting- Finance Director  
For Shally Lin  
Interim Finance Director



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Bell, California, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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



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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Bell, California, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions made subsequent to the measurement date – An Amendment of GASB Statement No. 68*.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, retirement special revenue fund, CDBG Special Revenue Fund and the Community Housing Authority Special Revenue Fund, the schedule of contributions for Miscellaneous and Safety Cost-Sharing PERS Plans, and the schedule of proportionate share of the net pension liability for Miscellaneous and Safety Cost-Sharing PERS Plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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



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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Brea California  
January 19, 2016

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## CITY OF BELL

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Bell is pleased to offer this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. 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**

- Assets and deferred outflows of resources included in the City's governmental activities exceeded liabilities and deferred inflows of resources by \$7,247,429 for the fiscal year ended June 30, 2015, representing a decrease of 81.38% in net position from the prior fiscal year. Of this amount, a decrease of \$393,038 was due to deletions in capital assets during the fiscal year. In addition, \$(29,783,382) (unrestricted net position) of the total net position may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. This amount includes City Council designations of fund balance.
- The City's change in net position was \$47,749,019 less than last fiscal year. The major reason for the decrease in the change in net position is attributable to the Net Position being restated to properly reflect the pension liabilities related to GASB 68 at June 30, 2015 in the amount of \$29,464,225. In addition, there's an increase in revenues for property tax of \$1,056,064, Utility User Tax of \$60,832, Public Safety expenses increased by \$2,183,518, and Community Services expenses increased by \$387,462 for the fiscal year ended June 30, 2015.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$31,207,034, representing a decrease of 10% from the prior fiscal year. This resulted in an unassigned fund balance of \$16,571,926, or 53% of the total fund balance, after recording all fund balances unspendable restricted and assigned balances.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$18,693,851 or 124.8% of total general fund expenditures and transfers out.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the 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 are designed to provide readers with a view of the City's finances as a whole in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Increases or decreases 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 fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, development services, public works, and recreation.

**Fund Financial Statements** – The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management established many other funds to help control and manage money for particular purposes or to verify that all legal requirements for using certain taxes, grants, and other resources are being satisfied. The City’s two types of funds are governmental and fiduciary funds.

**Governmental funds** – Most of the City’s basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The differences of results in the Governmental Fund financial statements to those in the Government-wide financial statements are explained in a reconciliation following each of the Governmental Fund financial statements.

**Fiduciary funds** – The City utilizes Fiduciary funds to account for assets held by the City in a trustee capacity, or as an agent for other governmental entities, private organizations, or individuals. All of the City’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City’s Government-wide Financial Statements because the City cannot use these assets to finance its operations.

**Notes to the Financial Statements** – The financial statements also include the Notes to the Financial Statements that provide important narrative details about the information contained in the financial statements. Information contained in the Notes to the Financial Statements is critical to a reader’s full understanding of the Government-wide and Fund Financial Statements.

**Supplementary Information** – In addition to the required elements of the Basic Financial Statements, a Supplementary Information section is included which contains budgetary and combining schedules that provide additional details about the City’s non-major Governmental Funds and Fiduciary Funds.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Our analysis focuses on the City’s net position and changes in net position resulting from the City’s activities.

**Net Position** – Net position may serve over time as a useful indicator of a government’s financial position. The City’s combined net position were \$7,247,429 and \$38,920,688 for the years ending June 30, 2015 and June 30, 2014, respectively, as shown in Table 1.

Table 1  
Net Position  
(in Thousands)

	Governmental Activities	
	2014	2015
Current and other assets	\$ 42,606	\$ 33,900
Capital assets	<u>72,788</u>	<u>72,449</u>
Total assets	<u>115,394</u>	<u>106,349</u>
Deferred Outflows of Resources	<u>-</u>	<u>1,870</u>
Long-term liabilities outstanding	71,106	90,926
Other liabilities	<u>5,367</u>	<u>3,248</u>
Total liabilities	<u>76,473</u>	<u>94,174</u>
Deferred Inflows of Resources	<u>-</u>	<u>6,796</u>
Net position		
Net investment in capital assets	22,939	23,797
Restricted	13,687	13,233
Unrestricted	<u>2,294</u>	<u>(29,783)</u>
Total net position	<u>\$ 38,920</u>	<u>\$ 7,247</u>

Investment in capital assets represents assets such as land, buildings, infrastructure, and equipment less any related outstanding debt used to acquire those assets. Investment in capital assets represents \$23,797,113, or 328%, of the total \$ 7,247,429 net position, an increase of 3.7% from the prior fiscal year. The City's capital assets do not represent a financial resource and consequently are not available for future spending.

The City Council has not adopted Reserve Policy to maintain any minimum reserve of operating expenditures to maintain the City's credit worthiness and to meet cash flow requirements. As of June 30, 2015, unrestricted net position decreased by 1378% to \$(29,783,382) from \$2,294,557 in the prior fiscal year. Restricted net position represents resources that are legally restricted to specific uses. These restrictions are generally enforced by external agencies.

As of June 30, 2015, the City reported positive balances in all three categories of net position for Governmental Activities.

With the exception of contracting the City's fire services out to the County of Los Angeles Fire Department (LAFD), the City is a full service city providing residents and visitors with the following functional services:

General Government is comprised of the City Council, City Attorney, City Clerk, City Manager, Human Resources, and Finance. These departments provide general governance, executive management, records management, risk management, finance, purchasing, cash management, accounting, and information technology services. An outside firm appointed by the City Council provides legal services.

Public Safety is comprised of the Bell Police Department. The department provides general law enforcement and parking control.

Public Works provides engineering, construction and maintenance of public streets, highways, buildings, beaches, parks and related infrastructure, as well as traffic engineering, street lighting, sewer and refuse service. City contracts with an outside engineering firm to manage the engineering, planning, building and capital projects services.

Community Development Services is comprised of the Planning and Building that provide planning and zoning services, economic development services, and building plan check and code enforcement services, in addition the Community Development Director oversees the outside engineering firm Public Works contract.

Community Services provides leisure classes, monitors use of community facilities, sports programs, and recreation activities services.

The following table provides a summary of the City's operations for the years ended June 30, 2015 and 2014.

Table 2  
Changes in Net Position  
(in Thousands)

	Governmental Activities	
	2014	2015
Revenues:		
Program Revenues:		
Charges for services	\$ 2,815	\$ 2,362
Operating grants and capital contributions	1,732	810
Capital grants and contributions	2,701	3,279
General Revenues:		
Taxes		
Property taxes	8,389	9,446
Sales taxes	2,054	2,062
Franchise taxes	690	696
UTT	3,135	3,195
Apt. Unit Business Tax	51	38
Other taxes	58	85
Use of money and property	3,400	3,080
Other	10,981	1,330
Extraordinary gain/(loss)	<u>13,117</u>	<u>-</u>
<b>Total revenues</b>	<u>49,123</u>	<u>26,383</u>
Expenses:		
General government	10,195	7,817
Public safety	7,024	9,207
Community development	2,886	1,282
Community Services	3,641	4,014
Public works	4,550	4,038
Interest on long-term debt	3,027	2,234
<b>Total expenses</b>	<u>31,323</u>	<u>28,592</u>
Changes in net position	17,800	(2,209)
Net position at beginning of year	22,844	38,920
Restatement of net position	<u>(1,724)</u>	<u>(29,464)</u>
<b>Net position at end of year</b>	<u>\$ 38,920</u>	<u>\$ 7,247</u>

**Analysis of the City's Operations** – The City's Net Position decreased by \$31,673,259 during Fiscal Year 2014-2015 or 81.38% under prior year results.

*Governmental Activities* experienced a decrease of \$31,673,259 in net position as of June 30, 2015 compared to an increase of \$16,075,760 at June 30, 2014. The primary reason for the decrease in net position is attributable to the GASB 68 pension liability that is being restated to properly reflect liability at June 30, 2015 in the amount of \$29,449,225.

The cost of all governmental activities during the current fiscal year was \$28,592,897, less than last year. As shown on the statement of activities, those who directly benefited from the programs paid \$3,606,799 of the cost, and \$809,882 was financed by contributions and grants received from other governmental organizations. The remainder of the costs of operations, \$20,911,909 was subsidized through general City taxes. The largest operating cost was comprised of Public Safety, representing 32% of total governmental expenditures compared to 22% of total governmental expenditures in fiscal year 2013-2014.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**Governmental funds** – The objective of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2015 the City's governmental funds reported combined ending fund balances of \$31,207,034. Approximately \$17,896,103, or 57.3%, of this total amount constitutes unassigned fund balance. The remainder of the fund balance is assigned to indicate that it is not available for new spending because it has already been committed to pay for encumbrances, loans, prepaid expenses, or advances to other funds.

The General Fund ended the fiscal year with a fund balance of \$20,032,005, representing a net decrease of \$729,712 in fund balance from prior year.

**General Fund Budgetary Highlights** – The difference between the original and final amended budgeted revenues was the same as the original adopted budget amount.

The difference between the original and final amended budget in General Fund expenditures was an increase of \$246,067. This difference is due to a variety of budget amendments approved by the City Council during the fiscal year including law enforcement services, a settlement agreement with Internal Revenue Service's, and the final payment in regard to the Bell-Cudahy JPA dissolution.

General Fund revenues came in more than projected in the final budget by approximately \$1,226,360. Actual revenues came in greater than budgeted revenues and were almost entirely due to property taxes, sale tax, licenses and permits, State mandated reimbursement (SB90), and charges for current services.

General Fund expenditures were \$275,604 less than appropriations. This difference is due to budgeted facility project delays and savings in various general government services.

## **CAPITAL ASSETS**

The City's capital assets for its governmental activities as of June 30, 2015, amounts to \$72,448 million compared to \$72,788 million (net of accumulated depreciation) for FY 2013-2014. This investment in capital assets includes land, building, equipment, improvements, infrastructure and construction in progress. Total capital assets for governmental activities for the current fiscal year decrease in 0.47% in depreciation of Capital Assets Values.

Table 3  
Capital Assets At Year-End  
(Net of Depreciation, in Thousands)

	Governmental Activities	
	2014	2015
Land and land easement	\$ 22,970	\$ 22,970
Buildings and Improvements	24,364	23,332
Equipment and vehicles	346	681
Infrastructure	22,998	25,068
Construction in-progress	2,110	397
 Totals	 \$ 72,788	 \$ 72,448

During FY 2014-2015, major capital projects formally completed include:

- Pavement Rehabilitation Project– City has spent \$1,621,850 to overlay/reconstruct various streets within the City.
- Crossroads – City has spent \$45,000 of OTS grant funds to install Crossroads software for the Traffic Collision Records Database and Analysis System.
- Curb Ramps Project – City has spent \$266,592 to reconstruct various curb ramps Citywide to meet the latest ADA standards.
- ADA Facilities – City has spent \$132,944.13 to upgrade various public facilities within the City to meet the latest ADA standards.

Additional information on the City’s capital assets can be found in note 4 in the Financial Section of this report.

### **DEBT ADMINISTRATION**

As of June 30, 2015, the City had bonded debt, notes payable, compensated absences, claims payable, and capital leases totaling \$90,925,821 compared to \$71,106,499 at the end of FY 2013-2014 representing an increase of \$19,819,322 from the previous fiscal year. This reflects a combination of Net Pension Liability increase of \$21,398,219 and decrease in principal and interest payments made during the FY 2014-15.

Additional information on the City’s long-term debt can be found in note 5 in the Financial Section of the report.

### **ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS**

The City of Bell’s economy and tax base continue to support the present package of core services for our residents, businesses, and visitors and protect all essential municipal services that contribute to the high quality of life within the City.

In FY 2014-2015 the tax revenue increased overall as a direct result of a slight increase in the amount of property tax collected, one-time State mandated reimbursement (SB90), and development traffic mitigation fees.

In the General Fund, Property Tax revenues increased 5% and Sales Tax increased 8% compared with the projected revenues at the beginning of the FY 2014-2015.

For the upcoming fiscal year, property tax and sales tax are projected to increase slightly primarily due to the continued improvement in real estate values and retail sales throughout the City.

The Southern California region, as well as the entire country, continues to show signs of improved economic activity. According to local economic updates the unemployment rate will continue to decline, the housing market will continue to show improvement, and the cost of gasoline decreasing substantially such that consumer spending is expected to continue to increasingly make high value purchases such as furniture, automobiles and housing.

The 2015-2016 fiscal year budget shows a small General Fund surplus of operating revenues over operating expenditures (excluding capital projects). This is due to expenditures of the City being budgeted at the current level of service with capital improvement projects to be supported primarily by special tax revenues and grants. Projections for the FY 2015-2016 budget were very conservative due to the slow improvement in the economy. The City will continue to monitor revenue streams throughout the coming years and utilize the financial system to monitor spending and control the budget.

The most significant issues facing the City are the continuing increase of the cost of pension liability and the aging infrastructure. The City will need to continue to increase economic development activities and attracting new business while effectively retaining the existing business. FY 2015-15 Council was able to adopt a balanced budget by utilizing one time savings due to pension refunds from CALPERS from the Bell "8" in the amount of \$1,713,000, a \$195,633 from the Pre-2994 state mandated reimbursement, and a total reduction of \$1,462,549 from personnel and non-personnel line items.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide the City's citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department at 6330 Pine Avenue, Bell, California 90201.

CITY OF BELL

STATEMENT OF NET POSITION  
JUNE 30, 2015

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 30,580,958
Receivables:	
Accounts	588,255
Notes and loans	42,657
Accrued interest	19,861
Deferred loans	1,612,872
Grants	6,135
Prepaid costs	14,018
Deposits	19,500
Due from other governments	1,014,130
Restricted assets:	
Cash with fiscal agent	1,993
Capital assets not being depreciated	23,367,420
Capital assets, net of depreciation	49,081,164
<b>Total Assets</b>	<b>106,348,963</b>
<b>Deferred Outflows of Resources:</b>	
Deferred pension related items	1,869,768
<b>Total Deferred Outflows of Resources</b>	<b>1,869,768</b>
<b>Liabilities:</b>	
Accounts payable	1,421,519
Accrued liabilities	524,572
Accrued interest	924,392
Deposits payable	378,128
Noncurrent liabilities:	
Due within one year	3,573,107
Due in more than one year	56,253,031
Other Post Employment Benefits Liability	9,701,464
Net Pension Liability	21,398,219
<b>Total Liabilities</b>	<b>94,174,432</b>
<b>Deferred Inflows of Resources:</b>	
Deferred pension related items	6,796,870
<b>Total Deferred Inflows of Resources</b>	<b>6,796,870</b>
<b>Net Position:</b>	
Net investment in capital assets	23,797,113
Restricted for:	
Community development projects	3,992,195
Public safety	809,346
Public works	2,397,440
Capital projects	4,362,199
Debt service	1,658,134
Low and moderate housing	14,384
Unrestricted	(29,783,382)
<b>Total Net Position</b>	<b>\$ 7,247,429</b>

CITY OF BELL

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015

Functions/Programs	Program Revenues				Net Expense Change in Net Total
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ 7,816,840	\$ 1,852,096	\$ -	\$ -	\$ (5,964,744)
Public safety	9,207,640	830	274,437	122,005	(8,810,368)
Community development	1,282,004	212,495	-	996,828	(72,681)
Community services	4,013,741	55	535,445	-	(3,478,241)
Public works	4,038,259	296,546	-	2,160,474	(1,581,239)
Interest on long-term debt	2,234,413	-	-	-	(2,234,413)
<b>Total Governmental Activities</b>	<b>\$ 28,592,897</b>	<b>\$ 2,362,022</b>	<b>\$ 809,882</b>	<b>\$ 3,279,307</b>	<b>(22,141,686)</b>
			<b>General Revenues:</b>		
			Taxes:		
			Property taxes, levied for general purpose	9,445,700	
			Sales taxes	2,062,581	
			Franchise taxes	696,008	
			Utility users tax	3,195,440	
			Other taxes	107,013	
			Motor vehicle in lieu - unrestricted	15,975	
			Use of money and property	3,080,344	
			Other	1,329,591	
			<b>Total General Revenues</b>	<b>19,932,652</b>	
			Change in Net Position	(2,209,034)	
			Net Position at Beginning of Year	38,920,688	
			Restatement of Net Position	(29,464,225)	
			<b>Net Position at End of Year</b>	<b>\$ 7,247,429</b>	

CITY OF BELL

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<b>Special Revenue Funds</b>			
	<b>General</b>	<b>Retirement</b>	<b>Low and Moderate Housing</b>	<b>CDBG</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 17,138,932	\$ -	\$ 21,101	\$ -
Receivables:				
Accounts	490,975	-	-	-
Notes and loans	42,657	-	-	-
Accrued interest	12,631	-	-	-
Deferred loans	1,281,479	-	17,000	314,393
Grants	-	-	-	-
Prepaid costs	14,018	-	-	-
Deposits	-	-	-	-
Due from other governments	350,293	34,335	-	456,809
Due from other funds	2,370,363	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 21,701,348</b>	<b>\$ 34,335</b>	<b>\$ 38,101</b>	<b>\$ 771,202</b>
<b>Liabilities:</b>				
Accounts payable	\$ 786,103	\$ 1,672	\$ -	\$ 161,621
Accrued liabilities	480,104	-	6,717	18,132
Deposits payable	365,403	-	-	-
Due to other funds	-	1,720,625	-	272,805
<b>Total Liabilities</b>	<b>1,631,610</b>	<b>1,722,297</b>	<b>6,717</b>	<b>452,558</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	37,733	-	17,000	314,393
<b>Total Deferred Inflows of Resources</b>	<b>37,733</b>	<b>-</b>	<b>17,000</b>	<b>314,393</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	14,018	-	-	-
Notes and loans	1,324,136	-	-	-
Deposits	-	-	-	-
<b>Restricted for:</b>				
Community development projects	-	-	-	4,251
Public safety	-	-	-	-
Public works	-	-	-	-
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Low and moderate housing	-	-	14,384	-
<b>Committed to:</b>				
Community development - Veteran's Park	-	-	-	-
<b>Unassigned</b>	<b>18,693,851</b>	<b>(1,687,962)</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>20,032,005</b>	<b>(1,687,962)</b>	<b>14,384</b>	<b>4,251</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 21,701,348</b>	<b>\$ 34,335</b>	<b>\$ 38,101</b>	<b>\$ 771,202</b>

CITY OF BELL

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<b>Special Revenue Funds</b>		
	<b>Community Housing Authority</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Pooled cash and investments	\$ 3,250,800	\$ 10,170,125	\$ 30,580,958
Receivables:			
Accounts	-	97,280	588,255
Notes and loans	-	-	42,657
Accrued interest	3,347	3,883	19,861
Deferred loans	-	-	1,612,872
Grants	-	6,135	6,135
Prepaid costs	-	-	14,018
Deposits	19,500	-	19,500
Due from other governments	-	172,693	1,014,130
Due from other funds	-	-	2,370,363
Restricted assets:			
Cash and investments with fiscal agents	-	1,993	1,993
<b>Total Assets</b>	<b>\$ 3,273,647</b>	<b>\$ 10,452,109</b>	<b>\$ 36,270,742</b>
<b>Liabilities:</b>			
Accounts payable	\$ 46,192	\$ 425,931	\$ 1,421,519
Accrued liabilities	6,517	13,102	524,572
Deposits payable	12,725	-	378,128
Due to other funds	-	376,933	2,370,363
<b>Total Liabilities</b>	<b>65,434</b>	<b>815,966</b>	<b>4,694,582</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	-	-	369,126
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>369,126</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid costs	-	-	14,018
Notes and loans	-	-	1,324,136
Deposits	19,500	-	19,500
<b>Restricted for:</b>			
Community development projects	3,188,713	799,231	3,992,195
Public safety	-	809,346	809,346
Public works	-	2,397,440	2,397,440
Capital Projects	-	4,362,199	4,362,199
Debt service	-	1,658,134	1,658,134
Low and moderate housing	-	-	14,384
<b>Committed to:</b>			
Community development - Veteran's Park	-	43,756	43,756
<b>Unassigned</b>	<b>-</b>	<b>(433,963)</b>	<b>16,571,926</b>
<b>Total Fund Balances</b>	<b>3,208,213</b>	<b>9,636,143</b>	<b>31,207,034</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,273,647</b>	<b>\$ 10,452,109</b>	<b>\$ 36,270,742</b>

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**CITY OF BELL**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

Fund balances of governmental funds		\$ 31,207,034
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		
Capital assets	\$ 119,173,101	
Accumulated depreciation	<u>(46,724,517)</u>	72,448,584
Deferred outflows related to net pension liability for:		
Contributions made after the actuarial measurement date	1,453,177	
Difference between proportion actuarial and actual contributions	<u>416,591</u>	1,869,768
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position.		
Taxable pension revenue bonds	(4,435,000)	
Lease revenue bonds	(17,270,000)	
General obligation bonds	(30,765,000)	
Other post-employment benefits obligation	(9,701,464)	
Unamortized bond premium	(616,471)	
Liability claims	(5,723,488)	
Net pension liability	(21,398,219)	
Compensated absences	<u>(1,016,179)</u>	(90,925,821)
Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds.		(924,392)
Deferred inflows related to net pension liability for:		
Net difference between projected and actual earnings	(5,776,262)	
Difference in proportions	(95,677)	
Difference in proportionate contributions	<u>(924,931)</u>	(6,796,870)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		<u>369,126</u>
<b>Net Position of governmental activities</b>		<b><u><u>\$ 7,247,429</u></u></b>

## CITY OF BELL

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

	<b>Special Revenue Funds</b>			
	<b>General</b>	<b>Retirement</b>	<b>Low and Moderate Housing</b>	<b>CDBG</b>
<b>Revenues:</b>				
Taxes	\$ 10,256,107	\$ 2,011,845	\$ -	\$ -
Licenses and permits	579,575	-	-	-
Intergovernmental	20,578	-	-	899,440
Charges for services	923,357	17,412	-	-
Use of money and property	344,785	-	41	-
Fines and forfeitures	502,868	-	-	-
Miscellaneous	1,329,580	-	-	-
<b>Total Revenues</b>	<b>13,956,850</b>	<b>2,029,257</b>	<b>41</b>	<b>899,440</b>
<b>Expenditures:</b>				
Current:				
General government	4,902,477	-	-	-
Public safety	6,800,564	1,849,500	-	-
Community development	902,646	-	-	130,902
Community services	2,022,717	-	-	354,934
Public works	-	-	-	-
Capital outlay	127,036	-	-	393,352
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>14,755,440</b>	<b>1,849,500</b>	<b>-</b>	<b>879,188</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(798,590)	179,757	41	20,252
<b>Other Financing Sources (Uses):</b>				
Transfers in	296,000	-	-	-
Transfers out	(227,122)	(986,067)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>68,878</b>	<b>(986,067)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(729,712)	(806,310)	41	20,252
Fund Balances, Beginning of Year, as previously reported	20,761,717	(881,652)	14,343	(1,001)
Restatements	-	-	-	(15,000)
Fund Balances, Beginning of Year, as restated	20,761,717	(881,652)	14,343	(16,001)
<b>Fund Balances, End of Year</b>	<b>\$ 20,032,005</b>	<b>\$ (1,687,962)</b>	<b>\$ 14,384</b>	<b>\$ 4,251</b>

## CITY OF BELL

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds		
	Community Housing Authority	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ -	\$ 3,238,790	\$ 15,506,742
Licenses and permits	-	-	579,575
Intergovernmental	-	3,189,749	4,109,767
Charges for services	34	353,343	1,294,146
Use of money and property	2,713,046	22,472	3,080,344
Fines and forfeitures	-	830	503,698
Miscellaneous	-	11	1,329,591
<b>Total Revenues</b>	<b>2,713,080</b>	<b>6,805,195</b>	<b>26,403,863</b>
<b>Expenditures:</b>			
Current:			
General government	916,186	2,700	5,821,363
Public safety	-	192,318	8,842,382
Community development	-	233,173	1,266,721
Community services	-	646,649	3,024,300
Public works	-	1,815,956	1,815,956
Capital outlay	3,654	2,676,542	3,200,584
Debt service:			
Principal retirement	-	3,325,000	3,325,000
Interest and fiscal charges	-	2,623,775	2,623,775
<b>Total Expenditures</b>	<b>919,840</b>	<b>11,516,113</b>	<b>29,920,081</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,793,240	(4,710,918)	(3,516,218)
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	2,548,803	2,844,803
Transfers out	(1,530,614)	(101,000)	(2,844,803)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,530,614)</b>	<b>2,447,803</b>	<b>-</b>
Net Change in Fund Balances	262,626	(2,263,115)	(3,516,218)
Fund Balances, Beginning of Year, as previously reported	2,945,587	11,899,258	34,738,252
Restatements	-	-	(15,000)
Fund Balances, Beginning of Year, as restated	2,945,587	11,899,258	34,723,252
<b>Fund Balances, End of Year</b>	<b>\$ 3,208,213</b>	<b>\$ 9,636,143</b>	<b>\$ 31,207,034</b>

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**CITY OF BELL**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015**

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Net change in fund balances - total governmental funds \$ (3,516,218)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 3,164,434	
Depreciation	(3,110,907)	
Capital assets disposed/sold	<u>(393,038)</u>	(339,511)

Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. Other long-term liabilities are not recorded as expenditures in the governmental funds but as expenses in the statement of activities. Unamortized bond premiums and deferred charges are included in the statement of net position and are amortized as a component of expense in the statement of activities.

Principal - revenue bonds	1,175,000	
Principal - certificates of participation	1,620,000	
Principal - general obligation bonds	530,000	
Amortization of bond premiums	28,077	
Increase in insurance claims liabilities	(958,814)	
Increase in other post-employment benefits obligation	<u>(871,062)</u>	1,523,201

Net change in accrued interest on long-term debt for the current period reported on the statement of activities. 361,285

Pension obligation 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. (273,487)

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. 55,696

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. (20,000)

**Change in net position of governmental activities \$ (2,209,034)**

CITY OF BELL

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2015

	<u>Supplemental Retirement Plan Trust Fund</u>	<u>Bell Successor Agency Private- Purpose Trust</u>
<b>Assets:</b>		
Pooled cash and investments	\$ -	\$ 2,881,378
Receivables:		
Accounts	-	2,315
Accrued interest	-	737
Land held for resale	-	835,730
Restricted assets:		
Cash and investments with fiscal agents	-	2,040,139
Capital assets:		
Capital assets, not being depreciated	-	8,286,780
Capital assets, net of accumulated depreciation	-	6,263,064
<b>Total Assets</b>	<u>-</u>	<u>20,310,143</u>
<b>Liabilities:</b>		
Accounts payable	-	194,554
Accrued liabilities	-	1,136
Accrued interest	-	251,150
Due to other governments	-	26,799
Long-term liabilities:		
Due in one year	-	2,000,706
Due in more than one year	-	21,061,448
<b>Total Liabilities</b>	<u>-</u>	<u>23,535,793</u>
<b>Net Position:</b>		
Held in trust for other pension benefits and other purposes	-	(3,225,650)
<b>Total Net Position</b>	<u>\$ -</u>	<u>\$ (3,225,650)</u>

CITY OF BELL

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2015

	<u>Supplemental Retirement Plan Trust Fund</u>	<u>Bell Successor Agency Private- Purpose Trust</u>
<b>Additions:</b>		
Contributions:		
Taxes	\$ -	\$ 3,199,663
Interest and change in fair value of investments	-	2,555
Miscellaneous	-	72,679
<b>Total Additions</b>	<u>-</u>	<u>3,274,897</u>
<b>Deductions:</b>		
Refunds of contributions	222	-
Administrative expenses	-	23,755
Contractual services	-	319,705
Interest expense	-	1,147,061
Depreciation expense	-	152,813
<b>Total Deductions</b>	<u>222</u>	<u>1,643,334</u>
<b>Changes in Net Position</b>	<b>(222)</b>	<b>1,631,563</b>
Net Position - Beginning of the Year	<u>222</u>	<u>(4,857,213)</u>
<b>Net Position - End of the Year</b>	<u><u>\$ -</u></u>	<u><u>\$ (3,225,650)</u></u>

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**I. SIGNIFICANT ACCOUNTING POLICIES**

**Note 1: Organization and Summary of Significant Accounting Policies**

The financial statements of the City of Bell, California (City) have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

**a. Description of the Reporting Entity**

The City was incorporated on November 7, 1927 under the general laws of the State of California. As of January 25, 2006, the City operates as a Charter City authorized by the Secretary of State. The City operates under the Council-Administrator form of government. Among the services provided by the City are the following: public safety, public works, and community services.

As required by generally accepted accounting principles in the United States of America, these financial statements present the City and its blended component units. The component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the City.

Blended Component Units

A component unit should be included in the City's financial report utilizing the blending method in any of the following circumstances:

- The component unit's governing body is substantively the same as the governing body of the City and (1) the existence of a financial benefit or burden relationship between them or (2) management of the City has operational responsibility for the component unit.
- The component unit provides services entirely, or almost entirely, to the City or otherwise exclusively or almost exclusively, benefits the City even though it does not provide services directly to the City.
- The component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with City resources.

City management has determined that the following related entities should be included in the basic financial statements as blended component units because the City Council serves as the governing board and the City's management has operational responsibility for these entities:

Bell Surplus Property Authority  
Bell Public Financing Authority  
Bell Community Housing Authority  
Solid Waste and Recycling Authority

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

Bell Surplus Property Authority

On July 7, 1975, the Bell Surplus Property Authority (Surplus Property Authority) was created by the City Council to enable the City to acquire, own, maintain, operate and dispose of surplus real properties of the United States, which are within or contiguous to the City. The Surplus Property Authority is administered by a Board, which consists of the members of the City Council.

Bell Public Financing Authority

The Bell Public Financing Authority (Public Financing Authority) was created by a joint exercise of joint powers agreement between the City and the Bell Redevelopment Agency on February 1, 1991. The Redevelopment Agency was dissolved in accordance with state law on February 1, 2012. The purpose of the Public Financing Authority is to provide, through the issuance of debt, financing necessary for various capital improvements. The Public Financing Authority is administered by a Board, which consists of the members of the City Council.

Bell Community Housing Authority

On February 21, 1995, the Bell Community Housing Authority (Housing Authority) was created by the City Council. The purpose of the Housing Authority is to provide safe and sanitary dwelling accommodations in the City to persons of low income. The Housing Authority is administered by a Board, which consists of the members of the City Council.

Solid Waste and Recycling Authority

On September 15, 2005, the Bell Solid Waste and Recycling Authority (Authority) was established by the City Council for the purpose of acquiring, constructing, maintaining, or operating the collection, treatment, or disposal of waste within the jurisdiction of the Authority. The Authority is administered by a Board, which consists of the members of the City Council.

The following organization is considered a joint powers agreement of the City.

Bell-Cudahy Cable Television Joint Powers Authority

On June 3, 1985, the City of Bell and the City of Cudahy entered into a joint exercise of powers agreement to award cable television franchises within their corporate limits. The Bell-Cudahy Cable Television Joint Powers Authority (Cable Television Authority) is governed by a Commission. The Commission consists of five members: two members of the City Council of Bell; two members of the City Council of Cudahy; and one member selected by the other four members. As such, the activities of Cable Television Authority are not reported in the City's basic financial statements. On October 8, 2014, the City adopted resolution 2014-55 to dissolve the Cable Television Authority.

**b. Government-Wide and Fund Financial Statements**

The basic financial statements of the City are composed of the following:

Government-wide financial statements  
Fund financial statements  
Notes to financial statements

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

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole. The City has no business-type activities or discretely presented component units. Fiduciary funds are not recorded in the government-wide financial statements. Certain management salaries and benefits have been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services and payments made by parties outside of the reporting government if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Governmental resources are allocated to and accounted for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds. In addition, separate fiduciary pension trust and private-purpose trust funds are presented and are excluded from the government-wide financial statements.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become *measurable* and *available* as net current assets.

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

*Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to pay liabilities of the current period. The City uses a sixty-day availability period. 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 and claims and judgments, are recorded only when payment is due.

Taxes, grants, intergovernmental revenue, charges for services, lease income and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

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

The City reports the following major governmental funds:

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

*Retirement Special Revenue Fund* — This fund is used to account for special assessment collections to be used for the retirement benefits of Safety and Miscellaneous employees.

*Low and Moderate Housing Special Revenue Fund* — This fund is used to account for the housing assets and functions related to the Low and Moderate Income Housing Program retained by the Housing Authority following the dissolution of the former Agency.

*Community Development Block Grant (CDBG) Special Revenue Fund* — This fund is used to account for revenues and costs related to the activities approved and funded by the federal CDBG Program.

*Community Housing Authority Special Revenue Fund* — This fund is used to account for revenues and expenditures related to the operations of the Community Housing Authority.

Fiduciary Fund Types

*Supplemental Retirement Plan Trust Fund* — This fund is used to account for financial resources deposited and held in a trustee capacity for the City's Supplemental Retirement and Replacement Plan (Supplemental Retirement Plan). This fund was closed during fiscal year ending June 30, 2015.

*Bell Successor Agency Private-Purpose Trust Fund* — This fund is used to account for custodial responsibilities that are assigned to the Successor Agency with the passage of Assembly Bill 1X 26 (AB 1X 26) and was established on February 1, 2012. The fund accounts for the receipt of assets, liabilities, and property tax revenues pursuant to the dissolution of the Agency and expenses incurred pursuant to the recognized obligation payment schedule (ROPS) approved by the State Department of Finance.

The fiduciary funds follow the accrual basis of accounting.

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

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

Cash and Investments

Cash includes demand deposits. The California Government Code and the City's investment policy permit the City to invest in various instruments and pools. Investments are reported in the accompanying statement of net position and balance sheet at fair value, generally based on quoted market prices, except for certain investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Except for fiduciary fund, the City recognizes changes in fair value that occur during a fiscal year as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, any gains or losses realized upon the liquidation, maturity or sale of investments. Fiduciary funds report changes in fair value that occur during a fiscal year as either a net gain or net loss on fair value of mutual funds.

The City pools cash and investments of all funds, except for assets held by fiscal agents and restricted cash. 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 monthly cash and investment balance.

Due from other Governments

The amounts recorded as a receivable due from other governments include sales taxes, state gas taxes, motor vehicle in-lieu taxes and other revenues, collected or provided by the Federal, State, and County governments and unremitted to the City as of year-end.

Claims and Judgments

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated.

Capital Assets

Capital assets (including infrastructure) greater than \$5,000 are capitalized and recorded at cost or at the estimated fair value of the assets at the time of acquisition where complete historical records have not been maintained. Donated capital assets are valued at their estimated fair value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of these assets or materially extend assets lives are not capitalized.

Capital assets include public domain (infrastructure) capital assets consisting of certain improvements other than buildings, including roads and bridges, traffic signals, and sewerage and drainage systems.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements. The following is a summary of the estimated useful life of each asset type:

	Infrastructure:	
Roads and bridges		40-60 years
Traffic signals		7-20 years
Sewer		40-60 years
Storm drain		40-60 years
Building and improvements		15-50 years
Furniture and equipment		3-20 years
Vehicles		5-15 years

Bond Premiums and Discounts

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which materially approximates the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable whereas discounts are recorded as a reduction to the face value of the bonds payable amount.

Compensated Absences

Compensated absences (unpaid vacation and sick leave) are recorded as expenditures in the year they are paid. The balance of unpaid vacation and vested sick leave at year-end is recorded as a long-term liability in the government-wide financial statements. These amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees. Compensated absences are liquidated principally by the General Fund.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1, each year. Taxes are levied during September of each year and are payable in two installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. The County of Los Angeles bills and collects the property taxes and remits them to the City in installments during the year, net of administrative expenses. Property tax revenue is recognized in the funds in the fiscal year for which the taxes have been levied, provided it is collected within 60 days of the end of the fiscal year.

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

The County of Los Angeles is permitted by State law (Proposition 13) to levy taxes at 1% of full cash or market value (with some exceptions) pursuant to Article XIII A of the California State Constitution and statutory provisions by the Los Angeles County Assessor and State Board of Equalization.

Land Held for Development

The former Redevelopment Agency and the Community Housing Authority acquired several parcels of land as part of its primary purpose to develop or redevelop blighted areas. The properties are held by the Successor Agency and the Community Housing Authority at the lower of cost or estimated net realizable value determined at the date of an executed disposition and developer's agreement. Governmental fund balance is restricted or assigned in an amount equal to the carrying value of land held for development because the proceeds from the sale of such asset is restricted or assigned for future capital projects.

Classification of Net Position

On the statement of net position, net position is classified into three components, which are defined as follows:

**Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings, including any related debt premiums, discounts, and deferred inflows and outflows of resources, that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent debt proceeds at year-end, the unspent proceeds and the amount of related debt are included in the calculation of restricted net position.

**Restricted net position** - This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. At June 30, 2015, the restricted net position is \$13,233,698.

**Unrestricted net position** - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualify for reporting in this category. The deferred outflows relating to the net pension obligation reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, which are recognized 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.

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

In addition to liabilities, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. The first item is in relation to the net pension obligation reported in the government-wide statement of net position. These inflows are the results of net differences between projected and actual earnings on pension plan investments and net difference between proportion actuarial and actual contributions. Inflows from changes in net pension liability arise only under a full accrual basis of accounting, and are reported in the government-wide Statement of Net Position and proprietary funds. The second item arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: sales taxes and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

Fund balance flow assumptions

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

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2015, fund balances for governmental funds are made up of the following:

- *Nonspendable Fund Balance* — includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact, The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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

- *Restricted Fund Balance* — includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* — includes amounts that have been limited to specific purposes as defined in the City Charter or through adoption of a resolution or an ordinance by City Council, the highest level of decision making authority of the City. The City has determined that both a resolution and an ordinance are equally binding. These commitments may be changed or lifted, but only by the same formal action that was used to impose the constraint originally. City Council action to commit fund balance must occur within the fiscal reporting period while the amount committed may be subsequently determined.
- *Assigned Fund Balance* — includes amounts that are intended to be used by the City for specific purposes. Intent is expressed by (a) the City Council or (b) a body or official to which the City Council has delegated the authority to assign amounts to be used for a specific purpose.
- *Unassigned Fund Balance* — includes amounts within the General Fund, the residual resources, either positive or negative, in excess of what can be properly classified in one of the other four fund balance categories. Unassigned amounts are technically available for any purpose. Other governmental funds may only report a negative unassigned balance that was created after classification of fund balance in the nonspendable, restricted or committed categories.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When expenditures are incurred with unrestricted resources, the City's policy is to first use committed fund balance, then assigned fund balance, and lastly unassigned fund balance amounts.

Deficit Fund Equity

The following funds have deficit fund balances:

Major Funds:	
Retirement Special Revenue Fund	\$ 1,687,962
Nonmajor Funds:	
AB939 Recycling Special Revenue Fund	8,219
Surplus Property Authority Special Revenue Fund	47,497
Proposition A Special Revenue Fund	170,491
Public Financing Authority Debt Service Fund	207,756
Deficit Net Position:	
Bell Successor Agency Private Purpose Trust Fund	3,225,650

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

Budgetary Comparison Schedules

The budgetary comparison schedules are not presented for the Low and Moderate Housing Major Special Revenue Fund and AB939 Recycling Special Revenue Fund due to no approved budget for the year ended June 30, 2015.

Use of Estimates

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

Effect of New Accounting Standards

During the fiscal year ended June 30, 2015, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

**GASB Statement No. 68** – *Accounting and financial Reporting for Pensions—an Amendment of GASB Statement No. 27* will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information. The City implemented the requirements of this statement effective for the year ended June 30, 2015.

**GASB Statement No. 69** – *Government Combinations and Disposals of Government Operations*. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The provisions of GASB Statement No. 69 are effective for financial statements beginning after December 15, 2014. The implementation of this statement did not affect the financial statements.

**GASB Statement No. 71** – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The City implemented the provisions of this statement effective for the year ended June 30, 2015.

Additional standards released by GASB impacting future fiscal years are as follows:

**GASB Statement No. 72** – *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value

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

measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statement for reporting periods beginning after June 15, 2015. The City has not fully judged the effect of the implementation of GASB Statement No. 72 as of the date of the basic financial statements.

**GASB Statement No. 73 – Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.** The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The provisions in GASB Statement 73 are effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement 68, which are effective for fiscal years beginning after June 15, 2016. The City has not fully judged the effect of the implementation of GASB Statement No. 73 as of the date of the basic financial statements.

**GASB Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.** The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The provisions in GASB Statement 74 are effective for fiscal years beginning after June 15, 2016. The City has not fully judged the effect of the implementation of GASB Statement No. 74 as of the date of the basic financial statements.

**GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.** The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The provisions in GASB Statement 75 are effective for fiscal years beginning after June 15, 2017. The City has not fully judged the effect of the implementation of GASB Statement No. 75 as of the date of the basic financial statements.

**GASB Statement No. 76 – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.** The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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

generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The provisions in GASB Statement 76 are effective for reporting periods beginning after June 15, 2015. The City has not fully judged the effect of the implementation of GASB Statement No. 76 as of the date of the basic financial statements.

**GASB Statement No. 77 – Tax Abatement Disclosures.** The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess whether current-year revenues were sufficient to pay for current-year services, compliance with finance-related legal or contractual requirements, where a government’s financial resources come from and how it uses them, and financial position and economic condition and how they have changed over time. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The City has not fully judged the effect of the implementation of GASB Statement No. 77 as of the date of the basic financial statements.

**Note 2: Cash and Investments**

Cash and investments as of June 30, 2015, are classified in the accompanying financial statements as follows:

	Government- wide	Fiduciary Funds Bell Successor Agency Private- Purpose Trust Fund	Total
Statement of Net Position			
Cash and investments	\$ 30,580,958	\$ 2,881,378	\$ 33,462,336
Restricted cash and investments	1,993	2,040,139	2,042,132
Total cash and investments	<u>\$ 30,582,951</u>	<u>\$ 4,921,517</u>	<u>\$ 35,504,468</u>

CITY OF BELL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 2: Cash and Investments (Continued)**

Cash and investments as of June 30, 2015, consist of the following:

	Government- wide	Fiduciary Funds Bell Successor Agency Private- Purpose Trust Fund	Total
Cash on hand	\$ 5,580	\$ -	\$ 5,580
Deposits with financial institutions	887,395	73,246	960,641
Investments	29,689,976	4,848,271	34,538,247
<b>Total cash and investments</b>	<b>\$ 30,582,951</b>	<b>\$ 4,921,517</b>	<b>\$ 35,504,468</b>

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy that was adopted for the calendar year 2015. The City adopts investment policies on the calendar basis. The table also identifies certain provisions of the California Government Code and the City's investment policy, if more restrictive, that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code and the City's investment policy.

Investment Types Authorized by State Law	Authorized by Investment Policy	Authorized by California Government Code	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	Yes	Yes	5 years	None	None
U.S. treasury obligations	Yes	Yes	5 years	None	None
State obligations	No	Yes	5 years	None	None
Local agency obligations	No	Yes	5 years	None	None
U.S. agency securities	Yes	Yes	5 years	None	None
Banker's acceptances	Yes	Yes	180 days	40%	30%
Commercial paper	Yes	Yes	270 days	25%	10%
Negotiable certificates of deposit	Yes	Yes	5 years	30%	None
Certificate of deposit placement service	No	Yes	5 years	30%	None
Repurchase agreements	No	Yes	1 year	None	None
Reverse repurchase agreements and securities lending agreements	No	Yes	92 days	20%	None
Medium-term notes	No	Yes	5 years	30%	None
Mutual funds/money market mutual funds	Yes*	Yes	5 years	20%	10%
Collateralized bank deposits	No	Yes	5 years	None	None
Mortgage pass-through securities	No	Yes	5 years	20%	None
County pooled investment funds	Yes	Yes	N/A	None	None
Joint power authority pool	Yes	Yes	5 years	None	None
Local Agency Investment Fund (LAIF)	Yes	Yes	N/A	None	50 Million

\* limited to treasury obligations cash held with fiscal agents

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 2: Cash and Investments (Continued)**Investments Authorized by Debt Agreements

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk. The permitted investments are as follows:

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer	Minimum Credit Rating
U.S. treasury obligations	None	None	None	None
U.S. agency securities	None	None	None	None
Interest-bearing demand or time deposits	None	None	None	None
Tax-exempt obligations	None	None	None	AAA
Money market mutual funds	None	None	None	AAA
Local Agency Investment Fund (LAIF)	None	None	None	None
Investment agreements	None	None	None	AAA*

\*Represents credit rating of the counterparty.

Investments Authorized by Supplemental Retirement Plan Trust Agreement

Based on the Investment Management and Custody Agreement (Non-ERISA Accounts) between the City and Wells Fargo Bank, N.A. (Trustee), the investments shall include, but are not limited to:

- a) Pending investment or distribution, short-term securities or deposits, which bear a reasonable rate of interest in a bank or similar financial institution, supervised by the United States or a state, notwithstanding that the bank or financial institution is the Trustee or an affiliate of the Trustee.
- b) Shares of any registered investment company whether or not the Trustee or its affiliates is an advisor to, or other service provider to, such company and receives compensation from such company for the services provided.
- c) Any commingled trust funds including any such fund or funds presently in existence or hereafter established, and which are maintained by a bank or trust company supervised by a state or federal agency, notwithstanding that the bank or trust company is the Trustee or an affiliate of the Trustee.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in the 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 the market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that the portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 2: Cash and Investments (Continued)**

Information about the sensitivity of the fair values of the City's investments (including investments held by the bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturing (in Months) 12 Months or Less
U.S. Treasury obligations	\$ 2,042,132	\$ 2,042,132
State investment pool	32,496,115	32,496,115
Total	<u>\$ 34,538,247</u>	<u>\$ 34,538,247</u>

Disclosures Relating to 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 actual rating as of year-end for each investment type.

Investment Type	Total	Rating as of Year End Not Rated
U.S. Treasury obligations	\$ 2,042,132	\$ 2,042,132
State investment pool	32,496,115	32,496,115
Total	<u>\$ 34,538,247</u>	<u>\$ 34,538,247</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than mutual funds and external investment pools), which represent 5% or more of the total City investments as of June 30, 2015.

Custodial Credit Risk

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 its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that the financial institution secure deposits made by state or local

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 2: Cash and Investments (Continued)**

governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The collateral is held by the pledging financial institution's trust department and is considered held in the City's name. The investments held by the City were not subject to custodial credit risk at June 30, 2015.

Investment in State Investment Pool

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

**Note 3: Interfund Receivables, Payables and Transfers**

Current interfund receivables and payables at June 30, 2015, are as follows:

Due from other funds	Due to other funds	Amount
General Fund	CDBG Special Revenue Fund	\$ 272,805
	Retirement Special Revenue Fund	1,720,625
	Nonmajor Governmental Funds	376,933
		<u>\$ 2,370,363</u>

These interfund balances result from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) allocated revenues between funds were not recorded timely, and 3) payments between funds are made.

Interfund transfer summary for the fiscal year ended June 30, 2015, is as follows:

Transfer in (receiving fund)	Transfer out (paying fund)	Amount
General Fund	Nonmajor Governmental Funds	\$ 101,000
	Community Housing authority	
	Special Revenue Fund	195,000
Nonmajor Governmental Funds	Community Housing authority	
	Special Revenue Fund	1,335,614
	General Fund	227,122
	Retirement Fund	986,067
		<u>\$ 2,844,803</u>

CITY OF BELL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 3: Interfund Receivables, Payables and Transfers (Continued)**

Transfers provide funding for the City's general operations, debt service and to forgive uncollectible interfund receivables from the retirement and federal grants special revenue funds.

**Note 4: Capital Assets**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2015:

Governmental Activities:	Balance at July 1, 2014	Transfers	Additions	Deletions	Balance at June 30, 2015
Capital assets, not being depreciated:					
Rights-of-Way	\$ 6,725,298	\$ -	\$ -	\$ -	\$ 6,725,298
Land	16,244,717	-	-	-	16,244,717
Construction in progress	2,110,287	(2,149,077)	436,195	-	397,405
Total capital assets not being depreciated:	<u>25,080,302</u>	<u>(2,149,077)</u>	<u>436,195</u>	<u>-</u>	<u>23,367,420</u>
Capital assets being depreciated:					
Buildings and Improvements	35,979,963	-	138,387	-	36,118,350
Equipment and vehicles	3,205,020	141,050	458,290	-	3,804,360
Infrastructure					
Roads and Bridges	46,936,452	2,008,027	2,131,562	1,322,941	49,753,100
Traffic signals	3,956,697	-	-	-	3,956,697
Sewers	1,213,256	-	-	-	1,213,256
Storm drains	959,918	-	-	-	959,918
Total capital assets being depreciated:	<u>92,251,306</u>	<u>2,149,077</u>	<u>2,728,239</u>	<u>1,322,941</u>	<u>95,805,681</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(11,616,079)	-	(1,170,427)	-	(12,786,506)
Equipment and vehicles	(2,858,505)	-	(264,213)	-	(3,122,718)
Infrastructure					
Roads and Bridges	(25,955,501)	-	(1,467,319)	929,903	(26,492,917)
Traffic signals	(2,492,788)	-	(193,103)	-	(2,685,891)
Sewers	(681,610)	-	(12,364)	-	(693,974)
Storm drains	(939,030)	-	(3,481)	-	(942,511)
Total accumulated depreciation:	<u>(44,543,513)</u>	<u>-</u>	<u>(3,110,907)</u>	<u>929,903</u>	<u>(46,724,517)</u>
Total capital assets being depreciated, net	<u>47,707,793</u>	<u>2,149,077</u>	<u>(382,668)</u>	<u>(393,038)</u>	<u>49,081,164</u>
Total capital assets, net	<u>\$ 72,788,095</u>	<u>\$ -</u>	<u>\$ 53,527</u>	<u>\$ (393,038)</u>	<u>\$ 72,448,584</u>

Depreciation expense was charged in the following functions in the statement of activities for the fiscal year ended June 30, 2015:

General government	\$ 419,302
Public Safety	141,219
Community Service	850,306
Public Works	1,700,080
	<u>\$ 3,110,907</u>

**CITY OF BELL**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015**

**Note 5: Long-Term Liabilities**

The following is a summary of changes in lone-term liabilities for the fiscal year ended June 30, 2015:

	Balance at July 1, 2014	Adjustments	Additions	Deletions	Balance at June 30, 2015	Due Within One Year
<b>Governmental Activities:</b>						
<u>General Obligation Bonds</u>						
Series 2004	\$ 13,505,000	\$ -	\$ -	\$ 415,000	\$ 13,090,000	\$ 430,000
Series 2007	17,790,000	-	-	115,000	17,675,000	145,000
Unamortized premium	368,294	-	-	16,013	352,281	-
<b>Total General Obligation Bonds</b>	<b>31,663,294</b>	<b>-</b>	<b>-</b>	<b>546,013</b>	<b>31,117,281</b>	<b>575,000</b>
<u>Revenue Bonds:</u>						
Lease Revenue Refunding Bonds, Series 2005	17,725,000	-	-	455,000	17,270,000	475,000
Taxable Pension Revenue Bonds, Series 2005	5,155,000	-	-	720,000	4,435,000	780,000
Unamortized premium on revenue bonds	276,254	-	-	12,064	264,190	-
<b>Total Revenue Bonds</b>	<b>23,156,254</b>	<b>-</b>	<b>-</b>	<b>1,187,064</b>	<b>21,969,190</b>	<b>1,255,000</b>
<u>Certificates of Participation:</u>						
1998 Certificates	1,620,000	-	-	1,620,000	-	-
<u>Other Liabilities:</u>						
Liability Claims	4,764,674	-	2,601,173	1,642,359	5,723,488	1,016,179
Compensated absences	1,071,875	-	711,074	766,770	1,016,179	726,928
Other post-employment benefit obligations	8,830,402	-	1,289,392	418,330	9,701,464	-
Net Pension Liability	-	26,051,834	-	4,653,615	21,398,219	-
<b>Total Other Liabilities</b>	<b>14,666,951</b>	<b>26,051,834</b>	<b>4,601,639</b>	<b>7,481,074</b>	<b>37,839,350</b>	<b>1,743,107</b>
<b>Total Governmental Activities Long Term Liabilities</b>	<b>\$ 71,106,499</b>	<b>\$ 26,051,834</b>	<b>\$ 4,601,639</b>	<b>\$ 10,834,151</b>	<b>\$ 90,925,821</b>	<b>\$ 3,573,107</b>

General Obligation Bonds, Series 2004

On October 4, 2004, the City issued Series 2004 General Obligation Bonds in the aggregate principal amount of \$15,000,000 with a final maturity date on August 1, 2034. These bonds were authorized at an election of the registered voters of the City. The bonds were issued to pay for the costs of construction of certain municipal improvements such as the Bell Sports Complex, the Bell Community Center and other parks, recreational and cultural facilities throughout the community and the construction of a new library, performing arts theater and public safety and civic facilities.

Bonds maturing on or before August 1, 2014, are not subject to optional redemption. Bonds maturing on or after August 1, 2015, are subject to redemption prior to their respective stated maturity dates, at the option of the City. The Terms Bonds maturing on August 1, 2034, are subject to mandatory sinking account redemption in part on August 1 in each year on and after August 1, 2029, from any source of available funds at a redemption price equal to 100% of the par value thereof. The outstanding bonds bear interest at 4.00% to 5.00% due February 1 and August 1 of each year with annual principal payments ranging from \$355,000 to \$975,000. The amount of bonds outstanding at June 30, 2015, totaled \$13,090,000.

Payment of the principal of, and interest on, the bonds are insured by a municipal bond insurance policy issued by National Public Finance Guarantee Corporation, which is a successor to MBIA Insurance Corporation, which expires August 1, 2034. On May 21, 2014 Moody's upgraded the financial strength rating of National from Baa1 to A3.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 5: Long-Term Liabilities (Continued)**

Minimum annual requirements to amortize the 2004 General Obligation Bonds outstanding as of June 30, 2015, are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds, Series 2004</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 430,000	\$ 585,719
2017	445,000	568,219
2018	465,000	550,019
2019	485,000	531,019
2020	500,000	511,319
2021 - 2025	2,830,000	2,223,934
2026 - 2030	3,505,000	1,532,575
2031 - 2035	4,430,000	575,750
Total	<u>\$ 13,090,000</u>	<u>\$ 7,078,554</u>

In January 2011, the Internal Revenue Service (IRS) opened an audit with respect to the 2004 General Obligation Bonds. The IRS audits bonds to determine compliance with the Internal Revenue Code (IRC). The 2004 General Obligation Bonds were previously issued as tax-exempt obligations under the IRC. In August 2012, the IRS notified the City that it has closed the audit on the 2004 General Obligation Bonds with no change on the tax-exempt status of interest on the 2004 General Obligation Bonds.

General Obligation Bonds, Series 2007

On August 22, 2007, the City issued Series 2007 General Obligation Bonds in the aggregate principal amount of \$35,000,000 with a final maturity date on August 1, 2037. These bonds were issued to finance the acquisition and construction and/or improvements of certain public facilities within the City.

Bonds maturing on or before August 1, 2017, are not subject to optional redemption. Bonds maturing on or after August 1, 2018, are subject to redemption prior to their respective stated maturity dates, at the option of the City. The Terms Bonds maturing on August 1, 2029, are subject to mandatory sinking account redemption in part on August 1 in each year on and after August 1, 2028, from any source of available funds at a redemption price equal to 100% of the par value thereof. The outstanding bonds bear interest at 4.00% to 5.00% due February 1 and August 1 of each year with principal payments ranging from \$725,000 to \$2,255,000. On July 17, 2012, pursuant to a tender offer conducted by the City with respect to the 2007 Bonds, bondholders tendered for purchase \$10,435,000 in principal amount of the Series 2007 General Obligation Bonds. In addition, the City essentially economically defeased an additional \$5,945,000 of the 2007 Bonds from unspent bond proceeds. To accomplish an economic defeasance, the City irrevocably deposited funds to be invested in federal securities pursuant to the Escrow Agreement, dated July 1, 2012, between the City and U.S. Bank National

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 5: Long-Term Liabilities (Continued)**

Association, to redeem the \$5,945,000 aggregate principal amount of Bonds on the first optional redemption date of August 1, 2017. No opinion was given as to whether the bonds were legally defeased. The amount of bonds outstanding at June 30, 2015, totaled \$17,675,000.

Payment of the principal of, and interest on, the bonds are insured by a financial guarantee policy issued by CIFG Assurance North America, Inc. (CIFG). In January 2009, CIFG and Assured Guaranty Corp. (AGC) entered into a reinsurance transaction whereby AGC provides reinsurance to CIFG with respect to certain U.S. public finance and infrastructure bond insurance policies. Accordingly, the City's financial guarantee policy was reassigned from CIFG to AGC as of April 14, 2011. On March 18, 2014 Standards & Poor's upgraded the financial strength and enhancement rating of AGC from AA- to AA.

Minimum annual requirements to amortize the 2007 General Obligation Bonds outstanding as of June 30, 2015, are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds, Series 2007</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 145,000	\$ 879,400
2017	185,000	871,875
2018	220,000	861,750
2019	265,000	849,625
2020	320,000	835,000
2021 - 2025	2,295,000	3,872,625
2026 - 2030	3,830,000	3,108,500
2031 - 2035	5,880,000	1,915,250
	4,535,000	347,375
Total	<u>\$ 17,675,000</u>	<u>\$ 13,541,400</u>

In accordance with the Series 2004 and 2007 General Obligation Bonds' Official Statements, the bonds are general obligation bonds of the City payable from ad valorem taxes. The City has the power and is obligated to annually levy or cause to be levied ad valorem taxes upon all property within the City subject to taxation by the City, without limit as to rate or amount, for the payment of the Bonds and the interest thereon. Accordingly, the Series 2004 and 2007 General Obligation Bonds are secured by and to be serviced from property taxes levied and collected by the City. Property tax revenues have been pledged until August 1, 2034, the final maturity of the 2004 bonds, and August 1, 2037, the final maturity of the 2007 bonds. The total remaining debt service for the bonds is \$51.3 million. Pledged property tax revenue recognized during the fiscal year ended June 30, 2015, was \$2.4 million against the total debt service payments of \$2.0 million.

**Note 5: Long-Term Liabilities (Continued)**

In January 2011, the IRS opened an audit with respect to the 2007 General Obligation Bonds. The IRS audits bonds to determine compliance with the IRC. The 2007 General Obligation Bonds were previously issued as tax-exempt obligations under the IRC. The IRS is still conducting the audit for the 2007 General Obligation Bonds and the City has received correspondence from the IRS indicating that the IRS believes interest on the 2007 General Obligation Bonds may not be tax-exempt under Section 103 of the IRC. Further information provided to the IRS has not altered its position. The IRS believes that the 2007 General Obligation Bond issue is a hedge bond as provided in Section 149(g)(3)(A) of the IRC because the City has not shown that it could afford to construct the projects and reasonably expect to spend the proceeds within three years of issuance, and therefore the interest paid to bondholders on the unspent portion of the bonds is not excludable from the gross income of bondholders under Section 103(a)(1) of the IRC. The City is cooperating with the IRS audit. However, the City cannot predict the outcome of the audit. If the IRS issues an adverse determination with respect to the 2007 General Obligation Bonds, interest on the 2007 General Obligation Bonds could be deemed to be includable in the gross income of the owners of the 2007 General Obligation Bonds. If the IRS issues an adverse determination and bondholders are taxed, the City could be sued by the bondholders. The City's potential maximum exposure in the event the City attempts to pay potential bondholder exposure for taxes is: 29% of interest payments on the 2007 General Obligation Bonds previously made (likely limited to three years back) and 29% of the present value of interest payments on remaining outstanding 2007 Bonds (currently \$17,675,000 of principal outstanding) (if the City does not refund the bonds on a taxable basis). The 29% is based on an estimated marginal tax rate that the IRS will use to calculate the tax liability. On November 4, 2014 the IRS notified the City that the examination of the Bonds was complete. The City and the IRS entered into a closing agreement that resolved the issues raised during the examination. As a result, the IRS closed the examination with no change to the tax-exempt status of the Bonds.

2005 Lease Revenue Refunding Bonds

On October 19, 2005, the Housing Authority issued \$20,790,000 of 2005 Series Lease Revenue Refunding Bonds. The 2005 Series Lease Revenue Refunding Bonds were issued to refinance \$8,120,000 of outstanding 1995A Revenue Bonds, \$3,280,000 of 1995B Subordinate Revenue Bonds and \$5,000,000 of 2003 Housing Notes and to provide \$6,011,908 for the construction, acquisition and rehabilitation of rental properties. The original issue was also used for the construction, acquisition and rehabilitation of rental properties. The 2005 Series Lease Revenue Refunding Bonds consist of \$13,525,000 of term bonds and \$7,265,000 of serial bonds. The serial bonds accrue interest at rates between 2.90% and 4.35%, which is payable semiannually on April 1 and October 1 of each year commencing April 1, 2006. Principal on the serial bonds is payable on October 1, 2006 through October 1, 2021, in amounts ranging from \$335,000 to \$605,000. The \$13,525,000 term bonds accrue interest at 5.00% and mature between October 1, 2025 and October 1, 2036. The outstanding balance as of June 30, 2015, was \$17,270,000.

The 2005 Series Lease Revenue Refunding Bonds are subject to redemption prior to maturity as described in the bond covenants. The indenture provides that in lieu of a cash deposit, the Housing Authority may satisfy the reserve requirements by means of a qualified reserve fund credit instrument, which consists of a quality surety bond, insurance policy or similar financial undertaking. The Housing Authority deposited a Financial Guaranty Insurance Policy issued by Ambac Assurance Corporation (Ambac Assurance) in the reserve fund for the 2005 Series Lease Revenue Refunding Bonds. On

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**
**Note 5: Long-Term Liabilities (Continued)**

November 9, 2010, Ambac Financial Group Inc. (Ambac Financial) filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court. Ambac Assurance is a subsidiary of Ambac Financial. See Note 12 regarding Ambac Financial filing for bankruptcy protection. According to the 2005 Series Lease Revenue Refunding Bonds indenture, in the event that such surety bonds for any reason terminate or expire, and the remaining amount on deposit in the Reserve Account is less than the Reserve Account Requirement (as defined in the indenture), the Housing Authority is to address such shortfall by delivering to the trustee a surety bond or a letter of credit meeting the criteria of the Reserve Account Requirement under the indenture, or depositing cash to the Reserve Account in the amount of \$1,309,808.

Minimum annual requirements to amortize the 2005 Series Lease Revenue Refunding Bonds outstanding as of June 30, 2015, are as follows:

<u>Year Ending June 30,</u>	<u>Lease Revenue Refunding Bonds</u> <u>Series 2005</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 475,000	\$ 823,645
2017	490,000	803,158
2018	510,000	783,158
2019	530,000	762,026
2020	555,000	739,301
2021 - 2025	3,160,000	3,288,321
2026 - 2030	4,000,000	2,407,000
2031 - 2035	5,125,000	1,271,625
2036 - 2040	2,425,000	122,625
Total	<u>\$ 17,270,000</u>	<u>\$ 11,000,859</u>

The 2005 Lease Revenue Refunding Bonds are secured by and to be serviced from lease payments paid by the City to the Housing Authority. The lease payments have been pledged until October 1, 2036, the final maturity date of the bonds. The total remaining debt service for the bonds is \$28.3 million. Pledged lease payments recognized during the fiscal year ended June 30, 2015, were \$2.1 million as against the total debt service payments of \$1.3 million.

2005 Taxable Pension Revenue Bonds

On December 1, 2005, the Public Financing Authority issued \$9,225,000 of the 2005 Taxable Pension Revenue Bonds. The 2005 Taxable Pension Revenue Bonds were issued to fund the City's then current unfunded actuarial accrued liability for retirement benefits of the City's safety employees in the amount of \$7,320,000 and to retire the Public Financing Authority's outstanding 1998 Taxable Pension Revenue Bonds of \$1,460,000.

The 2005 Taxable Pension Revenue Bonds consist of \$3,655,000 of term bonds and \$5,570,000 of serial bonds. The serial bonds accrue interest at a rate between 4.77% and 5.26%, which is payable semiannually on February 1 and August 1 of each year,

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 5: Long-Term Liabilities (Continued)**

commencing on August 1, 2006. Principal on the serial bonds is payable on August 1, 2006 through August 1, 2015, in amounts ranging from \$385,000 to \$780,000. The \$3,655,000 term bonds accrue interest at 5.48% and mature on August 1, 2019.

The 2005 Taxable Pension Revenue Bonds are payable from the loan payment to be made by the City to the Public Financing Authority sufficient to pay the principal and interest on the bonds.

Payment of the principal of, and interest on, the bonds are insured by a financial guarantee policy issued by Ambac Assurance Corporation (Ambac Assurance.) On November 9, 2010, Ambac Financial Group Inc. (Ambac Financial) filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court. Ambac Assurance is a subsidiary of Ambac Financial. See Note 15 regarding Ambac Financial filing for bankruptcy protection.

The annual requirements to amortize the 2005 Taxable Pension Revenue Bonds debt outstanding at June 30, 2015, are as follows:

<u>Year Ending June 30,</u>	<u>Taxable Pension Revenue Bonds</u> <u>Series 2005</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 780,000	\$ 220,808
2017	845,000	177,141
2018	920,000	128,780
2019	995,000	76,309
2020	895,000	24,523
Total	<u>\$ 4,435,000</u>	<u>\$ 627,561</u>

The 2005 Taxable Pension Revenue Bonds are secured by and to be serviced from the retirement tax (reported as special assessments) levied and collected by the City. Retirement tax revenues are pledged until August 1, 2019, the final maturity of the bonds. The total remaining debt service for the bonds is \$5.0 million. Pledged retirement tax revenue recognized during the fiscal year ended June 30, 2015, was \$1.9 million as against the total debt service payments of \$980,186.

In 2005, the City defeased the 1998 Taxable Pension Revenue Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's basic financial statements.

**Note 5: Long-Term Liabilities (Continued)**

1998 Certificates of Participation

On February 1, 1998, the Public Financing Authority issued \$3,020,000 of 1998 Certificates of Participation. The proceeds were used to provide funds for the acquisition, construction, installation and rehabilitation of certain public improvements for the City, including streets, park improvements and structures.

The 1998 Certificates of Participation consist of \$1,400,000 of serial certificates and \$1,620,000 of term certificates. The serial certificates accrue interest at rates between 4.00% and 4.75%, which is payable semiannually on March 1 and September 1, commencing September 1, 1998.

The principal amount of the serial bonds matures in amounts ranging from \$70,000 to \$125,000, with a final maturity date of September 1, 2013. The term bonds accrue interest at 5.00% and is payable semiannually on March 1 and September 1, commencing September 1, 1998. The term certificates are subject to mandatory prepayment on September 1 of each year commencing September 1, 2014, in amounts ranging from \$130,000 to \$200,000, in accordance with the terms identified in the certificates indenture.

Payment of principal and interest with respect to the certificates are insured by a municipal bond insurance policy issued by National Public Finance Guarantee Corporation, which is a successor to MBIA Insurance Corporation. As of June 30, 2015, these bonds have been fully paid off.

Noncompliance with Debt Covenants and SEC Continuing Disclosure Requirements

The City, Public Financing Authority, and Housing Authority were not in compliance with reporting provisions of the indentures for all bonds and certificates of participation for the fiscal year ended June 30, 2014 because the City's audited financial statements were not issued within 90 to 240 days of the year-end. Accordingly, the City and the Public Financing Authority, and the Housing Authority have not complied with continuing disclosure requirements under SEC 15c2-12.

Risk Management

The City has a program for insurance for workers' compensation, general liability, auto liability, and certain other risks. The City entered into an Excess Workers' Compensation Program with CSAC Excess Insurance Authority with Excess and Reinsurance layers provided by ACE American Insurance Company and National Union Fire Insurance Co. of Pittsburgh, PA. The City is self-insured up to \$250,000 Self-Insurance Retention (SIR) per occurrence. Coverage in excess of SIR was provided by various companies. The pooled Retention is up to \$5,000,000 (difference between \$5,000,000 and the City's SIR). Layer 1 — \$45,000,000 in excess, \$5,000,000 each occurrence is reinsured by ACE American Insurance Company. Layer 2 — up to the statutory limit in excess of \$50,000,000 each occurrence is provided by National Union Fire Insurance Co. of Pittsburgh, PA (AIG).

The City entered into an Excess Liability Coverage policy with Lexington Insurance Company for public entity excess liability. The City is self-insured up to \$250,000 Self-Insurance Retention (SIR) each occurrence. Any losses in excess of the SIR up to \$20,000,000 is provided by Lexington Insurance Co. of the State of Massachusetts per each occurrence.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 5: Long-Term Liabilities (Continued)**

At June 30, 2015, no fund balance has been committed or assigned for self-insurance for workers' compensation and general liability claims. While the ultimate amount of losses incurred through June 30 is dependent on future developments, the estimated liability claims are based upon information from the actuarial valuation report for workers' compensation, the City Attorney, outside counsel, the service agent and others involved with the administration of the programs. There are no claims that exceed insurance coverage over the last three years. Costs relating to the litigation of claims are charged to expenditures as incurred. Liability claims are liquidated by the General Fund.

Changes in the liability claims payable amounts in fiscal years 2014 and 2015, are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2013-2014	\$ 6,083,835	\$ 1,211,529	\$ 2,530,690	\$ 4,764,674
2014-2015	4,764,674	2,601,173	1,642,359	5,723,488

Compensated Absences

Employees, who have passed the initial probationary period (eligible employees), will accrue from 3.0000 to 3.6960 hours bi-weekly for sick leave. Eligible employees will also accrue from 3.6960 to 10.1520 hours bi-weekly for vacation leave; depending on years of service and position during employment with the City or on approved employee leave. Vacation leave caps at 280 hours for employees who were hired after July 1, 2000 or 360 hours for employees who were hired after July 1, 1998, except for the City Manager whose vacation leave caps at 320 hours. Unused accumulated vacation leave will be paid to each employee upon the date of separation from the City.

Any unused sick leave at the end of each fiscal year is carried over to the next fiscal year with no cap limit, except for the City Manager whose vacation leave caps at 480 hours. Employees hired prior to June 30, 1998, upon separation from service, will be paid an amount equivalent to the remaining unused hours of sick leave at the time of separation or, at retirement from the City, all unused sick leave may be credited toward CalPERS service credit. Employees hired after July 1, 1998, upon separation from service, will be compensated for any unused sick leave up to 100 hours or, at retirement from the City; an unlimited amount of unused sick leave may be credited toward CalPERS service credit. Any vacation hours up to the cap limit will be paid out at retirement. Compensated absences are liquidated by the General Fund.

The outstanding balance at June 30, 2015, was \$1,016,179, which includes vested sick and vacation time.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**
**Note 6: Defined Benefit Pension Plan**Plan Description:

The City of Bell contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan for three groups of employees: miscellaneous, miscellaneous PEPRA, safety first tier, safety police second tier, and safety PEPRA. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost-sharing plans that are administered by CalPERS. Copies of CalPERS' annual financial report may be obtained from their executive office at: 400 P Street, Sacramento, CA 95814.

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.

Below is the summary of the plans' provisions and benefits in effect at June 30, 2015, for which the City of Bell has contracted:

	<b>Miscellaneous cost-sharing plans</b>		<b>Safety cost-sharing plans</b>		
	Classic	PEPRA	Classic	Tier 2	PEPRA
Hire date	Prior to January 1, 2013*	January 1, 2013 and after	Prior to January 1, 2010*	January 1, 2010 but prior to January 1, 2013*	January 1, 2013 and after
Benefit formula	2% @ 55	2% @ 62	3.0% @ 50	3.0% @ 55	2.7% @ 55
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 52 yrs	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively	3.00%	2.4% - 3.0%, 50 yrs - 55+ yrs, respectively	2.0% - 2.7%, 50 yrs - 57+ yrs, respectively
Required employee contribution rates	7.947%	6.308%	8.986%	8.980%	N/A
Required employer contribution rates	26.010%	6.950%	28.212%	23.397%	N/A

\*Closed to new CalPERS entrants.

There was no Safety PEPRA Plan GASB 68 valuation since there were no employees enrolled for the year ended June 30, 2013.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 6: Defined Benefit Pension Plan (Continued)**

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as a reduction to the net pension liability was \$1,416,799.

Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

<b>Proportionate Share of Net Pension Liability</b>	
Miscellaneous Classic	\$ 8,300,768
Miscellaneous PEPRA	37
Safety First Tier	12,874,212
Safety Police Second Tier	223,202
<b>Total Net Pension Liability:</b>	<b>\$ 21,398,219</b>

The City's 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, 2014, 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, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	<b>Miscellaneous Classic</b>	<b>Miscellaneous PEPRA</b>	<b>Total Miscellaneous Plans</b>
<b>Proportion - June 30, 2013</b>	0.30949%	0.00000%	<b>0.30949%</b>
<b>Proportion - June 30, 2014</b>	0.33586%	0.00000%	<b>0.33586%</b>
<b>Change - Increase (Decrease)</b>	0.02637%	0.00000%	<b>0.02637%</b>
	<b>Safety Classic</b>	<b>Safety Police 2nd Tier</b>	<b>Total Safety Plans</b>
<b>Proportion - June 30, 2013</b>	0.35600%	0.00618%	<b>0.36218%</b>
<b>Proportion - June 30, 2014</b>	0.34322%	0.00595%	<b>0.34917%</b>
<b>Change - Increase (Decrease)</b>	-0.01278%	-0.00023%	<b>-0.01301%</b>

CITY OF BELL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 6: Defined Benefit Pension Plan (Continued)**

For the year ended June 30, 2015, the City recognized a total pension expense of \$1,726,664 for all plans in total. At June 30, 2015, the City reported deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City contribution subsequent to the measurement date	\$ 1,453,177	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	5,776,262
Adjustment due to Difference in Proportions	416,591	95,677
Difference between proportion actuarial and actual contributions	-	924,931
<b>Total</b>	<b><u>\$ 1,869,768</u></b>	<b><u>\$ 6,796,870</u></b>

\$1,453,177 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Measurement Period ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2015	\$ (1,572,857)
2016	(1,572,857)
2017	(1,595,776)
2018	(1,638,789)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and the June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 6: Defined Benefit Pension Plan (Continued)**

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	3.3% - 14.2% (1)
Investment Rate of Return	7.50% (2)
Mortality Rate Table (3)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Depending on age, service and type of employment

(2) Net of Pension Plan Investment and Administrative Expenses; includes Inflation

(3) 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. For more details on this table, please refer to the 2014 experience study report on the CalPERS' website.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of GASB Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS determined this difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. More information can be found on the CalPERS website.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 6: Defined Benefit Pension Plan (Continued)**

reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Nos. 67 and 68 calculations through at least the 2017-2018 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the 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 rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10 (1)</b>	<b>Real Return Years 11+ (2)</b>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 6: Defined Benefit Pension Plan (Continued)**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<b>Plans' Net Pension Liability/(Asset)</b>	<b>Discount Rate - 1% 6.50%</b>	<b>Current Discount 7.50%</b>	<b>Discount Rate +1% 8.50%</b>
Miscellaneous Classic	12,944,642	8,300,768	4,446,793
Miscellaneous PEPRA	66	37	13
Safety Tier 1	22,130,404	12,874,212	5,247,509
Safety Tier 2	384,101	223,202	90,627
<b>TOTAL:</b>	<b>\$ 35,459,213</b>	<b>\$ 21,398,219</b>	<b>\$ 9,784,942</b>

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS' website for additional information.

Payable to the Pension Plan

At June 30, 2015, the City reported no payable for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

**Note 7: Other Post-Employment Benefits (OPEB)**Plan Description:

The City administers a single-employer defined benefit plan, which provides health care benefits and other benefits such as vision and dental coverage to City retirees and their eligible dependents in accordance with City contracts and agreements.

Eligibility:

Eligibility is determined by CalPERS vesting rules, date of hire, and years of service at retirement date. Both Miscellaneous and Safety members who retire from the City and have attained at least the age of 50 and completed 5 years of CalPERS service or become disabled and have completed 5 years of CalPERS service are eligible for health care benefits after retirement. Miscellaneous members who retire after January 1, 1997, with 30 years of service, who retire after July 1, 2006 with 20 years of service, and elected officials whose term started before January 1, 1995 and ended after July 1, 1997 and have completed at least 12 years of credited service are also eligible for health care benefits. The City pays the cost of health benefits and other benefits for eligible retirees and eligible dependents as established by the City's contract, agreements, and/or resolution.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 7: Other Post-Employment Benefits (OPEB) (Continued)**

Funding Policy:

The contributions requirements of the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For the fiscal year ended June 30, 2015, the City contributed \$418,330 to the plan. The City has not established a trust that is administered by the City for the purpose of holding assets accumulated for plan benefits.

Annual OPEB Cost and Net OPEB Obligation:

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

The Annual Required Contribution (ARC) for the fiscal year ended June 30, 2015, was \$1,319,408 based on the actuarial valuation performed as of July 1, 2014. The decrease in the annual required contribution is due to change in actuarial assumptions as follows:

1. Actuarial cost method from projected unit credit cost method to entry age normal cost method.
2. Investment rate of return 4.75%.
3. Annual healthcare cost trend 4.0%.
4. Payroll growth 2.75%.

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

Annual required contribution	\$	1,319,408
Interest on net OPEB obligation		419,444
Adjustment to annual required contribution		(449,460)
Annual OPEB cost (expense)		<u>1,289,392</u>
Contributions made		<u>418,330</u>
Increase/(decrease) in Net OPEB obligation		871,062
Net OPEB obligation - beginning of year		<u>8,830,402</u>
Net OPEB obligation - end of year	\$	<u><u>9,701,464</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015, and two preceding years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2013	\$ 1,412,890	35.4%	\$ 7,947,214
6/30/2014	1,400,793	37.0%	8,830,402
6/30/2015	1,289,392	32.4%	9,701,464

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 7: Other Post-Employment Benefits (OPEB) (Continued)**

Funding Status and Progress:

Valuation Date	Actuarial Asset Value	Entry Age Normal Cost Actuarial Accrued Liability	Underfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Underfunded Actuarial Liability As a Percentage of Covered Payroll
7/1/2012	\$ -	\$ 17,264,871	\$ 17,264,871	0.0%	\$ 5,364,968	321.8%
7/1/2014	-	16,572,431	16,572,431	0.0%	5,084,805	325.9%

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

Actuarial Methods and Assumptions:

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

The actuarial assumptions are as follows for the valuation performed as of July 1, 2014:

Actuarial cost method	Entry age normal cost method
Average remaining period	30 years as of the valuation date
	Open basis
Investment rate of return	4.75%
Annual healthcare cost trend rate	4.0%
Payroll growth	2.75%

**Note 8: Supplemental Retirement Plan**

In December 2003, the City approved the Supplemental Retirement Plan designed to provide miscellaneous employees a supplement to their current CalPERS retirement plan. The Supplemental Retirement Plan is a single-employer defined benefit plan. The Supplemental Retirement Plan will provide for 1% of pay times the 12-month final average pay at retirement multiplied by the number of years of CalPERS service credits and \$2,000 per month for City Council members. Wells Fargo Bank N.A. has been appointed the Investment Manager for the Supplemental Retirement Plan. The City Council has the authority to establish and amend the plan. On December 20, 2004, the City Council adopted Resolution No. 2004-48 to (i) close the plan to new entrants; and (ii) modify the excess benefit multiplier provided thereunder for certain employee classifications effective

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015

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**Note 8: Supplemental Retirement Plan (Continued)**

July 1, 2005. This amendment will provide for additional 5% of pay times the 12-month final average pay in excess of \$150,000 at retirement multiplied by the number of years of CalPERS service credits for members who have CalPERS service prior to January 1, 1981.

The City Council is the Board of Trustees of the Supplemental Retirement Plan and their responsibilities represent sufficient administrative involvement to constitute a "holding of assets" by the City in a pension trust fund. Accordingly, the Plan's statement of fiduciary net position and statement of changes in fiduciary net position have been included in the accompanying basic financial statements under the Supplemental Retirement Plan Trust Fund.

On April 20, 2011, the City Council adopted Resolution No. 2011-01 to terminate certain post-employment benefits as of August 1, 2010 in the interest of fiscal sustainability. Accordingly, the Supplemental Retirement Plan was terminated as of August 1, 2010. No additional contributions have been made to the Supplemental Retirement Plan during and subsequent to fiscal year 2010-11. Pension payments for participants who had retired and qualified under the Supplemental Retirement Plan before April 20, 2011, were discontinued effective March 2013. Four (4) participants who had retired and qualified under the Supplemental Retirement Plan after April 20, 2011, whose applications for benefits were not processed filed a lawsuit in November 2011, seeking those benefits. On March 14, 2013, the court ruled in favor of the City that the Supplemental Retirement Plan was not created in the manner required by law. As a result of preceding events above, the Supplemental Retirement Plan's annual required contribution for the fiscal year ended June 30, 2015, as well as the related net pension assets/obligations and funded status at June 30, 2015, are not reported and disclosed in the financial statements. During the fiscal year ending June 30, 2014, the Supplemental Retirement plan was closed. The entirety of the remaining contribution balance of \$222 was refunded to members during the fiscal year ended June 30, 2015.

**Note 9: Additional Post-Employment Benefits**

Deferred Compensation

Pursuant to California Government Code Section 53213, the City established deferred compensation plans (457 Plan and 401a Plan) for the former CAO, the former ACAO, and the former City Council members who were employed by July 1, 2009 (Eligible Council members). On April 20, 2011, the City Council adopted Resolution No. 2011-01 to terminate certain post-employment benefits as of August 1, 2010 in the interest of fiscal sustainability. Accordingly, the deferred compensation plan was terminated as of August 1, 2010. In January 2013, the City received a settlement in the amount of \$242,720 in full satisfaction of all claims made by the City to the former CAO's retirement funds. The remainder of the former CAO's retirement funds is valid.

Health Insurance Reimbursement Plan

As stipulated by Resolution No. 2008-05, the City shall provide medical, dental, vision and life insurance for certain terminated employees and their dependents at no cost. The following employees shall be eligible for medical, dental, vision and life insurance:

- a. Full-time employees (non-safety) who have terminated in good standing from the City after January 1, 1997, with not less than thirty (30) years of CalPERS service credit with the City or full-time employees (non-safety) who are employed on June 30, 2006 and who

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 9: Additional Post-Employment Benefits (Continued)**

have twenty (20) years of CalPERS service credit as of June 30, 2006, and whose termination date is after July 1, 2006.

b. Elected officials whose first term of office was prior to January 1, 1995, and who have terminated from the City after January 1, 1997, with not less than twelve (12) years of service credit with the City. In addition to said insurance, recipient shall be fully reimbursed for medical, dental, and vision co-payments and deductible.

On April 20, 2011, the City Council adopted Resolution No. 2011-01 to terminate certain post-employment benefits as of August 1, 2010 in the interest of fiscal sustainability. Accordingly, the health insurance reimbursement plan was terminated as of August 1, 2010. Due to termination of the health insurance reimbursement plan, two (2) participants have filed a lawsuit in November 2011 seeking those benefits. On March 14, 2013, the court ruled in favor of the City that the health insurance reimbursement plan was not created in the manner required by law.

**Note 10: Related Party Transactions**

As described in the California State Controller's Office (SCO) Audit of the City's Administrative and Internal Accounting Control System for the period July 1, 2008 to June 30, 2010, dated September 22, 2010, the City made unsecured interest bearing loans to members of the City Council, City officials, City employees, and local business at the discretion of the former Chief Administration Officer (CAO). Loans bear interest at LAIF interest rates and have various repayment terms. The outstanding loans receivable balance at June 30, 2015, was \$42,657 and is included in the loans receivable balance.

**Note 11: Commitment and Contingencies**

In July 2010, news media reported that City officials were receiving unusually large salaries, perhaps the highest in the nation. The salaries came into the public eye after a newspaper's investigation, based on California Public Records Act requests, had shown the City payroll was swollen with six- to seven-figure salaries. Mentioned in the initial story were the former CAO, the former ACAO, and the former Police Chief. All but one of the former members of the City Council were receiving \$100,000 for their part-time work, salaries which they later claimed were authorized by a sparsely attended special election, given the City's "Charter" status.

On July 23, 2010, the former CAO, former ACAO and former Police Chief resigned their positions with the City, while the former Mayor and the former City Council continued to govern the City.

On July 28, 2010, the newly appointed interim CAO of the City made a request of the State Controller's Office (SCO) to perform an audit of the City to address numerous disclosures made in the news media suggesting possible misuse of public funds by senior management staff. In response, the SCO agreed to perform an audit of the City's system of internal controls, property and business license tax revenues, and state and federal funding.

On September 15, 2010, the California Attorney General's office filed a civil action lawsuit against eight former and current City employees, requesting the return of what the suit calls "excessive salaries" as well a reduction in pension benefits accrued as a result of

**Note 11: Commitment and Contingencies (Continued)**

those higher salaries. Allegations about irregularities in the 2009 election also were examined by the Federal Bureau of Investigation (FBI) and the office of the California Secretary of State. The Attorney General's lawsuit was dismissed after the Court sustained demurrers.

On September 21, 2010, the Los Angeles County District Attorney filed charges of misappropriation of public funds against the former CAO, the former ACAO, the former Mayor, three other former City Council members, and two other former employees of the City. The Mayor and City Council members have all resigned or been recalled.

On September 22, 2010, the SCO issued report on the City's administrative and internal accounting controls system. The SCO found "the City of Bell's administrative and internal accounting control system to be, in effect, non-existent as all financial activities and transactions evolved around one individual—the former Chief Administrative Officer (CAO)- who apparently had complete control and discretion over how city funds were to be used." The SCO also found the City Council approved increased assessments/taxes without voter approval. In November 2010, the City refunded \$2.9 million excess property taxes collected and such amount was reported as a special item in the financial statements for the fiscal year ended June 30, 2010. In addition to the SCO's investigations, other agencies also performed audits of various funds or activities of the City.

A special election was held in March 2011. The election resulted in appointment of five new City Council members.

As result of preceding events mentioned above, numerous claims and lawsuits have been filed against the City. To the extent that information available indicates that it is probable a liability has been incurred as of June 30, 2015, and where the amount of loss can be reasonably estimated, the obligation has been accrued as an expense of the City (see Note 5 for further discussion of the City's risk management program). Below is summary of the significant contingencies:

**a. California State Controller's Office Audit of the City's Administrative and Internal Accounting Control System**

The SCO audit of the City's administrative and internal accounting system for the period July 1, 2008 to June 30, 2010, dated September 22, 2010, identified that the City Council exceeded its authority in increasing assessments and taxes without voter approval. The following is summary of unresolved matters:

- Assessment of the Sanitation and Sewerage System District

The City Council improperly increased the assessment of the Sanitation and Sewerage System District without voter approval. The SCO Legal Counsel concluded that the increase in assessment of the Sanitation and Sewerage System District, referred to in the original authorizing resolution as a "standby" charge, is in violation of the California Constitution, Article XIII D, section 6, subsection (b)(4). That provision stipulates that sewer "standby" charges, be classified as assessments and shall not be imposed without complying with the California Constitution, Article XIII D, section 4, which requires a vote of the property owners who would be affected by the assessment. The SCO estimated

**Note 11: Commitment and Contingencies (Continued)**

that the amount of overcharge was \$621,737 for FY 2007-08 through FY 2009-10. The City disagreed with this finding and asserted that the amount imposed was a "new" sewer fee that did not require voter approval. On a follow-up review by the SCO dated May 22, 2013, the SCO indicated that the amount of overcharge was \$822,000. The statute of limitations on the unpaid assessments is four years from the date of overpayment. Since the SCO's findings refer to assessments levied in or prior to fiscal year 2009-10, the statute of limitations for such claims has likely run out or will run out, at the latest by the end of 2014. No claims have been received at the City on the assessment of the Sanitation and Sewerage System District and no adjustments have been recorded in the financial statements for this matter based on the assumption that the City Council would reject claims that are outside the statute of limitations.

- **Business License Taxes**

The City increased business license taxes by more than 50% for more than 1,000 business owners in the City since 2000 without voter and the City Council's approvals. The increase is in violation of Proposition 218 Article XIII C, which specifies, "No local government may impose, extend, or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote." The SCO estimated that the amount of overcharge was \$2,105,441 for calendar years 2000 to 2010. On a follow-up review by the SCO dated May 22, 2013, the SCO indicated that the amount of overcharge is \$2,355,000. The statute of limitations for the business license tax is under the Government Claims Act and the City Municipal Code and must be filed within one year of accrual of the cause of action. If a claimant were to argue a longer statute of limitations, the longest likely statute of limitations applicable to refunds of taxes would be four years. No claims have been received at the City on the business license taxes and no adjustments have been recorded in the financial statements for this matter based on the assumption that the City Council would reject claims that are outside the statute of limitations. Statute of limitations ran out at the end of 2014.

- b. California State Controller's Office Review of the Bell Community Redevelopment Agency**

The SCO review of the Agency for the period July 1, 2000 through June 30, 2010, dated October 20, 2010, identified that the Agency failed to comply with Health and Safety Code requirements in several areas and inappropriately charged Agency funds as follows:

- There was no annual determination by the Agency's Board to fund administrative costs for the Low and Moderate Housing Fund as required by the Health and Safety Code section 33334.3(d). The total administrative cost charged was \$244,850, which included \$90,956 to fund a portion of the compensation of the City's CAO and Director of Administrative Services (DAS). There was no evidence that the CAO and DAS engaged in activities specifically related to the Low and Moderate Income Housing Fund. Salaries of the City's CAO, Assistant CAO and DAS were charged to the Community Redevelopment Agency Capital Projects Funds and were not supported.

**Note 11: Commitment and Contingencies (Continued)**

There was no evidence that the officials engaged in activities that benefitted this fund. The total ineligible labor costs are \$242,268.

- Various expenditures in the amount of \$177,716 were inappropriately charged to the Low and Moderate Housing Fund because they did not serve to increase or preserve the supply of low and moderate income housing in the City.
- Other compliance matters were noted by the SCO, but they did not have an impact on the reported amounts in the financial statements.

On June 27, 2014 the Department of Finance issued a determination letter on the Low and Moderate Income Housing Fund Due Diligence Review. Based on their review, the Department of Finance made no adjustments to the Low and Moderate Income Housing Fund balance available for allocation to the affected taxing entities. As a result, the Low and Moderate Housing Fund balance available for distribution to the affected taxing entities was determined to be \$2,963,344. This was remitted to the Department of Finance in the current fiscal year. On July 25, 2014, the balance available from the other Successor Agency Funds was determined to be zero and no amount was required to be remitted.

**c. California State Controller's Office Audit of State and Federal Expenditures**

The SCO audit of federal and state funding expended by the City for the period July 1, 2008 through August 31, 2010, dated November 18, 2010 identified that the City's CAO and management ignored and circumvented internal controls and that the City Council failed to exercise proper oversight governing the City's procurement activities. Out of \$1,944,085 payments reviewed, \$710,459 were deemed questionable because they were made without a valid contract or outside the scope of the contract. In addition, none of the goods or services were procured through competitive bids. Out of \$710,459, \$610,577 has been resolved with the granting agencies. The balance is pending resolution as of the date of issuance of these financial statements. No adjustments have been recorded in the financial statements for these matters.

**d. Federal and State Grants**

The City participates in various federal and state programs in the normal course of operations. The programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with specific conditions of the grant. Any liability for reimbursement that may arise as a result of these audits cannot be reasonably determined at this time.

**e. Internal Revenue Service Audit**

The Internal Revenue Service is currently examining the 2007 General Obligation Bonds. Such investigation centers on the fact that the 2007 General Obligation Bonds were issued as tax-exempt obligations under the Internal Revenue Code. On November 4, 2014 the IRS notified the City that the examinations of the Bonds were complete. The City and the IRS entered into a closing agreement that resolved the issues raised during the examination. As a result, the IRS closed the examination with no change to the tax-exempt status of the Bonds.

**Note 11: Commitment and Contingencies (Continued)**

**f. Securities and Exchange Commission Investigation**

The United States Securities and Exchange Commission has commenced a private investigation on bonds and/or other obligations issued by the City and its component units. The Formal Order of Investigation, dated October 12, 2010, states that the investigation is based on information "that tends to show that from at least December 1, 2004 . . . in possible violation of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, the City of Bell, its officers, officials, employees, and/or other persons or entities, directly or indirectly, in the offering or sale or in connection with the purchase or sale of certain securities, may have been employing devices, schemes, or artifices to defraud, obtaining money or property by means of untrue statements of material fact or omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were or are made, not misleading, or engaging in transactions, acts, practices or courses of business which operated, operate, or would operate as a fraud or deceit upon any person. As part of or in connection with these activities, such persons or entities, directly or indirectly, may have been making false statements of material fact or failing to disclose materials facts concerning, among other things, (1) the use of bond proceeds, (2) the revenue and/or taxes pledged to repay bonds, and (3) the financial health of the City of Bell ..."

The City cannot predict the outcome of this investigation. Accordingly, no adjustments have been recorded in the financial statements for these matters.

**Note 12: Successor Agency Trust For Assets of the Former Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld AB 1x 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported the former Agency within the reporting entity of the City as a blended component unit. In June 2012, the Legislature adopted AR 1484, which amended portions of AB 1x 26 and added certain new provisions. AB 1x 26 and AB 1484 are collectively referred to herein as the "Bill."

The Bill provides that upon dissolution of a redevelopment agency, either city or another unit local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. The successor agency is defined as being a separate legal entity from the City. On January 10, 2012, the City Council elected to become the Successor Agency for the former Redevelopment Agency in accordance with the Bill as part of City resolution number 28029. The assets and activities of the Successor Agency for the former Agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

Subject to the approval of the oversight board and the State of California Department of Finance (DOF), remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are allocated property tax revenue in the amount that is necessary to pay the estimated installment payments on enforceable obligations of the former redevelopment agencies until all enforceable obligations of the prior redevelopment agencies have been paid in full and all assets have been liquidated.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 12: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)**

AB 1484 required the City to have performed two due diligence reviews to determine if the successor agencies held unobligated cash balances available for distribution to affected taxing entities. On June 27, 2014 the Department of Finance issued a determination letter on the Low and Moderate Income Housing Fund Due Diligence Review. Based on their review, the Department of Finance made no adjustments to the Low and Moderate Income Housing Fund balance available for allocation to the affected taxing entities. As a result, the Low and Moderate Housing Fund balance available for distribution to the affected taxing entities was determined to be \$2,963,344. This was remitted to the Department of Finance in the current fiscal year. On July 25, 2014, the balance available from the other Successor Agency Funds was determined to be zero and no amount was required to be remitted.

**a. Cash and Investments**

Cash and investments of the Successor Agency is pooled with the City funds and are invested in accordance with the City's investment policy. The Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and Investments	\$2,881,378
Restricted:	
Cash with fiscal agents	<u>2,040,139</u>
Total Cash and investments:	<u>\$4,921,517</u>

**b. Capital Assets Held by the Successor Agency**

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
Capital Assets; not being depreciated				
Land	\$ 8,286,780	\$ -	\$ -	\$ 8,286,780
Capital assets being depreciated				
Buildings and improvements	7,478,618	-	-	7,478,618
Less accumulated depreciation				
Building and improvements	1,062,741	152,813	-	1,215,554
Total capital assets being depreciated; net	6,415,877	(152,813)	-	6,263,064
Total capital assets; net	<u>\$ 14,702,657</u>	<u>\$ (152,813)</u>	<u>\$ -</u>	<u>\$ 14,549,844</u>

Depreciation expense for the period ended June 30, 2015, was \$152,813.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 12: Successor Agency Trust for Assets of the Former Redevelopment Agency  
(Continued)**

**c. Summary of the Successor Agency's Long-Term Debt**

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015	Due Within One Year
Tax allocation bonds					
Refunding Bonds, Series 2003	\$ 19,895,000	\$ -	\$ 985,000	\$ 18,910,000	\$ 1,030,000
Promissory notes					
2009 Promissory Note	2,375,000	-	250,000	2,125,000	250,000
2014 Promissory Note	-	1,254,680	-	1,254,680	500,000
LAUSD Settlement Note	993,180	-	220,706	772,474	220,706
Total long-term debt	<u>\$ 23,263,180</u>	<u>\$ 1,254,680</u>	<u>\$ 1,455,706</u>	<u>\$ 23,062,154</u>	<u>\$ 2,000,706</u>

On October 1, 2003, the former Agency issued \$27,925,000 of 2003 Tax Allocation Refunding Bonds (2003 Bonds). The proceeds were used to refund the former Agency's previously issued Tax Allocation Refunding Bonds Series 1994, Subordinated Tax Allocation Refunding Bonds Series 1994, and to finance a portion of the costs of the redevelopment projects, which were not considered capital assets of the former Agency. The original issue was also used for redevelopment projects that are not considered capital assets of the former Agency.

The 2003 Bonds consist of \$13,420,000 of serial bonds and \$14,505,000 of term bonds. The serial bonds accrue interest at rates between 2.00% and 4.70%, which is payable semiannually on April 1 and October 1 of each year commencing October 1, 2004. Principal on the serial bonds is payable on April 1, 2004 through October 1, 2031 in amounts ranging from \$710,000 to \$965,000. The first portion of the term bonds with principal of \$6,870,000 accrues interest at a rate of 5.50% and matures on October 1, 2023. The second portion of term bonds with principal of \$7,635,000 accrues interest at a rate of 5.625% and matures on October 1, 2033. The outstanding balance at June 30, 2015, was \$18,910,000.

Minimum annual requirements to amortize the 2003 Tax Allocation Refunding Bonds outstanding as of June 30, 2015, are as follows:

Year Ending June 30,	Tax Allocation Refunding Bonds Series 2003	
	Principal	Interest
2016	\$ 1,030,000	\$ 986,944
2017	1,075,000	939,313
2018	1,125,000	888,700
2019	1,175,000	834,931
2020	1,230,000	773,494
2021 - 2025	6,230,000	2,771,775
2026 - 2030	3,480,000	1,513,969
2031 - 2034	3,565,000	414,703
Total	<u>\$ 18,910,000</u>	<u>\$ 9,123,829</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015

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**Note 12: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)**

The 2003 Tax Allocation Refunding Bonds are secured by and to be serviced from the tax increment levied and collected by the Agency. Tax increment revenues are pledged until October 1, 2033, the final maturity date of the bonds. The total remaining debt service amount for the bonds is \$30.1 million. The Successor Agency had debt service payments totaling \$2.0 million during the fiscal year ended June 30, 2015.

2009 Promissory Note

On May 21, 2009, the former Agency entered into a promissory agreement for \$4,600,000. The agreement was entered into for the purchase of a commercial property within the City. The agreement provides for monthly payments at a stipulated interest rate of 6% for a term of 15 years with the note paid in full in 2024. The outstanding balance at June 30, 2015, totaled \$2,375,000. In October 2010, the former Agency was in default on the 2009 Promissory Note. The entire \$4.4 million balance of the note became due and payable. The former Agency did not make any principal and interest payments since October 2010, because the validity of this transaction was questionable. The holder of the 2009 Promissory Note commenced a foreclosure proceeding against the former Agency. The City and the former Agency filed a lawsuit for declaratory relief, a gift of public funds, and injunctive relief to preclude and/or postpone the foreclosure and sale of the subject property, commonly known as the Western Auto Center. The City and the former Agency were successful in obtaining a temporary restraining order and preliminary injunction to prevent the sale or transfer of the property from occurring pending the outcome of this lawsuit. Following several motions, mediations and settlement conferences, the City and the Successor Agency reached a settlement agreement with the holder of the 2009 Promissory Note, pursuant to which the City will retain the property for redevelopment purposes for the price of \$2,500,000. To repay this settlement amount, the City and the Successor Agency also entered into a new promissory agreement secured by a new deed of trust for \$2,500,000 at a stipulated interest rate of 5% for a term of 10 year. The settlement was approved by the court on September 19, 2013. Since the principal amount of the new promissory note of \$2,500,000 is less than the principal amount of the 2009 Promissory Note of \$4,353,685 and the accrued interest of \$436,836, the gain on forgiveness of note payable due of \$2,290,521 was reported as a special item in fiscal year 2012/2013.

The new promissory note was approved by the Oversight Board of the Successor Agency on September 23, 2013, and the California Department of Finance on November 7, 2013, as an enforceable obligation of the former Agency. Since the new promissory note is an enforceable obligation, this obligation will be repaid by the incremental property tax revenue allocated to the Successor Agency. If the amount of incremental property tax revenue allocated to the Successor Agency is not sufficient to pay for principal and interest payment due on the note, the Successor Agency shall pay an amount equal to at least 33% of the available incremental property tax revenue allocated to the Successor Agency for that period.

CITY OF BELL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 12: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)**

Minimum annual requirements to amortize the new promissory note are as follows:

Year Ending June 30,	Promissory Note	
	Principal	Interest
2016	\$ 250,000	\$ 106,250
2017	250,000	93,750
2018	250,000	81,250
2019	250,000	68,750
2020	250,000	56,250
2021-2024	875,000	100,000
Total	\$ 2,125,000	\$ 506,250

2014 City of Bell Promissory Note

On September 24, 2014, the Successor Agency entered into a promissory agreement for \$1,254,680 with the City. The agreement was entered into to cover cash the cash shortfalls of the Successor Agency to meet the October 1, 2011 debt service requirements of the Successor Agency's 2003 Tax Allocation Refunding Bonds. The agreement provides for yearly payments with interest accruing at the current Local Agency Investment Fund interest rate in effect on the date of the agreement.

The new promissory note was approved by the Oversight Board of the Successor Agency on January 6, 2015, and the California Department of Finance on May 15, 2015, as an enforceable obligation of the former Agency. Since the new promissory note is an enforceable obligation, this obligation will be repaid by the incremental property tax revenue allocated to the Successor Agency. If the amount of incremental property tax revenue allocated to the Successor Agency is not sufficient to pay for principal and interest payment due on the note, then any unpaid principal and interest for that period will become due and payable in full along with the following receipt of incremental property tax revenues.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 12: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)**

Minimum annual requirements to amortize the new promissory note are as follows:

Year Ending June 30,	2014 Promissory Note	
	Principal	
2016	\$	500,000
2017		600,000
2018		154,680
Total	\$	1,254,680

LAUSD Settlement Note

On October 24, 2013, the Successor Agency entered into an agreement with the Los Angeles Unified School District (LAUSD) to resolve dispute over the past-due obligations related to tax increments. The Successor Agency agreed to pay \$1,103,533 in ten semi-annual installments plus interest accrued on each installment amount from the date of the settlement agreement at the rate equal to that earned by LAUSD on funds held by the County of Los Angeles in its Treasurer's investment pool. At June 30, 2015, the outstanding balance was \$772,474.

**Note 13: Fund Balance and Net Position Restatements**

Beginning fund balance has been restated as follows:

Governmental Funds	
<u>CDBG Special Revenue Funds</u>	
To adjust for prior year expenditures	\$ (15,000)
Total restatement of fund balance	<u>\$ (15,000)</u>

Beginning net position has been restated as follows:

Government-Wide	
<u>Governmental Activities</u>	
To properly implement GASB No. 68; change in accounting principle in relation to net pension liability	\$ (26,051,834)
To remove prepaid pension asset	(3,397,391)
To adjust for prior year expenditures	(15,000)
Total restatement of net position	<u>\$ (29,464,225)</u>

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CITY OF BELL

**COST-SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLANS  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
<b>Miscellaneous</b>	
Proportion of the Net Pension Liability	0.13340%
Proportionate Share of the Net Pension Liability	\$ 8,300,768
Covered-Employee Payroll	\$ 2,214,576
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	374.82%
Plan Fiduciary Net Position	\$ 26,704,348
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.29%
<b>Miscellaneous PEPPRA</b>	
Proportion of the Net Pension Liability	0.00000%
Proportionate Share of the Net Pension Liability	\$ 37
Covered-Employee Payroll	\$ 192,211
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	0.02%
Plan Fiduciary Net Position	\$ 180
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.95%

**Notes to Schedule:**

Benefit Changes: None.

Changes of Assumptions: None.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

**CITY OF BELL**

**COST-SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLANS  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
<b>Miscellaneous</b>	
Actuarially Determined Contribution	\$ 727,975
Contribution in Relation to the Actuarially Determined Contribution	(727,975)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 2,117,786
Contributions as a Percentage of Covered-Employee Payroll	34.37%
<b>Miscellaneous PEPRA</b>	
Actuarially Determined Contribution	\$ 25,655
Contribution in Relation to the Actuarially Determined Contribution	(25,655)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 381,483
Contributions as a Percentage of Covered-Employee Payroll	6.73%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

**Note to Schedule:**

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry age normal
Amortization method	Level Percent of Payroll
Remaining amortization period	19 Years as of the Valuation Date
Assets valuation method	15 year smoothed market
Inflation	2.75%
Salary Increases	3.3% to 14.20%
Investment rate of return	7.50% net of pension plan investment and administrative expense, including inflation
Retirement age	minimum 50 years
Mortality	RP-2000 Heath Annuitant Mortality Table

CITY OF BELL

**COST-SHARING MULTIPLE EMPLOYER SAFETY PLANS  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

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	<u>2015</u>
<b>Safety First Tier</b>	
Proportion of the Net Pension Liability	0.20690%
Proportionate Share of the Net Pension Liability	\$ 12,874,212
Covered-Employee Payroll	\$ 1,719,901
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	748.54%
Plan Fiduciary Net Position	\$ 56,228,914
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.37%
<b>Safety Police Second Tier</b>	
Proportion of the Net Pension Liability	0.00359%
Proportionate Share of the Net Pension Liability	\$ 223,202
Covered-Employee Payroll	\$ 728,946
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	30.62%
Plan Fiduciary Net Position	\$ 978,011
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.42%

**Notes to Schedule:**

Benefit Changes: None.

Changes of Assumptions: None.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

CITY OF BELL

**COST-SHARING MULTIPLE EMPLOYER SAFETY PLANS  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
<b>Safety First Tier</b>	
Actuarially Determined Contribution	\$ 517,528
Contribution in Relation to the Actuarially Determined Contribution	<u>(517,528)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 1,631,843
Contributions as a Percentage of Covered-Employee Payroll	31.71%
<b>Safety Police Second Tier</b>	
Actuarially Determined Contribution	\$ 182,019
Contribution in Relation to the Actuarially Determined Contribution	<u>(182,019)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 751,464
Contributions as a Percentage of Covered-Employee Payroll	24.22%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

**Note to Schedule:**

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry age normal
Amortization method	Level Percent of Payroll
Remaining amortization period	19 Years as of the Valuation Date
Assets valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary Increases	3.3% to 14.20%
Investment rate of return	7.50% net of pension plan investment and administrative expense, including inflation
Retirement age	minimum 50 years
Mortality	RP-2000 Heath Annuitant Mortality Table

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT  
GENERAL FUND  
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$20,761,717	\$20,761,717	\$20,761,717	\$ -
<b>Resources (Inflows):</b>				
Taxes	9,900,533	9,900,533	10,256,107	355,574
Licenses and permits	593,750	602,750	579,575	(23,175)
Intergovernmental	30,000	30,000	20,578	(9,422)
Charges for services	847,850	1,076,748	923,357	(153,391)
Use of money and property	205,000	353,000	344,785	(8,215)
Fines and forfeitures	652,500	652,500	502,868	(149,632)
Miscellaneous	500,898	115,000	1,329,580	1,214,580
Transfers in	296,000	296,000	296,000	-
<b>Amounts Available for Appropriations</b>	<b>33,788,248</b>	<b>33,788,248</b>	<b>35,014,567</b>	<b>1,226,319</b>
<b>Charges to Appropriations (Outflow):</b>				
General government				
Non Departmental				
City Council	1,063,069	1,314,777	1,138,264	176,513
City Manager	293,244	293,244	183,328	109,916
Human Resources	234,600	234,600	244,784	(10,184)
Finance	300,101	300,101	268,688	31,413
City Attorney	887,272	887,272	951,049	(63,777)
City Clerk	933,000	933,000	816,940	116,060
Liability - Safety Operations	436,392	436,392	247,005	189,387
Worker's Comp - Miscellaneous Operations	378,750	378,750	877,836	(499,086)
Worker's Comp - Safety Operations	65,000	65,000	174,583	(109,583)
Public safety				
Patrol Operations	3,124,797	3,124,797	3,438,017	(313,220)
Detective Operations	703,929	688,329	612,355	75,974
Communications	552,155	552,155	497,303	54,852
Records Bureau	275,762	275,762	258,909	16,853
Motor	133,234	133,234	6,522	126,712
Parking Enforcement	221,613	221,613	205,800	15,813
Police Administration	261,189	311,148	407,385	(96,237)
Jail	249,629	249,629	304,946	(55,317)
Police Training	98,100	98,100	96,907	1,193
Liability - Safety Operations	406,250	406,250	274,373	131,877
Worker's Comp - Safety Operations	382,000	382,000	698,047	(316,047)
Community development				
Planning	240,784	240,784	269,034	(28,250)
Economic Development	132,514	132,514	58,814	73,700
Building Regulation	253,186	253,186	282,977	(29,791)
Engineering	163,988	163,988	102,120	61,868
Code Enforcement	320,581	320,581	189,701	130,880
Community services				
Youth/Sports/Activities	998,598	998,598	1,147,084	(148,486)
Social Service Programs	615,241	615,241	586,232	29,009
Skate Park Activities	48,230	48,230	15,625	32,605
Technical Center	6,000	6,000	12,219	(6,219)
Facilities Maintenance	706,269	666,269	261,557	404,712
Capital outlay	299,000	299,000	127,036	171,964
Transfers out	227,622	227,622	227,122	500
<b>Total Charges to Appropriations</b>	<b>15,012,099</b>	<b>15,258,166</b>	<b>14,982,562</b>	<b>275,604</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$18,776,149</b>	<b>\$18,530,082</b>	<b>\$20,032,005</b>	<b>\$ 1,501,923</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
RETIREMENT  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ (881,652)	\$ (881,652)	\$ (881,652)	\$ -
<b>Resources (Inflows):</b>				
Taxes	1,692,000	1,692,000	2,011,845	319,845
Charges for services	-	-	17,412	17,412
<b>Amounts Available for Appropriations</b>	<b>810,348</b>	<b>810,348</b>	<b>1,147,605</b>	<b>337,257</b>
<b>Charges to Appropriations (Outflow):</b>				
Public safety	2,011,700	2,011,700	1,849,500	162,200
Transfers out	986,067	986,067	986,067	-
<b>Total Charges to Appropriations</b>	<b>2,997,767</b>	<b>2,997,767</b>	<b>2,835,567</b>	<b>162,200</b>
<b>Budgetary Fund Balance, June 30</b>	<b><u><u>\$ (2,187,419)</u></u></b>	<b><u><u>\$ (2,187,419)</u></u></b>	<b><u><u>\$(1,687,962)</u></u></b>	<b><u><u>\$ 499,457</u></u></b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
CDBG  
YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (16,001)	\$ (16,001)	\$ (16,001)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	758,956	1,048,956	899,440	(149,516)
<b>Amounts Available for Appropriations</b>	<b>742,955</b>	<b>1,032,955</b>	<b>883,439</b>	<b>(149,516)</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	157,057	157,057	130,902	26,155
Community services	457,667	457,667	354,934	102,733
Capital outlay	434,232	434,232	393,352	40,880
<b>Total Charges to Appropriations</b>	<b>1,048,956</b>	<b>1,048,956</b>	<b>879,188</b>	<b>169,768</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (306,001)</b>	<b>\$ (16,001)</b>	<b>\$ 4,251</b>	<b>\$ 20,252</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY HOUSING AUTHORITY  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,945,587	\$ 2,945,587	\$ 2,945,587	\$ -
<b>Resources (Inflows):</b>				
Charges for services	-	-	34	34
Use of money and property	2,653,700	2,693,400	2,713,046	19,646
<b>Amounts Available for Appropriations</b>	<b>5,599,287</b>	<b>5,638,987</b>	<b>5,658,667</b>	<b>19,680</b>
<b>Charges to Appropriations (Outflow):</b>				
General government	454,697	479,697	916,186	(436,489)
Capital outlay	4,000	674,780	3,654	671,126
Transfers out	1,530,614	1,530,614	1,530,614	-
<b>Total Charges to Appropriations</b>	<b>1,989,311</b>	<b>2,685,091</b>	<b>2,450,454</b>	<b>234,637</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,609,976</b>	<b>\$ 2,953,896</b>	<b>\$ 3,208,213</b>	<b>\$ 254,317</b>

CITY OF BELL

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
 JUNE 30, 2015

**Note 1: Budgetary Control and Accounting**

The City Council approves budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the City Council. All supplemental appropriations, where required during the period, are also approved by the City Council. Intradepartmental budget transfers are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the departmental level within the General Fund and at the fund level for other funds. At fiscal year-end, all operating budget appropriations lapse. The Low and Moderate Housing, Community Housing Authority Capital Projects Fund, City Capital Projects Fund and AB939 Recycling Funds do not have adopted budgets for the fiscal year ended June 30, 2015.

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in governmental funds. Encumbrances are closed out at the end of each fiscal year.

**Note 2: Excess of Expenditures Over Appropriation**

Actual expenditures may not exceed budgeted appropriations at the department and non-departmental level. For the fiscal year ended June 30, 2015, the following expenditures exceeded appropriations in the General Fund.

	Final Budget	Actual on a Budgetary Basis	Variance
City Manager	\$ 234,600	\$ 244,784	\$ (10,184)
Finance	887,272	951,049	(63,777)
Liability - Safety Operations	378,750	877,836	(499,086)
Worker's Comp - Miscellaneous Operations	65,000	174,583	(109,583)
Patrol Operations	3,124,797	3,438,017	(313,220)
Police Administration	311,148	407,385	(96,237)
Jail	249,629	304,946	(55,317)
Worker's Comp - Safety Operations	382,000	698,047	(316,047)
Planning	240,784	269,034	(28,250)
Building Regulation	253,186	282,977	(29,791)
Youth/Sports/Activities	998,598	1,147,084	(148,486)
Technical Center	6,000	12,219	(6,219)

The following expenditures exceeded its appropriation for major special revenue funds for the fiscal year ended June 30, 2015:

	Final Budget	Actual on a Budgetary Basis	Variance
Community Housing Authority - General government	\$ 479,697	\$ 916,186	\$ (436,489)

**CITY OF BELL**

**DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

---

**Special Revenue Funds**

Special Revenue Funds are used to account for specific revenues that are legally restricted or committed to expenditure for particular purposes.

**Air Quality Management Fund**

To account for the allocation of motor vehicle fees received from the South Coast Air Quality Management District for enacting air quality improvement policies.

**Sanitation Fund**

To account for special assessment collections from benefited properties for the operations of the City's waste collections.

**Sewer Maintenance Fund**

To account for special assessment collections from benefited properties for the operations of the City's sewer system.

**AB939 Recycling Fund**

To account for the allocation of revenues received from the County for the operations of the City's recycling activities.

**Surplus Property Authority Fund**

To account for revenues and expenditures related to the acquisition of surplus property.

**Street Lighting Fund**

To account for special assessment collections from benefited properties for the operations of the City's street lighting activities.

**Proposition A Fund**

To account for the allocation of a half-cent sales tax received from the transportation planning agency to be used for transportation costs.

**Federal Asset Seizure Fund**

To account for federal grants and costs related to special narcotics investigations and seizure of assets. Surplus Property Authority Special Revenue Fund.

**Bikeway Fund**

To account for funds received to design, construct, improve, repair and maintain bikeways, including the installation and repair of storm drains and bridges.

**OTS State Grant Fund**

To account for funds received to effectively administer state traffic safety programs to reduce injuries and economic losses resulting from traffic related collisions in the City.

**CITY OF BELL**

**DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2015**

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**Gas Tax Capital Projects Fund**

To account for gas taxes assessed by the State of California and allocated to the City to be used for street maintenance and improvements.

**Community Housing Authority Fund**

To account for the acquisition and development of certain mobile home units.

**Capital Projects Funds**

Capital Projects Funds are used to account for resources that are restricted, committed or assigned for the purchase or construction of major capital facilities. Capital Projects Funds are ordinarily not used to account for the acquisition of furniture, fixtures, machinery, equipment and other relatively minor or comparatively short-lived fixed assets.

**State COPS Fund**

To account for funds received from the State of California under AB3229 for the purpose of the Citizens Option for Public Safety (COPS) program.

**Proposition C Fund**

To account for the allocation of a half-cent sales tax received from the transportation planning agency to be used for transit costs that pertain to roadways.

**Measure R**

To account for the allocation of a half-cent sales tax received from the transportation planning agency to be used for transportation projects and improvements.

**City Capital Projects**

To account for general capital projects through the City as determined by City Council.

**Federal Grants Fund**

To account for the revenues and expenditures of miscellaneous federal grants used primarily for capital related purposes.

**Debt Service Funds**

Debt Service Funds are used to account for the accumulation of resources that are restricted, committed or assigned for the payment of long-term debt principal and interest.

**Public Financing Authority Debt Service Fund**

To account for the payment of principal and interest on long-term debt of the Public Financing Authority.

**General Obligation Bonds Debt Service Fund**

This fund is used to account for the payment of principal and interest on General Obligation Bonds of the City.

**CITY OF BELL**

**DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2015**

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**Community Housing Authority Fund**

To account for the payment of principal and interest on long-term debt of the Community Housing Authority.

CITY OF BELL

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds			
	Air Quality Management	Sanitation	Sewer Maintenance	AB939 Recycling
<b>Assets:</b>				
Pooled cash and investments	\$ 31,101	\$ 581,024	\$ 1,238,178	\$ -
Receivables:				
Accounts	-	77,295	4,403	-
Accrued interest	11	248	497	-
Grants	-	-	-	-
Due from other governments	11,711	5,873	5,669	758
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 42,823</b>	<b>\$ 664,440</b>	<b>\$ 1,248,747</b>	<b>\$ 758</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 36,130	\$ 7,922	\$ -
Accrued liabilities	-	2,334	896	-
Due to other funds	-	-	-	8,977
<b>Total Liabilities</b>	<b>-</b>	<b>38,464</b>	<b>8,818</b>	<b>8,977</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	42,823	625,976	1,239,929	-
Capital Projects	-	-	-	-
Debt service	-	-	-	-
<b>Committed to:</b>				
Community development projects - Veteran's Park	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,219)</b>
<b>Total Fund Balances</b>	<b>42,823</b>	<b>625,976</b>	<b>1,239,929</b>	<b>(8,219)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 42,823</b>	<b>\$ 664,440</b>	<b>\$ 1,248,747</b>	<b>\$ 758</b>

CITY OF BELL

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

(CONTINUED)

	Special Revenue Funds			
	Surplus Property Authority	Street Lighting	Proposition A	Federal Asset Seizure
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ 510,861	\$ -	\$ 196,442
Receivables:				
Accounts	-	-	2,069	-
Accrued interest	-	226	-	83
Grants	-	-	-	-
Due from other governments	-	7,248	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 518,335</b>	<b>\$ 2,069</b>	<b>\$ 196,525</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 35,004	\$ 143,671	\$ 21,989
Accrued liabilities	-	1,334	154	860
Due to other funds	47,497	-	28,735	-
<b>Total Liabilities</b>	<b>47,497</b>	<b>36,338</b>	<b>172,560</b>	<b>22,849</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	173,676
Public works	-	481,997	-	-
Capital Projects	-	-	-	-
Debt service	-	-	-	-
<b>Committed to:</b>				
Community development projects - Veteran's Park	-	-	-	-
<b>Unassigned</b>	<b>(47,497)</b>	<b>-</b>	<b>(170,491)</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>(47,497)</b>	<b>481,997</b>	<b>(170,491)</b>	<b>173,676</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 518,335</b>	<b>\$ 2,069</b>	<b>\$ 196,525</b>

CITY OF BELL

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

	Special Revenue Funds		Capital Projects Funds	
	Bikeway	OTS State Grant	Gas Tax	Community Housing Authority
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ -	\$ 1,464,063	\$ 798,223
Receivables:				
Accounts	-	-	13,513	-
Accrued interest	-	-	632	-
Grants	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,478,208</b>	<b>\$ 798,223</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 136,737	\$ -
Accrued liabilities	-	-	1,868	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>138,605</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	798,223
Public safety	-	-	-	-
Public works	-	-	-	-
Capital Projects	-	-	1,339,603	-
Debt service	-	-	-	-
<b>Committed to:</b>				
Community development projects - Veteran's Park	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>1,339,603</b>	<b>798,223</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,478,208</b>	<b>\$ 798,223</b>

## CITY OF BELL

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

(CONTINUED)

	<u>Capital Projects Funds</u>			
	<u>State COPS</u>	<u>Proposition C</u>	<u>Measure R</u>	<u>City Capital Projects</u>
<b>Assets:</b>				
Pooled cash and investments	\$ 472,415	\$ 1,719,274	\$ 467,687	\$ 838,345
Receivables:				
Accounts	-	-	-	-
Accrued interest	192	685	205	1,030
Grants	-	-	-	-
Due from other governments	14,618	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 487,225</u></b>	<b><u>\$ 1,719,959</u></b>	<b><u>\$ 467,892</u></b>	<b><u>\$ 839,375</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 30,509	\$ 4,630	\$ -	\$ -
Accrued liabilities	88	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b><u>30,597</u></b>	<b><u>4,630</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	456,628	-	-	-
Public works	-	-	-	-
Capital Projects	-	1,715,329	467,892	839,375
Debt service	-	-	-	-
<b>Committed to:</b>				
Community development projects - Veteran's Park	-	-	-	-
<b>Unassigned</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Fund Balances</b>	<b><u>456,628</u></b>	<b><u>1,715,329</u></b>	<b><u>467,892</u></b>	<b><u>839,375</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 487,225</u></b>	<b><u>\$ 1,719,959</u></b>	<b><u>\$ 467,892</u></b>	<b><u>\$ 839,375</u></b>

CITY OF BELL

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Capital Projects Funds	Debt Service Funds		
	Federal Grants	Public Financing Authority	General Obligation Bonds Debt	Community Housing Authority
<b>Assets:</b>				
Pooled cash and investments	\$ 238,379	\$ -	\$ 1,600,490	\$ 13,643
Receivables:				
Accounts	-	-	-	-
Accrued interest	74	-	-	-
Grants	6,135	-	-	-
Due from other governments	82,815	-	44,001	-
Restricted assets:				
Cash and investments with fiscal agents	-	1,993	-	-
<b>Total Assets</b>	<b>\$ 327,403</b>	<b>\$ 1,993</b>	<b>\$ 1,644,491</b>	<b>\$ 13,643</b>
<b>Liabilities:</b>				
Accounts payable	\$ 9,339	\$ -	\$ -	\$ -
Accrued liabilities	5,568	-	-	-
Due to other funds	81,975	209,749	-	-
<b>Total Liabilities</b>	<b>96,882</b>	<b>209,749</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	1,008	-	-	-
Public safety	179,042	-	-	-
Public works	6,715	-	-	-
Capital Projects	-	-	-	-
Debt service	-	-	1,644,491	13,643
<b>Committed to:</b>				
Community development projects - Veteran's Park	43,756	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>(207,756)</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>230,521</b>	<b>(207,756)</b>	<b>1,644,491</b>	<b>13,643</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 327,403</b>	<b>\$ 1,993</b>	<b>\$ 1,644,491</b>	<b>\$ 13,643</b>

CITY OF BELL

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

	<b>Total Governmental Funds</b>
<b>Assets:</b>	
Pooled cash and investments	\$ 10,170,125
Receivables:	
Accounts	97,280
Accrued interest	3,883
Grants	6,135
Due from other governments	172,693
Restricted assets:	
Cash and investments with fiscal agents	1,993
	<u>1,993</u>
<b>Total Assets</b>	<b>\$ 10,452,109</b>
	<u><u>10,452,109</u></u>
<b>Liabilities:</b>	
Accounts payable	\$ 425,931
Accrued liabilities	13,102
Due to other funds	376,933
	<u>376,933</u>
<b>Total Liabilities</b>	<b>815,966</b>
	<u>815,966</u>
<b>Fund Balances:</b>	
<b>Restricted for:</b>	
Community development projects	799,231
Public safety	809,346
Public works	2,397,440
Capital Projects	4,362,199
Debt service	1,658,134
<b>Committed to:</b>	
Community development projects - Veteran's Park	43,756
<b>Unassigned</b>	<u>(433,963)</u>
<b>Total Fund Balances</b>	<b>9,636,143</b>
	<u>9,636,143</u>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,452,109</b>
	<u><u>10,452,109</u></u>

## CITY OF BELL

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

	<b>Special Revenue Funds</b>			
	<b>Air Quality Management</b>	<b>Sanitation</b>	<b>Sewer Maintenance</b>	<b>AB939 Recycling</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ 10,720	\$ 352,450	\$ 4,715
Intergovernmental	44,631	-	-	-
Charges for services	-	302,827	13,733	-
Use of money and property	56	4,775	1,641	3,410
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>44,687</b>	<b>318,322</b>	<b>367,824</b>	<b>8,125</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	8,377	-	-
Community services	-	-	-	-
Public works	-	359,971	129,484	-
Capital outlay	97,564	26,352	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>97,564</b>	<b>394,700</b>	<b>129,484</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,877)	(76,378)	238,340	8,125
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(20,000)	(7,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(20,000)</b>	<b>(7,000)</b>	<b>-</b>
Net Change in Fund Balances	(52,877)	(96,378)	231,340	8,125
Fund Balances, Beginning of Year	95,700	722,354	1,008,589	(16,344)
<b>Fund Balances, End of Year</b>	<b>\$ 42,823</b>	<b>\$ 625,976</b>	<b>\$ 1,239,929</b>	<b>\$ (8,219)</b>

## CITY OF BELL

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

(CONTINUED)

	Special Revenue Funds			
	Surplus Property Authority	Street Lighting	Proposition A	Federal Asset Seizure
<b>Revenues:</b>				
Taxes	\$ -	\$ 461,745	\$ -	\$ -
Intergovernmental	-	-	632,833	59,635
Charges for services	-	5	36,778	-
Use of money and property	-	721	54	314
Fines and forfeitures	-	-	-	830
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>462,471</b>	<b>669,665</b>	<b>60,779</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	59,069
Community development	-	-	224,796	-
Community services	-	-	646,649	-
Public works	-	511,991	-	-
Capital outlay	-	-	-	175,768
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>511,991</b>	<b>871,445</b>	<b>234,837</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(49,520)	(201,780)	(174,058)
<b>Other Financing Sources (Uses):</b>				
Transfers in	5,359	-	-	-
Transfers out	-	(14,000)	(30,000)	(10,000)
<b>Total Other Financing Sources (Uses)</b>	<b>5,359</b>	<b>(14,000)</b>	<b>(30,000)</b>	<b>(10,000)</b>
Net Change in Fund Balances	5,359	(63,520)	(231,780)	(184,058)
Fund Balances, Beginning of Year	(52,856)	545,517	61,289	357,734
<b>Fund Balances, End of Year</b>	<b>\$ (47,497)</b>	<b>\$ 481,997</b>	<b>\$ (170,491)</b>	<b>\$ 173,676</b>

CITY OF BELL

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds		Capital Projects Funds	
	Bikeway	OTS State Grant	Gas Tax	Community Housing Authority
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	27,000	45,000	990,321	-
Charges for services	-	-	-	-
Use of money and property	-	-	3,264	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>27,000</b>	<b>45,000</b>	<b>993,585</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	-	-	802,902	-
Capital outlay	27,000	45,000	1,163,429	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>27,000</b>	<b>45,000</b>	<b>1,966,331</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(972,746)	-
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(20,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(20,000)</b>	<b>-</b>
Net Change in Fund Balances	-	-	(992,746)	-
Fund Balances, Beginning of Year	-	-	2,332,349	798,223
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,339,603</b>	<b>\$ 798,223</b>

CITY OF BELL

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

(CONTINUED)

	<u>Capital Projects Funds</u>			
	<u>State COPS</u>	<u>Proposition C</u>	<u>Measure R</u>	<u>City Capital Projects</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	120,849	527,428	393,778	-
Charges for services	-	-	-	-
Use of money and property	664	2,494	912	4,187
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>121,513</b>	<b>529,922</b>	<b>394,690</b>	<b>4,187</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	47,434	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	-	2,902	8,706	-
Capital outlay	-	469,898	563,167	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>47,434</b>	<b>472,800</b>	<b>571,873</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	74,079	57,122	(177,183)	4,187
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	27,778	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>27,778</b>	<b>-</b>
Net Change in Fund Balances	74,079	57,122	(149,405)	4,187
Fund Balances, Beginning of Year	382,549	1,658,207	617,297	835,188
<b>Fund Balances, End of Year</b>	<b>\$ 456,628</b>	<b>\$ 1,715,329</b>	<b>\$ 467,892</b>	<b>\$ 839,375</b>

## CITY OF BELL

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	Capital Projects Funds	Debt Service Funds		
	Federal Grants	Public Financing Authority	General Obligation Bonds Debt	Community Housing Authority
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 2,409,160	\$ -
Intergovernmental	348,274	-	-	-
Charges for services	-	-	-	-
Use of money and property	270	-	(290)	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	11	-	-
<b>Total Revenues</b>	<b>348,544</b>	<b>11</b>	<b>2,408,870</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	-	2,700	-	-
Public safety	85,815	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	108,364	-	-	-
Debt service:				
Principal retirement	-	2,340,000	530,000	455,000
Interest and fiscal charges	-	287,636	1,489,169	846,970
<b>Total Expenditures</b>	<b>194,179</b>	<b>2,630,336</b>	<b>2,019,169</b>	<b>1,301,970</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	154,365	(2,630,325)	389,701	(1,301,970)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	1,180,052	-	1,335,614
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,180,052</b>	<b>-</b>	<b>1,335,614</b>
Net Change in Fund Balances	154,365	(1,450,273)	389,701	33,644
Fund Balances, Beginning of Year	76,156	1,242,517	1,254,790	(20,001)
<b>Fund Balances, End of Year</b>	<b>\$ 230,521</b>	<b>\$ (207,756)</b>	<b>\$ 1,644,491</b>	<b>\$ 13,643</b>

CITY OF BELL

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

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	<b>Total Governmental Funds</b>
<b>Revenues:</b>	
Taxes	\$ 3,238,790
Intergovernmental	3,189,749
Charges for services	353,343
Use of money and property	22,472
Fines and forfeitures	830
Miscellaneous	11
	<hr/>
<b>Total Revenues</b>	<b>6,805,195</b>
	<hr/>
<b>Expenditures:</b>	
Current:	
General government	2,700
Public safety	192,318
Community development	233,173
Community services	646,649
Public works	1,815,956
Capital outlay	2,676,542
Debt service:	
Principal retirement	3,325,000
Interest and fiscal charges	2,623,775
	<hr/>
<b>Total Expenditures</b>	<b>11,516,113</b>
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,710,918)
	<hr/>
<b>Other Financing Sources (Uses):</b>	
Transfers in	2,548,803
Transfers out	(101,000)
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>2,447,803</b>
	<hr/>
Net Change in Fund Balances	(2,263,115)
	<hr/>
Fund Balances, Beginning of Year	11,899,258
	<hr/>
<b>Fund Balances, End of Year</b>	<b>\$ 9,636,143</b>
	<hr/> <hr/>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
AIR QUALITY MANAGEMENT  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 95,700	\$ 95,700	\$ 95,700	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	42,000	42,000	44,631	2,631
Charges for services	-	-	-	-
Use of money and property	80	80	56	(24)
<b>Amounts Available for Appropriations</b>	<b>137,780</b>	<b>137,780</b>	<b>140,387</b>	<b>2,607</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	41,000	82,000	97,564	(15,564)
<b>Total Charges to Appropriations</b>	<b>41,000</b>	<b>82,000</b>	<b>97,564</b>	<b>(15,564)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 96,780</b>	<b>\$ 55,780</b>	<b>\$ 42,823</b>	<b>\$ (12,957)</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
SANITATION  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 722,354	\$ 722,354	\$ 722,354	\$ -
<b>Resources (Inflows):</b>				
Taxes	-	-	10,720	10,720
Charges for services	377,000	377,000	302,827	(74,173)
Use of money and property	-	-	4,775	4,775
<b>Amounts Available for Appropriations</b>	<b>1,099,354</b>	<b>1,099,354</b>	<b>1,040,676</b>	<b>(58,678)</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	7,000	7,000	8,377	(1,377)
Public works	355,526	355,526	359,971	(4,445)
Capital outlay	30,000	30,000	26,352	3,648
Debt service:				
Transfers out	20,000	20,000	20,000	-
<b>Total Charges to Appropriations</b>	<b>412,526</b>	<b>412,526</b>	<b>414,700</b>	<b>(2,174)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 686,828</b>	<b>\$ 686,828</b>	<b>\$ 625,976</b>	<b>\$ (60,852)</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
SEWER MAINTENANCE  
YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,008,589	\$ 1,008,589	\$ 1,008,589	\$ -
<b>Resources (Inflows):</b>				
Taxes	346,000	346,000	352,450	6,450
Charges for services	-	-	13,733	13,733
Use of money and property	800	800	1,641	841
<b>Amounts Available for Appropriations</b>	<b><u>1,355,389</u></b>	<b><u>1,355,389</u></b>	<b><u>1,376,413</u></b>	<b><u>21,024</u></b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	374,255	374,255	129,484	244,771
Debt service:				
Transfers out	7,000	7,000	7,000	-
<b>Total Charges to Appropriations</b>	<b><u>381,255</u></b>	<b><u>381,255</u></b>	<b><u>136,484</u></b>	<b><u>244,771</u></b>
<b>Budgetary Fund Balance, June 30</b>	<b><u>\$ 974,134</u></b>	<b><u>\$ 974,134</u></b>	<b><u>\$ 1,239,929</u></b>	<b><u>\$ 265,795</u></b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
SURPLUS PROPERTY AUTHORITY  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ (52,856)	\$ (52,856)	\$ (52,856)	\$ -
<b>Resources (Inflows):</b>				
Transfers in	5,359	5,359	5,359	-
<b>Amounts Available for Appropriations</b>	<b>(47,497)</b>	<b>(47,497)</b>	<b>(47,497)</b>	<b>-</b>
<b>Charges to Appropriations (Outflow):</b>				
Transfers out	5,359	5,359	-	5,359
<b>Total Charges to Appropriations</b>	<b>5,359</b>	<b>5,359</b>	<b>-</b>	<b>5,359</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (52,856)</b>	<b>\$ (52,856)</b>	<b>\$ (47,497)</b>	<b>\$ 5,359</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
STREET LIGHTING  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 545,517	\$ 545,517	\$ 545,517	\$ -
<b>Resources (Inflows):</b>				
Taxes	462,000	462,000	461,745	(255)
Charges for services	-	-	5	5
Use of money and property	500	500	721	221
<b>Amounts Available for Appropriations</b>	<b>1,008,017</b>	<b>1,008,017</b>	<b>1,007,988</b>	<b>(29)</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	745,986	745,986	511,991	233,995
Transfers out	14,000	14,000	14,000	-
<b>Total Charges to Appropriations</b>	<b>759,986</b>	<b>759,986</b>	<b>525,991</b>	<b>233,995</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 248,031</b>	<b>\$ 248,031</b>	<b>\$ 481,997</b>	<b>\$ 233,966</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
PROPOSITION A  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 61,289	\$ 61,289	\$ 61,289	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	603,000	603,000	632,833	29,833
Charges for services	45,000	45,000	36,778	(8,222)
Use of money and property	-	-	54	54
<b>Amounts Available for Appropriations</b>	<b>709,289</b>	<b>709,289</b>	<b>730,954</b>	<b>21,665</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	289,413	196,900	224,796	(27,896)
Community services	155,000	432,513	646,649	(214,136)
Transfers out	30,000	30,000	30,000	-
<b>Total Charges to Appropriations</b>	<b>474,413</b>	<b>659,413</b>	<b>901,445</b>	<b>(242,032)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 234,876</b>	<b>\$ 49,876</b>	<b>\$ (170,491)</b>	<b>\$ (220,367)</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
FEDERAL ASSET SEIZURE  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 357,734	\$ 357,734	\$ 357,734	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	-	59,635	59,635
Use of money and property	-	-	314	314
Fines and forfeitures	-	-	830	830
<b>Amounts Available for Appropriations</b>	<b>357,734</b>	<b>357,734</b>	<b>418,513</b>	<b>60,779</b>
<b>Charges to Appropriations (Outflow):</b>				
Public safety	220,700	60,700	59,069	1,631
Capital outlay	-	165,000	175,768	(10,768)
Transfers out	10,000	10,000	10,000	-
<b>Total Charges to Appropriations</b>	<b>230,700</b>	<b>235,700</b>	<b>244,837</b>	<b>(9,137)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 127,034</b>	<b>\$ 122,034</b>	<b>\$ 173,676</b>	<b>\$ 51,642</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
BIKEWAY  
YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	29,000	29,000	27,000	(2,000)
<b>Amounts Available for Appropriations</b>	<b>29,000</b>	<b>29,000</b>	<b>27,000</b>	<b>(2,000)</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	29,000	29,000	27,000	2,000
<b>Total Charges to Appropriations</b>	<b>29,000</b>	<b>29,000</b>	<b>27,000</b>	<b>2,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE  
 OTS STATE GRANT  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	45,000	45,000	45,000	-
<b>Amounts Available for Appropriations</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	-
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	45,000	45,000	45,000	-
<b>Total Charges to Appropriations</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	-
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
GAS TAX  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,332,349	\$ 2,332,349	\$ 2,332,349	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	981,000	981,000	990,321	9,321
Use of money and property	3,000	3,000	3,264	264
<b>Amounts Available for Appropriations</b>	<b>3,316,349</b>	<b>3,316,349</b>	<b>3,325,934</b>	<b>9,585</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	658,553	658,553	802,902	(144,349)
Capital outlay	2,491,592	2,491,592	1,163,429	1,328,163
Transfers out	20,000	20,000	20,000	-
<b>Total Charges to Appropriations</b>	<b>3,170,145</b>	<b>3,170,145</b>	<b>1,986,331</b>	<b>1,183,814</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 146,204</b>	<b>\$ 146,204</b>	<b>\$ 1,339,603</b>	<b>\$ 1,193,399</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
STATE COPS  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 382,549	\$ 382,549	\$ 382,549	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	100,000	100,000	120,849	20,849
Use of money and property	500	500	664	164
<b>Amounts Available for Appropriations</b>	<b>483,049</b>	<b>483,049</b>	<b>504,062</b>	<b>21,013</b>
<b>Charges to Appropriations (Outflow):</b>				
Public safety	150,000	150,000	47,434	102,566
<b>Total Charges to Appropriations</b>	<b>150,000</b>	<b>150,000</b>	<b>47,434</b>	<b>102,566</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 333,049</b>	<b>\$ 333,049</b>	<b>\$ 456,628</b>	<b>\$ 123,579</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
PROPOSITION C  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,658,207	\$ 1,658,207	\$ 1,658,207	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	496,000	496,000	527,428	31,428
Use of money and property	-	-	2,494	2,494
<b>Amounts Available for Appropriations</b>	<b>2,154,207</b>	<b>2,154,207</b>	<b>2,188,129</b>	<b>33,922</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	75,000	75,000	-	75,000
Public works	175,000	175,000	2,902	172,098
Capital outlay	662,296	662,296	469,898	192,398
<b>Total Charges to Appropriations</b>	<b>912,296</b>	<b>912,296</b>	<b>472,800</b>	<b>439,496</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,241,911</b>	<b>\$ 1,241,911</b>	<b>\$ 1,715,329</b>	<b>\$ 473,418</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
MEASURE R  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 617,297	\$ 617,297	\$ 617,297	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	370,000	370,000	393,778	23,778
Use of money and property	750	750	912	162
Transfers in	27,778	27,778	27,778	-
<b>Amounts Available for Appropriations</b>	<b>1,015,825</b>	<b>1,015,825</b>	<b>1,039,765</b>	<b>23,940</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	162,700	162,700	8,706	153,994
Capital outlay	585,500	585,500	563,167	22,333
<b>Total Charges to Appropriations</b>	<b>748,200</b>	<b>748,200</b>	<b>571,873</b>	<b>176,327</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 267,625</b>	<b>\$ 267,625</b>	<b>\$ 467,892</b>	<b>\$ 200,267</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
FEDERAL GRANTS  
YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 76,156	\$ 76,156	\$ 76,156	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,278,052	1,278,052	348,274	(929,778)
Use of money and property	-	-	270	270
<b>Amounts Available for Appropriations</b>	<b>1,354,208</b>	<b>1,354,208</b>	<b>424,700</b>	<b>(929,508)</b>
<b>Charges to Appropriations (Outflow):</b>				
Public safety	60,860	60,860	85,815	(24,955)
Public works	1,031,000	1,031,000	-	1,031,000
Capital outlay	15,810	15,810	108,364	(92,554)
<b>Total Charges to Appropriations</b>	<b>1,107,670</b>	<b>1,107,670</b>	<b>194,179</b>	<b>913,491</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 246,538</b>	<b>\$ 246,538</b>	<b>\$ 230,521</b>	<b>\$ (16,017)</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC FINANCING AUTHORITY  
YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,242,517	\$ 1,242,517	\$ 1,242,517	\$ -
<b>Resources (Inflows):</b>				
Miscellaneous	-	-	11	11
Transfers in	1,180,552	1,180,552	1,180,052	(500)
<b>Amounts Available for Appropriations</b>	<b>2,423,069</b>	<b>2,423,069</b>	<b>2,422,580</b>	<b>(489)</b>
<b>Charges to Appropriations (Outflow):</b>				
General government	(5,881)	5,881	2,700	3,181
Debt service:				
Principal retirement	720,000	720,000	2,340,000	(1,620,000)
Interest and fiscal charges	260,186	260,186	287,636	(27,450)
<b>Total Charges to Appropriations</b>	<b>974,305</b>	<b>986,067</b>	<b>2,630,336</b>	<b>(1,644,269)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,448,764</b>	<b>\$ 1,437,002</b>	<b>\$ (207,756)</b>	<b>\$ (1,644,758)</b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
GENERAL OBLIGATION BONDS DEBT SERVICE  
YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,254,790	\$ 1,254,790	\$ 1,254,790	\$ -
<b>Resources (Inflows):</b>				
Taxes	2,052,000	2,052,000	2,409,160	357,160
Use of money and property	-	-	(290)	(290)
<b>Amounts Available for Appropriations</b>	<b><u>3,306,790</u></b>	<b><u>3,306,790</u></b>	<b><u>3,663,660</u></b>	<b><u>356,870</u></b>
<b>Charges to Appropriations (Outflow):</b>				
Debt service:				
Principal retirement	530,000	530,000	530,000	-
Interest and fiscal charges	1,489,419	1,489,419	1,489,169	250
<b>Total Charges to Appropriations</b>	<b><u>2,019,419</u></b>	<b><u>2,019,419</u></b>	<b><u>2,019,169</u></b>	<b><u>250</u></b>
<b>Budgetary Fund Balance, June 30</b>	<b><u>\$ 1,287,371</u></b>	<b><u>\$ 1,287,371</u></b>	<b><u>\$ 1,644,491</u></b>	<b><u>\$ 357,120</u></b>

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY HOUSING AUTHORITY  
YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (20,001)	\$ (20,001)	\$ (20,001)	\$ -
<b>Resources (Inflows):</b>				
Transfers in	1,335,614	1,335,614	1,335,614	-
<b>Amounts Available for Appropriations</b>	<b>1,315,613</b>	<b>1,315,613</b>	<b>1,315,613</b>	<b>-</b>
<b>Charges to Appropriations (Outflow):</b>				
Debt service:				
Principal retirement	455,000	455,000	455,000	-
Interest and fiscal charges	866,683	866,683	846,970	19,713
<b>Total Charges to Appropriations</b>	<b>1,321,683</b>	<b>1,321,683</b>	<b>1,301,970</b>	<b>19,713</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (6,070)</b>	<b>\$ (6,070)</b>	<b>\$ 13,643</b>	<b>\$ 19,713</b>

**CITY OF BELL**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2015**

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

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**City of Bell**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(amount based in thousands)*  
*(accrual basis of accounting)*

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net Investment in capital assets	\$ 52,707	\$ 57,816	\$ 51,684	\$ 46,194	\$ 26,001	\$ 24,507	\$ 35,511	\$ 41,050	\$ 22,939	\$ 23,797
Restricted	8,234	5,525	6,418	8,059	12,190	15,286	17,156	14,009	13,687	13,233
Unrestricted	(14,413)	(20,471)	(16,625)	(15,094)	(19,382)	(25,430)	(23,833)	(32,214)	2,295	(29,783)
Total governmental activities net position	<u>46,528</u>	<u>42,870</u>	<u>41,477</u>	<u>39,159</u>	<u>18,809</u>	<u>14,363</u>	<u>28,834</u>	<u>22,845</u>	<u>38,921</u>	<u>7,247</u>
Business-type activities										
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net position	<u>-</u>	<u>-</u>								
Primary Government										
Net Investment in capital assets	52,707	57,816	51,684	46,194	26,001	24,507	35,511	41,050	22,939	23,797
Restricted	8,234	5,525	6,418	8,059	12,190	15,286	17,156	14,009	13,687	13,233
Unrestricted	(14,413)	(20,471)	(16,625)	(15,094)	(19,382)	(25,430)	(23,833)	(32,214)	2,295	(29,783)
Total governmental activities net position	<u>\$ 46,528</u>	<u>\$ 42,870</u>	<u>\$ 41,477</u>	<u>\$ 39,159</u>	<u>\$ 18,809</u>	<u>\$ 14,363</u>	<u>\$ 28,834</u>	<u>\$ 22,845</u>	<u>\$ 38,921</u>	<u>\$ 7,247</u>

Notes:  
The city began to report accrual information when it implemented GASB Statement 34 in Fiscal Year 2003  
Source: City of Bell Finance Department

**CITY OF BELL**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(amount expressed in thousands)*  
*(accrual basis of accounting)*

	<b>Fiscal Year</b>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Expenses:</b>					
Governmental activities:					
General government	\$ 12,230	\$ 12,662	\$ 12,736	\$ 15,310	\$ 15,587
Public safety	5,923	8,407	8,516	8,244	8,364
Community Development					
Total governmental activities net position	4,215	4,448	4,447	3,737	8,670
Public works	3,082	3,448	3,215	3,582	5,932
Pass through agreements	N/A	N/A	N/A	N/A	3,670
Interest on long-term debt	3,793	5,159	6,927	7,156	6,538
Total governmental activities expenses	<u>\$ 29,243</u>	<u>\$ 34,124</u>	<u>\$ 35,841</u>	<u>\$ 38,029</u>	<u>\$ 48,761</u>
<b>Program Revenues:</b>					
Governmental activities:					
Charges for Services:					
Lease income*	\$ 3,389	\$ 3,418	\$ 3,515	\$ 3,760	\$ -
Fines and forfeitures*	1,343	1,207	1,220	1,216	-
Licenses and permits*	967	1,061	1,134	947	-
Other activities*	1,273	1,677	1,679	1,712	-
General government	-	-	-	-	4,543
Public safety	-	-	-	-	1,717
Community Development					
Community Services	-	-	-	-	263
Public works	-	-	-	-	19
Operating contributions and grants	3,968	3,633	4,937	5,030	5,941
Capital contributions and grants	2,094	1,642	2,128	3,092	1,812
Total primary government program revenues	<u>\$ 13,034</u>	<u>\$ 12,638</u>	<u>\$ 14,613</u>	<u>\$ 15,757</u>	<u>\$ 14,295</u>
<b>Net (Expense)/Revenue</b>					
Total primary government net expense	<u>\$ (16,209)</u>	<u>\$ (21,486)</u>	<u>\$ (21,228)</u>	<u>\$ (22,272)</u>	<u>(34,466)</u>

		Fiscal Year							
		2011	2012	2013	2014	2015			
\$	12,759	\$	9,123	\$	10,546	\$	10,195	\$	7,817
	7,706		6,708		7,425		7,024		9,208
	-		-		-		2,886		1,282
	4,242		3,535		3,759		3,641		4,014
	4,394		4,631		5,040		4,550		4,038
	1,190		509		-		-		-
	5,101		4,068		4,376		3,027		2,234
\$	35,392	\$	28,574	\$	31,146	\$	31,323	\$	28,593

\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	4,590		4,349		4,704		1,347		1,852
	910		785		768		495		1
	-		-		-		-		212
	299		283		291		308		-
	12		52		368		664		297
	1,730		1,957		1,398		1,732		810
	2,396		2,706		2,093		2,701		3,279
\$	9,937	\$	10,132	\$	9,622	\$	7,247	\$	6,451

(25,455)	(18,442)	(21,524)	(24,076)	(22,142)
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**CITY OF BELL**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(amount expressed in thousands)*  
*(accrual basis of accounting)*

	<b>Fiscal Year</b>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 5,976	\$ 7,538	\$ 8,933	\$ 10,138	\$ 11,448
Sales and use taxes**	2,581	2,771	2,570	2,061	-
Franchise taxes	446	453	446	552	560
Business licenses taxes				-	-
Utility users taxes	3,084	3,199	3,175	3,302	3,124
Motel taxes	173	167	446	267	-
Special assessments				-	-
Real property transfer taxes	68	61	35	20	29
Other Taxes					
Motor vehicle in lieu	2,991	2,843	3,010	3,145	-
Unrestricted grants and contributions				-	5,704
Investment income	692	631	606	282	22
Sale of property	1	12	326	1	41
Other	156	153	288	186	1,099
Special item: Repayment of excess pension assessment	-	-	-	-	(2,934)
Extraordinary gain: dissolution of the Bell Community Redevelopment Agency	-	-	-	-	-
Extraordinary loss: uncollectible advances to Bell Successor Agency	-	-	-	-	-
Special item: gain on forgiveness of bonds payable	-	-	-	-	-
Use of money and property	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Total governmental activities</b>	<b>16,168</b>	<b>17,828</b>	<b>19,835</b>	<b>19,954</b>	<b>19,093</b>
Business-type activities:					
Transfers	-	-	-	-	-
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 16,168</b>	<b>\$ 17,828</b>	<b>\$ 19,835</b>	<b>\$ 19,954</b>	<b>19,093</b>
<b>Change in Net Position</b>					
Governmental activities	\$ (41)	\$ (3,658)	\$ (1,393)	\$ (2,318)	\$ (15,373)
Business-type activities	-	-	-	-	-
Restatement of Net Position	-	-	-	-	-
<b>Total primary government</b>	<b>\$ (41)</b>	<b>\$ (3,658)</b>	<b>\$ (1,393)</b>	<b>\$ (2,318)</b>	<b>\$ (15,373)</b>

Notes:

\*Years 2010 to 2013 does not have a line item for "sales and use taxes" and utilized a different format to calculate taxes

\*\*Sales & use taxes total was reclassified by MGO beginning in 2010

Source: City of Bell Finance Department

Fiscal Year					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	
\$ 6,526	\$ 2,272	\$ 903	\$ 8,390	\$ 9,446	
-	-	-	2,054	2,063	
480	588	521	690	696	
-	-	-	-	38	
3,151	2,959	3,017	3,135	3,195	
-	-	-	-	-	
5,450	7,346	4,721	-	-	
39	23	17	-	-	
-	-	-	109	69	
-	-	-	-	16	
5,040	4,666	4,716	-	-	
28	11	4	-	-	
-	-	-	13,117	-	
651	108	1,967	10,982	1,330	
-	-	-	-	-	
-	14,944	-	-	-	
-	-	(6,632)	-	-	
-	-	6,300	-	-	
-	-	-	3,400	3,080	
-	-	-	-	-	
<u>21,365</u>	<u>32,917</u>	<u>15,534</u>	<u>41,877</u>	<u>19,933</u>	
-	-	-	-	-	
-	-	-	-	-	
<u>21,365</u>	<u>32,917</u>	<u>15,534</u>	<u>41,877</u>	<u>19,933</u>	
\$ (4,090)	\$ 14,475	\$ (5,990)	\$ 17,801	\$ (2,209)	
-	-	-	-	-	
-	-	-	(1,724)	(29,464)	
<u>\$ (4,090)</u>	<u>\$ 14,475</u>	<u>\$ (5,990)</u>	<u>\$ 16,077</u>	<u>\$ (31,673)</u>	

**City of Bell**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
*(amount expressed in thousands)*

	Fiscal Year				
	2006	2007	2008	2009	2010
General fund:					
Reserved	\$ 6,779	\$ 9,020	\$ 6,383	\$ 4,699	\$ 4,384
Unreserved	8,073	6,431	9,020	10,988	1,698
Total general fund	<u>\$ 14,852</u>	<u>\$ 15,451</u>	<u>\$ 15,403</u>	<u>\$ 15,687</u>	<u>\$ 6,082</u>
All other governmental funds					
Unreserved, reported in:					
Debt service	(12,651)	(13,353)	(11,111)	(10,357)	(6,860)
Capital projects	10,539	1,265	32,871	28,251	24,646
Special revenue	3,578	(842)	(1,102)	(263)	9,001
Total all other governmental fund:	<u>\$ 17,566</u>	<u>\$ (2,310)</u>	<u>\$ 34,874</u>	<u>\$ 29,688</u>	<u>\$ 33,452</u>
Total fund balances of governmental funds	<u>\$ 32,418</u>	<u>\$ 13,141</u>	<u>\$ 50,277</u>	<u>\$ 45,375</u>	<u>\$ 39,534</u>

General Fund  
Nonspendable  
Restricted  
Assigned to:  
Unassigned

All other governmental funds:  
Nonspendable  
Restricted  
Assigned to:  
Unassigned

Total fund balances of governmental funds

Notes:  
The City of Bell implemented GASB 54 in 2011 without retroactive application

Source: City of Bell Finance Department

**Fiscal Year**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	4,488,990	\$ 4,383,746	\$ 128,648	\$ 7,800	\$ 1,338,154
	-	-	-	-	-
	1,709,209	303,292	(1,614,979)	20,753,917	18,693,851
\$	65,933	\$ 60,648	\$ 196,914	\$ -	\$ 19,500
	39,468,546	37,949,110	15,321,838	13,686,884	13,233,698
	-	-	-	878,956	-
	1,778,363	2,327,413	2,345,610	382,549	43,756
	(6,924,630)	(281,834)	(197,904)	(971,854)	(2,121,925)
<b>\$</b>	<b>40,586,411</b>	<b>\$ 44,742,375</b>	<b>\$ 16,180,127</b>	<b>\$ 34,738,252</b>	<b>\$ 31,207,034</b>

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

	Fiscal Year				
	2006	2007	2008	2009	2010
<b>Revenues:</b>					
Taxes	\$ 13,228	\$ 13,651	\$ 15,147	\$ 14,828	17,090
Licenses and permits	967	1,061	1,134	947	1,099
Fines and forfeitures	1,343	1,244	1,292	1,513	1,040
Charges for services	1,218	1,177	1,236	1,424	1,268
Intergovernmental	8,022	7,742	9,422	10,636	10,865
Investment income	996	802	681	304	22
Lease income	3,388	3,418	3,515	3,760	3,798
Sale of property	1	-	781	1	-
Use of money and property	-	-	-	-	-
Other	690	951	1,188	771	1,001
<b>Total revenues</b>	<b>29,853</b>	<b>30,046</b>	<b>34,396</b>	<b>34,184</b>	<b>36,183</b>
<b>Expenditures:</b>					
Current:					
General government	11,754	11,685	12,336	12,607	10,595
Public safety	13,209	7,725	8,015	7,582	7,864
Community development	-	-	-	-	-
Community services	3,340	3,498	3,839	3,094	3,365
Public works	1,366	1,317	1,583	1,981	4,569
Pass-through agreements	-	-	-	-	3,670
Capital outlay	6,738	36,694	6,104	8,795	4,870
Debt service	-	-	-	-	-
Interest and fiscal charges	3,200	4,489	6,117	7,087	6,298
Principal payments	2,607	1,696	27,895	1,661	1,926
Other charges	4,615	1,349	1,852	878	-
<b>Total expenditures</b>	<b>46,829</b>	<b>68,453</b>	<b>67,741</b>	<b>43,685</b>	<b>43,157</b>
Excess of revenues over (under) expenditures	\$ (16,976)	\$ (38,407)	\$ (33,345)	\$ (9,501)	\$ (6,974)
<b>Other financing sources (uses)</b>					
Proceed from sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ 56
Transfers in	18,086	31,860	8,307	8,713	8,010
Transfers out	(18,086)	(31,860)	(8,307)	(8,713)	(8,010)
Issuance of bond	30,015	26,330	70,000	-	-
Issuance of note	-	-	-	4,600	-
Issuance of loan	-	-	-	-	-
Premium on bond issue	374	-	480	-	-
Payment to bond escrow	(14,350)	-	-	-	-
Repayment of excess pension assessment	-	-	-	-	(2,934)
Extraordinary gain from dissolution of Bell CRA	-	-	-	-	-
Extraordinary loss on uncollectible advances to Bell Successor Agency	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>16,039</b>	<b>26,330</b>	<b>70,480</b>	<b>4,600</b>	<b>(2,878)</b>
Net change in fund balance	\$ (937)	\$ (12,077)	\$ 37,135	\$ (4,901)	\$ (9,852)
Debt service as a percentage of noncapital expenditures	14.5%	19.5%	55.2%	25.1%	21.5%

Notes:  
Significant changes in fund balances are due to debt issuance and/or refunding as reported under other financing sources.  
In FY2008, the City issued General Obligation Bonds and Taxable Lease Revenue Bonds. In addition, the City refunded the Bond

Source: City of Bell Finance Department

Fiscal Year				
2011	2012	2013	2014	2015
17,673	14,792	10,974	14,376	15,507
629	554	762	743	579
759	869	554	391	504
715	621	1,199	1,291	1,294
7,135	7,487	6,407	4,832	4,110
28	11	4	-	-
3,712	3,661	3,615	-	-
-	-	-	-	-
-	-	-	3,400	3,080
1,417	132	1,969	10,982	1,330
32,068	28,127	25,484	36,015	26,404

7,789	8,437	9,434	9,478	5,821
7,083	5,967	6,845	6,759	8,842
-	-	-	2,965	1,267
2,970	2,642	2,908	2,825	3,024
2,874	2,932	3,435	2,984	1,816
1,190	509	-	-	-
1,501	1,312	1,456	3,752	3,201
-	-	-	-	-
5,028	4,317	4,711	2,779	2,624
2,224	2,295	18,625	30,415	3,325
-	-	-	-	-
30,659	28,411	47,414	61,957	29,920

\$ 1,409	\$ (284)	\$ (21,930)	\$ (25,942)	\$ (3,516)
----------	----------	-------------	-------------	------------

\$ 1	\$ -	\$ 4,486	\$ 44,500	\$ -
3,127	4,037	(4,486)	33,962	2,845
(3,127)	(4,037)	-	(33,962)	(2,845)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	4,440	-	-	-
-	-	(6,632)	-	-
1	4,440	(6,632)	44,500	-

\$ 1,410	4,156	(28,562)	18,558	(3,516)
----------	-------	----------	--------	---------

24.9%	-	-	57.0%	21.8%
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**City of Bell**  
**Assessed Value and Estimated Actual Value Of Taxable Property,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
*(amount expressed in thousands)*

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Govt. Owned</b>	<b>Institutional</b>	<b>Misc.</b>	<b>Recreational</b>
2006	739,062	142,851	210,541	-	2,361	54	2,355
2007	809,204	153,879	216,049	-	3,872	55	2,402
2008	877,819	159,581	230,203	-	3,794	57	2,450
2009	921,778	168,687	243,142	5,800	4,194	58	2,772
2010	884,239	180,508	249,366	-	4,277	59	2,286
2011	858,709	175,586	281,413	965	8,529	59	2,497
2012	861,938	175,161	293,450	1,164	4,299	59	2,285
2013	868,594	175,568	256,251	462	5,873	60	2,045
2014	893,965	179,789	295,600	94	5,343	62	2,133
2015	923,525	195,334	330,041	95	5,662	-	2,873

Notes:

\*HDL's computations did not originally include tax-exempt property amounts in total taxable assessed value

<b>Vacant</b>	<b>SBE Nonunitary</b>	<b>Cross Reference</b>	<b>Unsecured</b>	<b>Less: Tax- Exempt Property*</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Rate</b>
6,143	6,433	3,999	45,821	28	1,159,592	0.52745
6,123	6,350	4,056	45,703	29	1,247,664	0.52309
7,368	5,639	4,004	55,640	37	1,346,518	0.57323
8,273	5,639	3,876	67,317	33	1,431,503	0.60125
8,392	5,639	3,988	73,061	33	1,411,782	0.71558
8,790	124	3,816	51,439	26	1,391,901	0.69074
7,797	124	3,825	49,949	25	1,400,026	0.71265
7,389	124	3,896	51,951	20	1,372,193	0.69804
32,206	265	3,472	54,000	20	1,466,909	0.46965
14,765	265	3,637	57,383	20	1,533,560	0.46491

**City of Bell**  
**Direct & Overlapping Property Tax Rates**  
(Rate Per \$100 Of Taxable Value)

	Fiscal Year				
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Basic Levy <sup>1</sup>	1.00000	1.00000	1.00000	1.00000	1.00000
Bell Measure A Go Bonds	-	-	-	-	-
County Detention Facilities 1987 Debt	0.00080	0.00066	-	-	-
LA Ccd Ds 2008 2012 Series F	-	-	-	-	-
Total governmental activities net position	0.01429	0.02146	0.00879	0.02212	0.02311
LA County Flood Control	0.00005	0.00005	-	-	-
Los Angeles Unified School District	0.08435	0.10681	0.12334	0.12478	0.15181
Metropolitan Water District	0.00520	0.00470	0.00450	0.00430	0.00430
Total business-type activities net position	0.07054	0.06731	0.06681	0.08063	0.09673
Tax District #1	0.18755	0.18755	0.23755	0.25755	0.37441
Total Direct & Overlapping Rate	1.36278	1.38854	1.44099	1.48938	1.65036
City's Share of 1% Levy Per Prop 13	0.05366	0.05366	0.05366	0.05366	0.05366
Voter Approved City Debt Rate	0.18755	0.18755	0.23755	0.25755	0.37441
Redevelopment Rate	1.19371	1.19305	1.24209	1.26191	1.37871
Total Direct Rate	0.52745	0.52309	0.57323	0.60125	0.71558

**Notes:**

<sup>1</sup>In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

<sup>2</sup>Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

<sup>3</sup>City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

<sup>4</sup>Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

<sup>5</sup>Total Direct Rate is the weighted average of all individual direct rates applied to by the government preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Data Source: L. A. County Assessor 2005/06 - 2014/15 Tax Rate Table

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

Fiscal Year				
2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
1.00000	1.00000	1.00000	1.00000	1.00000
-	0.15286	0.15286	0.15286	0.15286
-	-	-	-	-
-	-	0.01119	-	-
0.04031	0.03530	0.03756	0.04454	0.04017
-	-	-	-	-
0.18695	0.16819	0.17561	0.14644	0.14688
0.00370	0.00370	0.00350	0.00350	0.00350
0.09792	0.10001	0.09630	0.09457	0.08750
0.31141	0.18755	0.18755	0.18755	0.18755
1.64029	1.64761	1.66457	1.62946	1.61846
0.05366	0.05366	0.05366	0.05366	0.05366
0.31141	0.18755	0.18755	0.18755	0.18755
1.31511	1.19125	0	0	0
0.69074	0.71265	0.69804	0.46965	0.46491

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**City of Bell**  
**Principal Property Tax Payers**  
**Current Year and 10 Years Ago**  
*(amount expressed in thousands)*

**Fiscal Year 2014-2015:**

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) Cheli Distribution Center Inc	12	\$ 107,593	7.29%				\$ 107,593	7.02%	Industrial/Successor Agency
2) First Industrial LP	2	63,597	4.31%				63,597	4.15%	Industrial/TD #1
3) Perrin Bernard Supowitz Inc	4	41,546	2.81%	3	1,971,531	3.44%	43,517	2.84%	Industrial/Successor Agency
4) PRI Bell Technology Industrial CA LLC	4	20,438	1.38%				20,438	1.33%	Industrial/Successor Agency
5) Bell Palm Plaza LP	5	15,367	1.04%				15,367	1.00%	Commercial/Successor Agency
6) Inland Paperboard And Packaging Inc	3	5,823	0.39%	1	8,778,580	15.30%	14,602	0.95%	Unsecured/TD #1
7) AMB Property LP	2	13,972	0.95%				13,972	0.91%	Industrial/TD #1
8) 6015-6025 Bandini LLC	6	13,064	0.88%				13,064	0.85%	Industrial/TD #1
9) Salvation Army	3	8,618	0.58%				8,618	0.56%	Industrial/Successor Agency
10) Gutierrez Financial Corporation	1	8,618	0.58%				8,618	0.56%	Commercial/Successor Agency
<b>Top Ten Total</b>	<b>42</b>	<b>298,636</b>	<b>20.21%</b>	<b>4</b>	<b>10,750,111</b>	<b>0.1874</b>	<b>309,386</b>	<b>20.17%</b>	
<b>City Total</b>		<b>\$ 1,476,198</b>			<b>\$ 57,383</b>		<b>\$ 1,533,581</b>		

**Fiscal Year 2005-2006:**

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) Cheli Distribution Center Inc	11	\$ 102,969	9.24%				\$ 102,969	8.88%	Industrial/Successor Agency
2) Ari-Commerce Office Park Llc	4	34,600	3.11%				34,600	2.98%	Industrial/Successor Agency
3) Inland Paperboard And Packaging Inc	3	5,121	0.46%	1	9,054,447	19.76%	14,176	1.22%	Unsecured/TD #1
4) Bell Palm Plaza Lp	5	13,514	1.21%				13,514	1.17%	Commercial/Successor Agency
5) Bristol Industrial I Llc	5	12,228	1.10%				12,228	1.05%	Industrial/Successor Agency
6) Amb Property Lp	2	12,209	1.10%				12,209	1.05%	Industrial/TD #1
7) Bandini Partners Llc	2	6,120	0.55%				6,120	0.53%	Industrial/TD #1
8) Southern California Water Company	2	5,492	0.49%				5,492	0.47%	Industrial/TD #1
9) Bandini Properties Llc	6	5,439	0.49%				5,439	0.47%	Industrial/TD #1
10) Horacio Rodriguez Company Trust	15	4,807	0.43%				4,807	0.41%	Residential/TD #1
<b>Top Ten Total</b>	<b>55</b>	<b>\$ 202,499</b>	<b>18.18%</b>	<b>1</b>	<b>\$ 9,054,447</b>	<b>0.1976</b>	<b>\$ 211,554</b>	<b>18.23%</b>	
<b>City Total</b>		<b>\$ 1,113,799</b>			<b>\$ 45,821</b>		<b>\$ 1,159,620</b>		

Notes:  
Top owners last edited on 11/3/15 by maheav using sales through 6/30/06 (version R.1)

Source:  
L.A. County Assessor 2005/06 combined tax rolls and the SBE non-unitary tax roll (HdL, Coren & Cone)

Source:

**City of Bell**  
**Taxable Sales by Category**  
**Last 10 Calendar Years**  
*(amount expressed in thousands)*

	Fiscal Year				
	2006	2007	2008	2009	2010
Apparel Stores	\$ 5,635	\$ 5,484	\$ 5,103	\$ 5,001	\$ 5,247
General Merchandise	1,126	1,159	1,537	2,459	2,538
Food Stores	11,298	11,937	12,062	11,404	10,629
Eating and Drinking Places	35,876	35,911	33,243	30,376	30,898
Auto Dealers and Supplies	92,269	84,268	45,356	27,906	17,917
Service Stations	37,506	38,357	38,547	26,927	29,065
Other Retail Stores	30,041	29,374	28,705	25,527	25,080
All Other Outlets	52,702	54,204	75,116	67,565	57,595
Restaurants and Hotels					
Fuel and Service Stations					
Business and Industry					
General Consumer Goods					
Autos and Transportation					
Food and Drugs					
Building and Construcion					
	<u>\$ 266,453</u>	<u>\$ 260,694</u>	<u>\$ 239,669</u>	<u>\$ 197,165</u>	<u>\$ 178,969</u>

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

Notes:

\* 2015 statistical data was provided by HDL Companies. Please refer to "Sales Tax-City of Bell Major Industry Groups." Please note that 2015 fourth quarter data is unavailable and an average of the actual 3 Qts. Is being used.

					Fiscal Year				
2011		2012		2013		2014		2015*	
\$	6,286	\$	6,743	\$	5,719	\$	5,967		
	2,488		2,537		3,086		3,296		
	10,657		11,684		11,561		12,272		
	31,817		33,316		36,611		38,077		
	13,797		14,021		15,154		16,629		
	36,300		37,865		39,339		38,945		
	22,616		21,202		20,688		20,151		
	57,311		60,184		68,053		64,406		
								\$	43,385
									37,928
									33,756
									23,967
									23,303
									22,188
									380
\$	181,272	\$	187,552	\$	200,211	\$	199,743	\$	184,907

**City of Bell  
Principal Sales Tax Remitters\*  
Current Year and 10 Years Ago**

**Fiscal Year 2014-15**

<b>Tax Remitter</b>	<b>Business Category</b>
7 Eleven	Service Stations
Bell Chevron	Service Stations
Bell Thrift Store	Second-Hand Stores
Bellwood Auto Body	Auto Repair Shops
Boerner Used Truck Center	Used Automotive Dealers
CVS Pharmacy	Drug Stores
GNLD International	Drugs/Chemicals
Golden State Enterprises	Service Stations
Hill-Rom	Medical/Biotech
Hometown Buffet	Casual Dining
Individual Foodservice	Food Service Equip./Supplies
Jack in the Box	Quick-Service Restaurants
Kaman Industrial Technology	Heavy Industrial
La Barca Restaurant	Casual Dining
Las Playitas Auto Sales	Used Automotive Dealers
McDonalds	Quick-Service Restaurants
Northgate Market	Grocery Stores Liquor
O'Reilly Auto Parts	Automotive Supply Stores
Shell	Service Stations
Smart & Final	Grocery Stores Liquor
Tacos El Gavilan	Quick-Service Restaurants
Tesoro Refining & Marketing	Service Stations
Uruapan Auto Sales	Used Automotive Dealers
WSS	Shoe Stores
Zoo Printing	Light Industrial/Printers

Percent of Fiscal Year Total Paid By Top 25 Accounts = 65.17%

**Notes:**

\*Firms Listed Alphabetically

Period: April 2014 Thru March 2015 & April 2005 Thru March 2006

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

**Fiscal Year 2005-2006**

<b>Tax Remitter</b>	<b>Business Category</b>
7 Eleven	Service Stations
76	Service Stations
Arco AM PM Mini Mart	Service Stations
Bell Chevron	Service Stations
Boerner Used Truck Center	Used Automotive Dealers
Carls Jr	Quick-Service Restaurants
Casa De Ceramica	Home Furnishings
Chuck E Cheeses	Casual Dining
Custom Building Products	Lumber/Building Materials
Hill-Rom	Medical/Biotech
Hometown Buffet	Casual Dining
Individual Foodservice	Food Service Equip./Supplies
Individual Paper Products	Light Industrial/Printers
Kaman Industrial Technology	Heavy Industrial
Kwaks Ultramar	Service Stations
La Barca Restaurant	Casual Dining
Las Playas Mariscos	Casual Dining
Los Coches	Used Automotive Dealers
Maurice J Sopp & Son	New Motor Vehicle Dealers
McDonalds	Quick-Service Restaurants
Northgate Market	Grocery-No Alcohol
S & N Oil	Service Stations
Sav On	Drug Stores
Smart & Final	Grocery Stores Liquor
WSS	Shoe Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 76.07%

**City of Bell**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
*(amount expressed in thousands)*

Fiscal Year	General Obligation Bonds	Tax Allocation Bonds	Revenue Bonds	Revenue Notes	Certificates of Participation	Bond Anticipation Notes	Other Debt	Total Governmental Activities	Percent of Assessed Value	Debt Per Capita
2006	15,000,000	26,495,000	30,015,000	-	2,480,000	-	-	73,990,000	10.48%	1,906
2007	15,000,000	25,760,000	29,145,000	-	2,390,000	26,330,000	-	98,625,000	12.75%	2,530
2008	50,000,000	25,010,000	63,425,000	-	2,295,000	-	-	140,730,000	16.76%	3,631
2009	50,000,000	24,240,000	62,650,000	-	2,195,000	-	4,584,183	143,669,183	16.15%	3,707
2010	50,432,346	23,440,000	61,825,000	-	2,090,000	-	4,388,091	142,175,437	16.21%	3,545
2011	50,061,333	22,600,000	60,940,000	-	1,980,000	-	4,353,685	139,935,018	15.87%	3,808
2012	49,680,320	-	59,990,000	-	1,865,000	-	-	111,535,320	8.13%	3,117
2013	32,179,307	-	52,670,000	-	1,745,000	-	-	86,594,307	5.90%	2,407
2014	31,663,294	-	22,880,000	-	1,620,000	-	-	56,163,294	3.66%	1,561
2015	31,117,281	-	21,705,000	-	-	-	-	52,822,281	3.44%	1,469

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

Source: City of Bell Finance Department

**City of Bell**  
**Direct and Overlapping Government Activities Debt**  
**As of June 30, 2015**  
(amount expressed in thousands)

		Gross Bonded Debt Balance	Percent Applicable to City	Net Bonded Debt
<b>Direct Debt</b>				
	116.01 GOBS SERIES 2004	\$ 13,090,000	100.000%	\$ 13,090,000
	116.01 GOBS SERIES 2007	17,675,000	100.000%	17,675,000
	116.01 LEASE REV REF BONDS 2005	17,270,000	100.000%	17,270,000
	116.01 TAXABLE PENSION REV BONDS 2005	4,435,000	100.000%	4,435,000
	Total Direct Debt	\$ 52,470,000		\$ 52,470,000
<b>Overlapping Debt</b>				
	*315.05 METROPOLITAN WATER DISTRICT	\$ 53,296	0.107%	\$ 57,003
	805.55 LA CCD DS 2003 TAXABLE SERIES 2004B	2,115	0.232%	4,914
	805.56 LA CCD DS 2001 TAXABLE SERIES 2004A	31,555	0.232%	73,308
	805.57 LA CCD DS REFUNDING 2001 SERIES 2005A	18,140	0.232%	42,142
	805.58 LA CCD DS 2001, 2006 SERIES B	20,360	0.232%	47,300
	805.59 LA CCD DS 2003, 2006 SERIES C	10,265	0.232%	23,847
	805.6 LA CCD DS 2001, 2008 SER E-1	26,160	0.232%	60,774
	805.62 LA CCD DS 2003, 2008 SER F-1	25,525	0.232%	59,299
	805.64 LA CCD DS 2008, 2009 TAXABLE SER A	75,000	0.232%	174,238
	805.65 LA CCD DS 2008, 2009 TAXABLE SER B	175,000	0.232%	406,556
	805.66 LA CCD DS 2008, 2010 TAX SERIES D	125,000	0.232%	290,397
	805.67 LA CCD DS 2008, 2010 TAX SER E (BABS)	900,000	0.232%	2,090,858
	805.7 LA CCD DS 2013 REF BONDS	268,075	0.232%	622,785
	805.71 LA CCD DS 2008 SERIES G	2,205,070	0.232%	5,122,766
	887.51 LOS ANGELES UNIF DS 1997 SERIES A	17,500	0.228%	39,910
	887.56 LOS ANGELES UNIF DS 2002 REF BOND	98,160	0.228%	223,859
	887.65 LOS ANGELES UNIF DS 2004 SERIES E	100,070	0.228%	228,215
	887.68 LOS ANGELES UNIF DS 2004 SERIES F	73,960	0.228%	168,670
	887.7 LOS ANGELES UNIF DS 2005 SERIES A (2006)	124,290	0.228%	283,450
	887.71 LOS ANGELES UNIF DS 2005 SERIES B (2006)	1,861,670	0.228%	4,245,640
	887.72 LOS ANGELES UNIF DS 2005 SERIES C (2006)	283,220	0.228%	645,899
	887.74 LOS ANGELES UNIF DS 2004 SERIES G (2006)	446,535	0.228%	1,018,347
	887.78 LOS ANGELES UNIF DS 2002 SERIES B (2007)	800,305	0.228%	1,825,139
	887.8 LOS ANGELES UNIF DS 2002 SERIES C	123,575	0.228%	281,820
	887.81 LOS ANGELES UNIF DS 2004 SERIES H	485,155	0.228%	1,106,422
	887.82 LOS ANGELES UNIF DS 2005 SERIES E	81,360	0.228%	185,546
	887.91 LAUSD MEASURE R SERIES 2009	346,065	0.228%	789,220
	887.92 LAUSD MEASURE R SERIES KRY BABS	200,000	0.228%	456,111
	887.93 LAUSD MEASURE Y 2009 SERIES KRY BABS	363,005	0.228%	827,853
	887.98 LAUSD MEASURE R 2010 SERIES RY BABS	806,795	0.228%	1,839,940
	887.99 LAUSD MEASURE Y 2010 SERIES RY BABS	1,250,585	0.228%	2,852,027
	888.55 LOS ANGELES UNIF DS 2010 SERIES QSCBS	608,995	0.228%	1,388,846
	888.6 LOS ANGELES UNIF DS 2014 REF BOND SERIES A	141,345	0.228%	322,345
	888.61 LOS ANGELES UNIF DS 2014 REF BOND SERIES B	1,622,200	0.228%	3,699,515
	888.62 LOS ANGELES UNIF DS 2014 REF BOND SERIES C	135,830	0.228%	309,768
	888.63 LOS ANGELES UNIF DS 2014 REF BOND SERIES D	326,045	0.228%	743,563
	899.5 MONTEBELLO USD DS 1998 SERIES 1998	6,883	2.254%	155,142
	899.51 MONTEBELLO USD DS 1998 SERIES 1999	8,826	2.254%	198,936
	899.54 MONTEBELLO USD DS 1998 SERIES 2002	15,036	2.254%	338,901
	899.56 MONTEBELLO USD DS 2004 SERIES 2008	2,665	2.254%	60,069
	899.57 MONTEBELLO USD DS 2004 SERIES 2009-1	18,585	2.254%	418,905
	899.58 MONTEBELLO USD DS 2004 SERIES 2009A-2 BABS	12,640	2.254%	284,905
	899.59 MONTEBELLO USD DS 2010 REFUNDING BONDS	9,380	2.254%	211,425
	899.6 MONTEBELLO USD DS REF 2004 SERIES 2013A	50,130	2.254%	1,129,929
	Total Overlapping Debt			\$ 35,356,504
	Total Direct and Overlapping Debt			\$ 87,826,504

2014/15 Assessed Valuation: \$1,040,102,810 After Deducting \$493,478,310 Incremental Value.

Debt to Assessed Valuation Ratios:

Direct Debt	5.04%
Overlapping Debt	3.40%
Total Debt	

\*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, L. A. County Assessor and Auditor Combined 2014/15 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**  
**Demographic and Economic Statistics**  
**Last Ten Clendar Years**

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Median Age	% of Population 25+ with High School Degree	% of Population 25+ with Bachelor's Degree	Unemployment Rate
2006	38,676	\$ 432,338	\$ 11,178	N/A	N/A	N/A	6.50%
2007	38,609	442,751	11,468	N/A	N/A	N/A	6.90%
2008	38,480	443,843	11,534	N/A	N/A	N/A	10.00%
2009	38,613	437,309	11,325	26.0	41.30%	5.00%	15.30%
2010	38,867	473,633	12,186	28.2	44.20%	3.80%	16.60%
2011	35,607	451,675	12,685	28.3	42.30%	3.80%	16.20%
2012	35,783	442,707	12,372	28.5	42.20%	5.40%	12.30%
2013	35,972	438,930	12,202	28.7	44.50%	6.00%	10.20%
2014	35,987	431,124	11,980	30.5	45.30%	5.90%	11.10%
2015*				<i>Census data unavailable</i>			

Notes and Data Sources:

Population: California State Department of Finance. Unemployment Data: California Employment Development Department

2000-2009 Income, Age, and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries

2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

Total governmental activities net position

**City of Bell**  
**Full-Time-Equivalent City Government Employees**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2011-2012	2012-2013	2013-2014	2014-2015	
City Council					N/A					1
General Government*	25	25	22	22	N/A					
City Manager's Office					N/A	2	3	3		4
City Clerk's Office					N/A	1	1	2		2
Finance Department					N/A	4	6	6		7
Total governmental activities net position	52	52	52	51	N/A	40	43	40		41
Community Development Department					N/A	12	9	10		13
Public Works	1	1	1	1	N/A					
Community Services	11	12	9	6	N/A	3	5	6		8
<b>Total business-type activities net position</b>	<b>89</b>	<b>90</b>	<b>84</b>	<b>80</b>		<b>62</b>	<b>67</b>	<b>67</b>		<b>76</b>

Notes:

2,080 work hours/year= 1 full time equivalent (FTE) employee

\*In years fiscal year 2005-2006 through 2009-2011, city manager, city clerk, community development and finance departments were all included under "general government"

Total governmental activities net position

**City of Bell  
Operating Indicators By Function  
Last Ten Fiscal Years**

	Fiscal Year								
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2011-2012	2012-2013	2013-2014	2014-2015
General Government									
Code Enforcement									
Number of Inspections	9,620	7,290	6,252	5,859	N/A	N/A	N/A	N/A	N/A
Investigations resulting in voluntary compliance	5,430	6,245	5,694	5,284	N/A	N/A	N/A	N/A	N/A
Building and planning									
Total governmental activities net position	1,474	1,400	952	829	N/A	N/A	N/A	N/A	N/A
Plan checks	175	298	117	106	N/A	N/A	N/A	N/A	N/A
Public Safety									
Total business-type activities net position	5,471	5,180	5,521	-	N/A	N/A	N/A	N/A	N/A
Calls for service	21,570	22,779	23,539	-	N/A	N/A	N/A	N/A	N/A
Public Works									
Lineal feet of existing sewer rehabilitation	2,000	-	-	-	N/A	N/A	N/A	N/A	N/A
Total governmental activities net position									
Number of class participants	106	78	67	-	N/A	N/A	N/A	N/A	N/A
Number of class participants	1,319	1,626	1,238	-	N/A	N/A	N/A	N/A	N/A

Source:  
City of Bell, Various Departments

**City of Bell  
 Operating Indicators By Function  
 Last Ten Fiscal Years**

	Fiscal Year									
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2011-2012	2012-2013	2013-2014	2014-2015	
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	38.8	38.8	38.8	38.8	38.8	38.8	38.8	38.8	38.8	38.8
Sewers (miles)	39.1	39.1	39.1	39.1	39.1	39.1	39.1	39.1	39.1	39.1
Total governmental activities ne	24	24	24	24	24	24	24	24	24	24
Traffic signals	37	37	38	38	38	38	38	38	38	38
Community Services										
Total business-type activities ne	6	6	6	6	6	6	6	6	6	6
Community centers	1	1	1	1	1	1	1	1	1	1
Finance										
Business Licenses										1,458