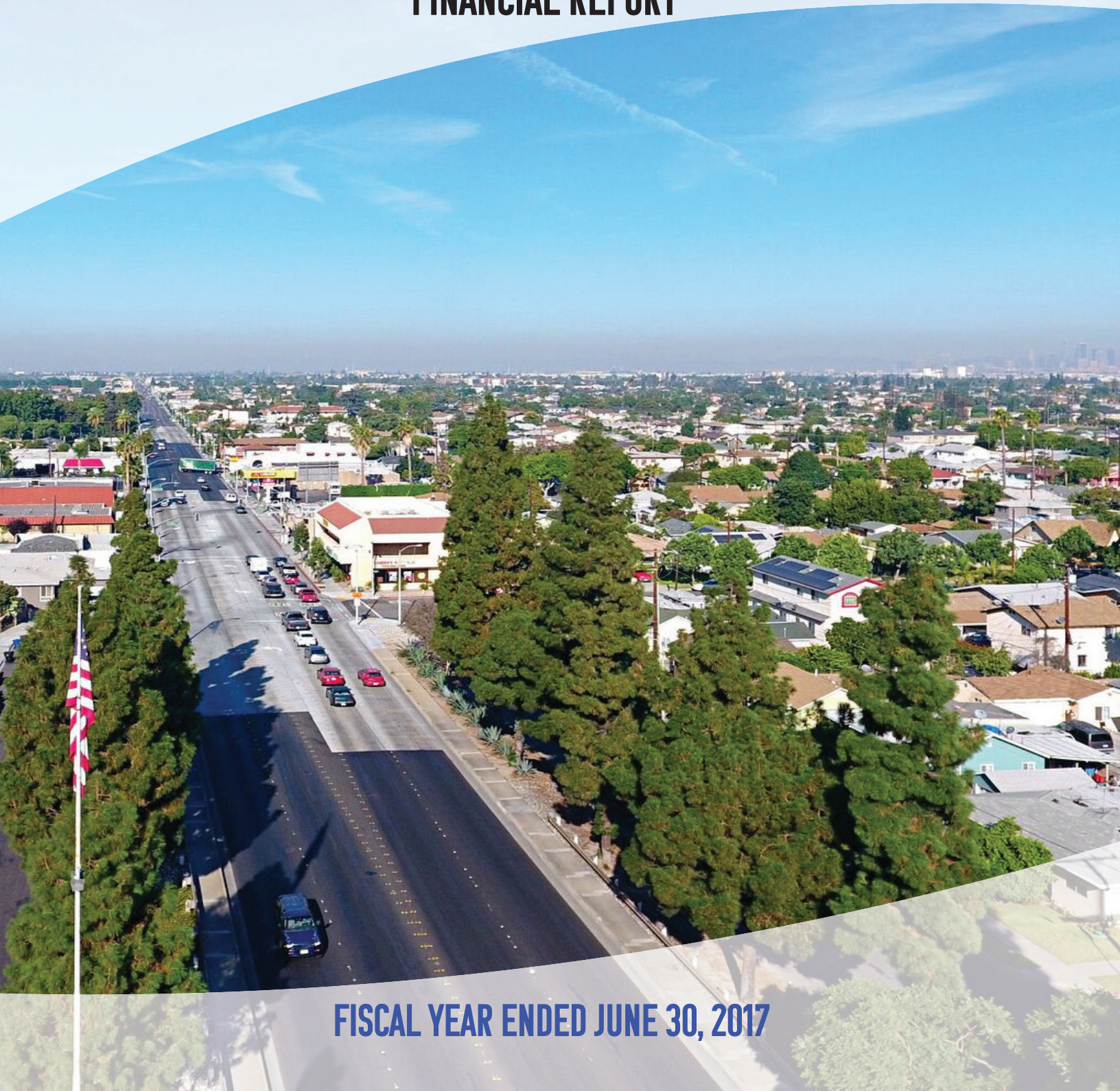




CITY OF BELL

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2017

CITY OF BELL, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

PREPARED BY FINANCE DEPARTMENT

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CITY OF BELL
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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



6330 Pine Avenue
Bell, California 90201
(323) 588-6211
(323) 771-9473 fax

December 12, 2017

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Bell for the fiscal year ended June 30, 2017. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This report consists of management's representations concerning the finances of the City. Consequently, responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with general accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide assurance that the financial statements will be free from misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2017, were fairly presented in conformity with GAAP. 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 statements in the form of Management's Discussion and Analysis (MD&A).

This letter of transmittal is designed to complement 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.

PROFILE OF THE CITY OF BELL

Founded in 1927, Bell is an incorporated charter city located in the greater metropolitan Los Angeles area, approximately 10 miles southeast of downtown Los Angeles, near the center of the former San Antonio Township. With a California Department of Finance estimated population of 36,408, the City occupies a land area of 2.5 square miles and .12 square 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 has operated under the council-manager form of government since incorporation. Policy making and legislative authority are vested in a five member City Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and task forces, and hiring both the City Manager and contracting for City Attorney services. The City Manager is responsible for overseeing the day-to day operations of the City, and for appointing the heads of the various departments. The five –member city council elected by a majority of voters in alternating terms for four years and who in turn elect the Major and Vice-Mayor from among themselves for a one year term.

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 contract for fire and paramedic services through the Los Angeles County Fire Department (LACFD).

The Los Angeles County provides library services through a Library District, and funds are collected through property tax bills and are disbursed directly by the Los Angeles County Tax Collector's Office. The City contracted the maintenance of sewer and sanitation services.

Water services for the City are provided by Golden State Water Company. Refuse collection is provided by Republic Services a private waste collection company. Accordingly, none of these activities are included in this report.

ECONOMIC CONDITION AND OUTLOOK

The City's economy is linked to the national and state economy. With a local unemployment rate of 6.2%, an improvement of over 15% over one year ago, along with national consumer confidence at levels not obtained since December 2000, the City is benefiting from a number of reasonably strong national and regional economic indicators.

Local Economy. The City Council recently took the initiative of pursuing economic development opportunities to address and serve the long-term needs of the City's community and residents. In an effort to generate additional long-term revenue sources, the City is focusing its efforts by investing in underutilized land at key locations within the City as well as seeking out other new development opportunities.

As a first step in this effort, in March 2017, staff was directed to move forward with negotiating the purchase of four parcels located at a key intersection within the City. This acquired land will be used to develop new retail and commercial opportunities increasing property tax, sales tax, and other ongoing fee related revenues to the City.

Additional projects geared toward generating economic growth that the City is actively pursuing to include a Microbrewery Project on Gage Avenue, Western Auto project, on Atlantic Avenue.

Finally, the City's future economic health is being secured by building healthy reserves through fiscally conservative budgets and policies in addition to aggressively pursuing economic development opportunities.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cities recognizing conformance with the highest standards for preparation of state and local financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, with contents that conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only.

We believe our current Comprehensive Annual Financial Report conforms to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

REPORTING ENTITY AND ITS SERVICES

This Comprehensive Annual Financial Report includes all funds of the City. The City directly provides a limited range of services and contracts for several other services. The City's significant reliance on contracted services has the benefit of reducing expenses to the citizens of the City of Bell while simultaneously providing the City with a high degree of flexibility in responding to changing economic

conditions. Contracted services include fire protection, building and safety, street maintenance, capital improvement projects, attorney services and engineering. Staff provided services include: community development (which includes planning, economic development, building and safety management), public works (which includes engineering, capital projects administration, street maintenance contract management, landscape maintenance, traffic and transportation matters, and solid waste contract management), community services (which includes senior services, park maintenance, recreation services, and community center operation), public information, grant administration, financial management, and administrative management. All of these activities are included in this report.

INTERNAL CONTROLS

The City of Bell's accounting system has been developed by giving consideration to the adequacy of internal accounting controls. Internal accounting controls are implemented by the City to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and that the City's financial records used for preparing financial statements are maintained in a reliable fashion. The concept of reasonable assurance recognizes that the cost of these controls should not exceed the benefits derived from them. The City's internal controls accomplish these objectives.

BUDGETARY CONTROL

The City of Bell adopts a comprehensive budget detailed by department prior to the start of the fiscal year on July 1. The budget is further broken down by character of expenditure, defined as personnel services, service and supplies, and capital outlay. The ledgers of the City and its component units are maintained by the line item detail or object of expenditure. However, all budgetary controls are exercised at the department and fund level. The City maintains budgetary controls to ensure compliance with legal provisions in the annual appropriated budget approved by the City Council. Revenues are estimated annually and measured against actual revenues earned. The City also maintains an encumbrance accounting system for budgetary control. Encumbrances generally are re-appropriated as part of the following year's budget.

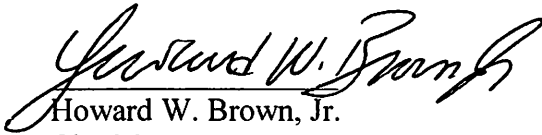
ACKNOWLEDGEMENTS


The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the effort and professionalism demonstrated by Department of Finance staff. Preparation of annual financial statement requires a major effort from the entire accounting staff and we would like to express our appreciation to everyone who assisted and contributed to the effort, particularly Finance Director Tineke Norrdin, Senior Accountant Robert Severson, and Accounting Specialist Norma Gamez.

In addition, I would also like to thank our independent auditor, Lance, Soll and Lunghard, L.L.P., who provided expertise and advice in the preparation of the City's Comprehensive Annual Financial Report.

In closing, without the leadership and support of the City Council of the City of Bell, the preparation of this Report would not have been possible.

Respectfully submitted,


Howard W. Brown, Jr.
City Manager



Tineke K. Norrdin
Finance Director

CITY OF BELL

Officials of the City of Bell

June 30, 2017

CITY COUNCIL

Fidencio Joel Gallardo – Mayor

Ana Maria Quintana – Vice Mayor

Ali Saleh – Councilmember

Alicia Romero – Councilmember

Nestor Enrique Valencia – Councilmember

ADMINISTRATION AND DEPARTMENT HEADS

City Manager – Howard W. Brown, Jr.

City Clerk – Angela Bustamante

Chief of Police – Carlos Islas

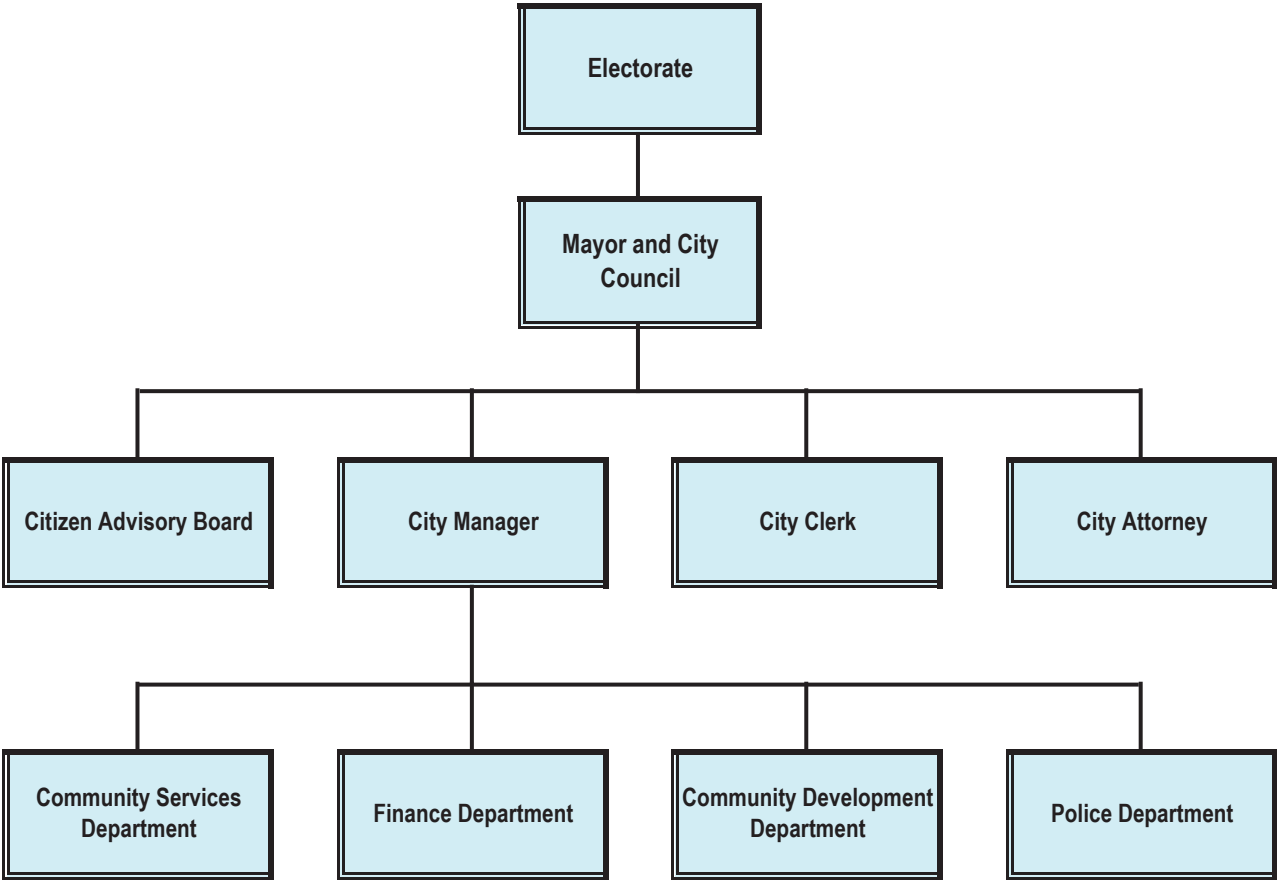
Acting Director of Community Development – Greg Tsujiuchi

Director of Community Services – Allan Perdomo

Director of Finance – Tineke Kartina Norrdin

Human Resources and Risk Manager – Sergio Ibarra

Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Bell
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



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, 2017, 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, 2017, 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.

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 and retirement fund, and the schedule of proportionate share of the net pension liability and the schedule of plan contributions 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2017 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 solely 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 the effectiveness of the City's 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.

Lance, Soll & Lughard, LLP

Brea, California
December 12, 2017

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CITY OF BELL

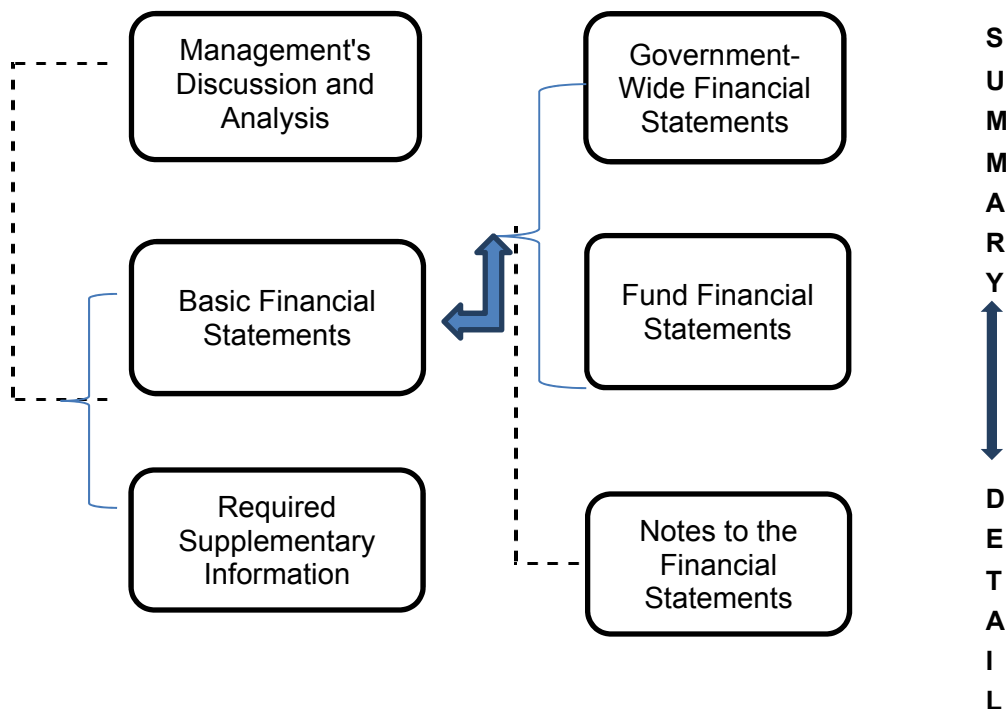
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Bell (City), California, we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information found in the letter of transmittal and the basic financial statements in the financial section of this report.

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.

Components Of The Annual Financial Report



Government-wide financial statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Bell'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, liabilities and deferred inflows/outflows of resources with the difference 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 most recent fiscal year. All changes in net position are reported as soon as 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 future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other 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, community development services, public works, community services and recreation. The City currently has no business-type activities.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

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.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$4.1 million (*net position*), which was comprised net investment in capital assets of \$19.7 million, restricted for projects and programs of \$13.7 million, and unrestricted net deficit of \$29.3 million.
- The City's total net position decreased by \$4.1 million during the current fiscal year and primarily resulted from a decrease in net investment in capital assets of \$2.6 million, a decrease in unrestricted net position of \$1.9 million, and an increase in restricted net position of \$414 thousand.
- As of June 30, 2017 the City's governmental funds reported combined fund balances of \$33.9 million, an increase of \$1.7 million in comparison with the prior year. Of this amount, \$14.5 million, or approximately 42%, is available for spending at the City's discretion.
- At the end of the current fiscal year, the committed fund balance for the General Fund was \$4.8 million, or 22%, representing amounts committed for specific projects and programs, leaving \$16.2 million as unassigned.

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 net position was \$4.1 million and \$8.2 million for the years ending June 30, 2017 and June 30, 2016 respectively, as shown in Table 1.

By far the largest portion of the City's net position is its investment in capital assets net of related debt which accounted for \$19.7 million of the City's total net position. This component of net position consists of capital assets (land, structures and improvements, equipment, infrastructure, and construction-in-progress) net of accumulated depreciation, reduced by outstanding debt attributable to the acquisition, construction, or improvement of the assets. The City uses these capital assets to provide services to citizens, and although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be used to liquidate these liabilities.

Net investment in capital assets increased \$2.5 million, or 11 percent, from the prior fiscal year. The increase is primarily attributable to annual depreciation of capital assets offset by payments of related debt.

Restricted net position, \$13.7 million, represents the second largest portion of the City's net position and is made up of resources that are legally restricted to specific uses. These restrictions are generally enforced by external agencies.

The remaining portion of the City's net position is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. At June 30, 2017, the City had deficit unrestricted net position of \$29.3 million.

Table 1
Net Position
June 30, 2016 and 2017
(in Thousands)

	Governmental Activities	
	2016	2017
Assets		
Current and other assets	\$ 36,103	\$ 35,866
Capital assets	70,255	66,817
Total assets	106,358	102,683
Deferred Outflows of Resources	3,160	6,643
Liabilities		
Current Liabilities	4,140	2,650
Noncurrent liabilities, net	93,369	99,814
Total liabilities	97,509	102,464
Deferred Inflows of Resources	3,782	2,699
Net position		
Net investment in capital assets	22,251	19,702
Restricted	13,321	13,734
Unrestricted	(27,344)	(29,273)
Total net position	\$ 8,228	\$ 4,163

With the exception of contracting the City's fire services with the Los Angeles County Fire Department, 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, cash management, accounting, and information technology services. The City Clerk's office provides a variety of support and information to the Council, public and staff. The City Clerk also serves as the elections official who is in charge of administering and overseeing the election process for all City elections and as the filing official who is responsible to assist the Council, Board members, candidates, consultants, and staff to comply with all Fair Political Practice Commission (FPPC) regulations. An outside firm appointed by the City Council provides legal services.

Public Safety is comprised of the three divisions. (1) The Operations division includes general police patrol, emergency response services, routine traffic collision investigations, criminal investigations and provide other public safety related services. (2) Support division includes dispatch, records, jail services, and parking enforcement. (3) Administration division provides leadership and administration for all divisions.

Community Development is comprised of the Planning and Zoning, Building and Safety, Housing Authority, Code Enforcement and Economic Development. In addition, the Community Development Director oversees the outside engineering firm. Economic Development is a high priority for the City of Bell and critical focus area in order to revitalize the commercial, retail, and industrial sectors within the City's boundaries. Economic Development is essential to job growth, revenues, and property values.

MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)
JUNE 30, 2017

Community Services is comprised of Youth, Sport, Park Activities, Social Services for senior programming, special events, educational programs, excursions, Technology Center for youth and adult computer classes, open computer lab, and Transit Operations to include recreational transit, bus pass subsidy, and bus shelter maintenance program.

Public Works provides engineering, construction and maintenance of public streets, highways, buildings, 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

The following table provides a summary of the City's operations for the years ended June 30, 2017 and 2016.

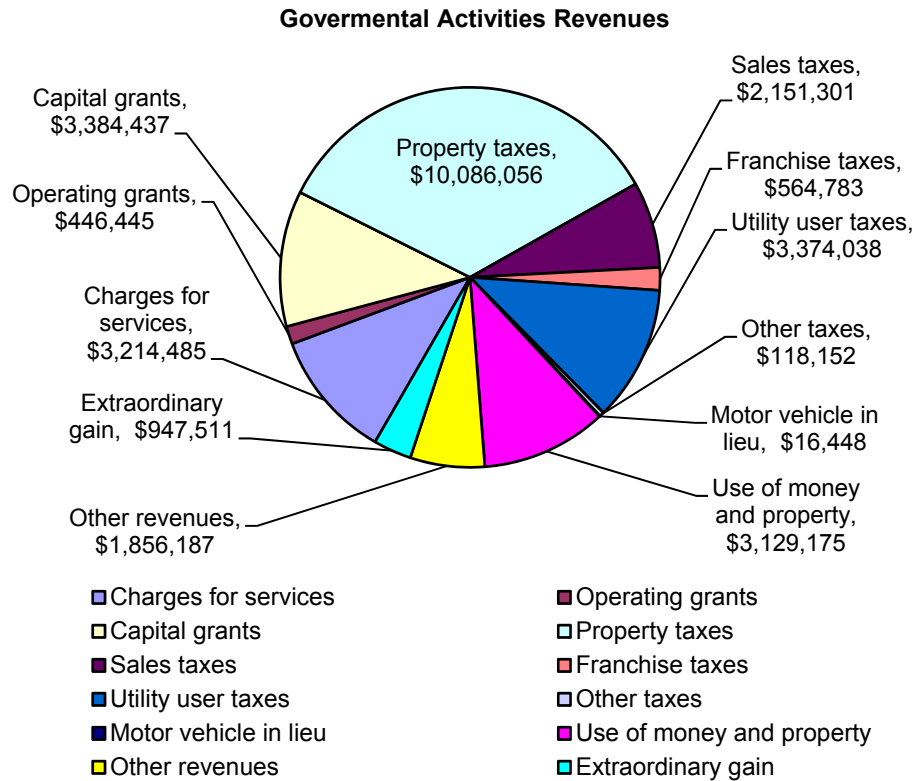
Table 2
Changes in Net Position
June 30, 2016 and 2017
(in Thousands)

	Governmental Activities	
	2016	2017
Revenues:		
Program Revenues:		
Charges for services	\$ 2,578	\$ 3,214
Operating grants and capital contribution	847	447
Capital grants and contributions	3,792	3,384
General Revenues:		
Taxes		
Property taxes	9,232	10,086
Sales taxes	2,392	2,151
Franchise taxes	619	565
UUT	3,221	3,374
Other taxes	90	135
Use of money and property	3,063	3,129
Other	1,946	1,858
Extraordinary gain/ (loss)	-	948
Total revenues	27,780	29,291
Expenses:		
General government	3,675	6,691
Public Safety	9,818	11,541
Community Development	2,290	2,752
Community Services	3,372	3,494
Public Works	4,727	6,087
Interest on long-term debt	2,462	2,363
Total expenses	26,344	32,928
Increase (decrease) in net position	1,436	(3,637)
Net position at beginning of year	7,247	8,228
Restatement of net position	(455)	(428)
Net position at end of year	\$ 8,228	\$ 4,163

Revenues

In the Statement of Activities, the City's total revenues were \$29.3 million representing an increase of \$1.5 million, or 5%, over the prior fiscal year. The following are highlights of some of the major differences:

- A \$947 thousand extraordinary gain resulting from a SERAF loan payment from the Successor Agency.
- Charges for services increased \$636 thousand, or 24%, over the prior year.
- Property tax revenue increased \$854 thousand, or 9%, from FY 15-16 due to increases in both assessed value and the collection rate of property taxes.
- A \$401 thousand decrease in operating contributions and grants revenues.
- A \$407 thousand decrease in capital contributions and grants revenues.

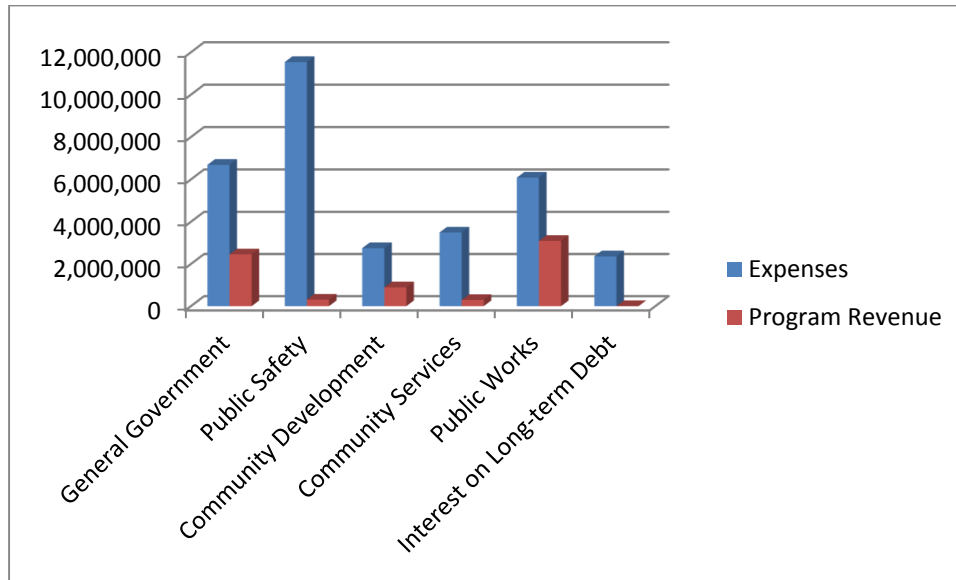


Expenses

The City has continued to exercise prudent controls over its expenses. This year expenses for the City totaled \$32.9 million which is approximately \$6.5 million, or 24%, higher than the previous fiscal year. This increase was due to:

- General Government expenses increased \$3 million, or 83%, primarily due to the difference between \$1.4 million, or 34%, increase in claims liabilities for Fiscal Year 2016-17 as compared to a \$1.7 million decrease for the prior fiscal year.
- Public Safety expenses increased \$1.7 million, or 18% from last fiscal year, due to overtime and net pension liabilities.
- Public Works expenses increased \$1.4 million or 28% from prior year, due to expanded infrastructure related maintenance activities, and several street projects.
- Community Development expenses increased by a \$462 thousand, or 20%, primarily due to filled vacant positions.

Expenses and Program Revenues – Governmental Activities



Financial Analysis of the City's Funds

As noted earlier the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the City's *governmental funds* is to provide information on 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 City's net resources available for spending at the end of the fiscal year.

At June 30, 2017 the City's governmental funds reported combined ending fund balances of \$33.9 million an increase of \$1.7 million in comparison with the prior year. This change primarily resulted from the receipt of a \$947 thousand SERAF payment from the Successor Agency. Approximately 56% of this amount \$19.3 million constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the City. At the end of the current fiscal year total fund balance was \$21.0 million, a slight increase of \$266 thousand over the prior fiscal year. Of this amount, \$15.7 million, or 75%, was unassigned fund balance. Nonspendable fund balance was \$.5 million. Committed fund balance was \$4.8 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 105% of total general fund expenditures, while the total fund balance of governmental funds represents 120% of the total expenditures.

General Fund Budgetary Highlights

There was no change to the original revenue budget projection, but actual revenues exceeded estimated revenues by \$346 thousand. This higher than anticipated revenues resulted through the inception of a new mobile telephone tax, higher interest income, and a 131% increase in construction permit revenues.

The increase between the original and final amended appropriations budget for the General Fund was approximately \$970 thousand. This difference was due to a variety of budget amendments approved by the City Council during the fiscal year.

Capital Asset and Debt Administration

Capital Assets – The City's capital assets for its governmental activities as of June 30, 2017, amounted to \$66.8 million compared to \$70.2 million for FY 2015-16. 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 decreased \$3.4 million, or 4.8% as result of the normal depreciation of Capital Assets Values.

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

	Governmental Activities	
	2016	2017
Land and land easement	\$ 22,970	22,970
Buildings and Improvement	22,296	21,118
Equipment and vehicles	839	665
Infrastructure	23,722	22,041
Construction in-progress	428	23
Totals	\$ 70,255	\$ 66,817

During FY 2016-17, there was one major capital project completed:

- A new asphalt concrete pavement at Gage Ave and Walker Ave for \$82 thousand, however,
- The City invested \$41.7 thousand in HVAC repair and replacement.
- The City entered into Capital Lease agreement for new copiers for \$70.7 thousand.
- The City entered into capital lease for one additional Police vehicle for \$24.2 thousand.

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

Long-term debt – At the end of the current fiscal year, the City's total long term debt equaled \$56.6 million.

**Outstanding Long Term Debt at Year-end
Governmental Activities:**

<u>General Obligation Bonds</u>	
Series 2004	\$ 12,215,000
Series 2007	17,345,000
Unamortized premium	451,559
Total General Obligation Bonds	<u>30,011,559</u>
<u>Revenue Bonds:</u>	
Lease Revenue Refunding Bonds, Series 2005	16,305,000
Taxable Pension Revenue Bonds, Series 2005	2,810,000
Unamortized premium on revenue bonds	448,500
Total Revenue Bonds	<u>19,563,500</u>
<u>Capital Leases:</u>	
Ford Motor Company	125,998
The Bancorp	53,235
Enterprise	107,096
De Lage Landen Public Finance	65,490
Total Capital Leases	<u>351,819</u>
<u>Other Liabilities:</u>	
Liability Claims	5,438,267
Compensated absences	1,263,023
Total Other Liabilities	<u>6,701,290</u>
Total Governmental Activities Long Term Liabilities	<u><u>\$ 56,628,168</u></u>

See footnote 5 for additional information on the City's long-term liabilities as of June 30, 2017.

Economic Factors and Next Year's Budgets and Rates

The City's economy is linked to the national and state economy. The City's economy is equally dependent on commercial and retail revenues. During the past fiscal year, the unemployment rate for the City fell from 7.3% to 6.2%. The effect of the decreased unemployment rate and consumer confidence having reached levels not seen in over a decade, the City appears to be benefiting from a number of reasonably strong economic indicators.

The City's 2017/18 budget is a fiscally conservative budget. As the economy continues to improve, anticipated revenues in the General Fund reflect moderate yet realistic growth. The ongoing operations budget has been maintained at the status quo as much as possible. This budget presents an operating plan that permits the City to live within a reasonable estimate of revenues while continuing to provide community programs and services to the residents of the City.

The City has made a conscientious decision to use some General Fund fund balance reserves for economic development purposes. As a result, the FY 17/18 budget includes an appropriation for economic development. It is anticipated that these efforts will continue to be rewarded in the near future with the development of several new retail spaces.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money 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.

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CITY OF BELL

STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
Assets:	
Cash and investments	\$ 32,929,609
Receivables:	
Accounts	708,380
Accrued interest	88,930
Deferred loans	379,728
Grants	219,138
Deposits	19,500
Due from other governments	509,013
Land held for resale	133,228
Due from successor agency	880,021
Restricted assets:	
Cash with fiscal agent	2,011
Capital assets not being depreciated	22,992,639
Capital assets, net of depreciation	43,824,566
Total Assets	102,686,763
Deferred Outflows of Resources:	
Deferred pension related items	6,642,927
Total Deferred Outflows of Resources	6,642,927
Liabilities:	
Accounts payable	1,437,798
Accrued liabilities	141,430
Accrued interest	845,649
Deposits payable	225,391
Due to successor agency	3,080
Noncurrent liabilities:	
Due within one year	4,289,628
Due in more than one year	52,338,540
Other Post Employment Benefits Liability	11,214,680
Net Pension Liability	31,971,126
Total Liabilities	102,467,322
Deferred Inflows of Resources:	
Deferred pension related items	2,698,893
Total Deferred Inflows of Resources	2,698,893
Net Position:	
Net investment in capital assets	19,702,338
Restricted for:	
Community development projects	3,990,594
Public safety	296,692
Public works	2,290,045
Capital projects	3,088,744
Debt service	2,754,043
Low and moderate housing	1,055,378
Pension costs	258,909
Unrestricted	(29,273,268)
Total Net Position	\$ 4,163,475

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CITY OF BELL

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	Expenses	Program Revenues			Net Expense Change in Total
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	\$ 6,690,535	\$ 1,990,276	\$ -	\$ 465,206	\$ (4,235,053)
Public safety	11,541,509	97,072	152,233	59,765	(11,232,439)
Community development	2,751,730	231,233	-	659,368	(1,861,129)
Community services	3,494,321	-	294,212	-	(3,200,109)
Public works	6,086,720	895,904	-	2,200,098	(2,990,718)
Interest on long-term debt	2,362,904	-	-	-	(2,362,904)
Total Governmental Activities	\$ 32,927,719	\$ 3,214,485	\$ 446,445	\$ 3,384,437	(25,882,352)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					10,086,056
Sales taxes					2,151,301
Franchise taxes					564,783
Utility users tax					3,374,038
Other taxes					118,152
Motor vehicle in lieu - unrestricted					16,448
Use of money and property					3,129,179
Other					1,858,187
Extraordinary gain					947,511
Total General Revenues and Extraordinary items					22,245,655
Change in Net Position					(3,636,697)
Net Position at Beginning of Year					8,228,473
Restatement of Net Position					(428,301)
Net Position at End of Year					\$ 4,163,475

CITY OF BELL

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

		Special Revenue Funds	
	General	Retirement	Low and Moderate Housing
Assets:			
Pooled cash and investments	\$ 19,159,296	\$ 223,871	\$ 175,178
Receivables:			
Accounts	476,203	-	-
Accrued interest	63,244	1,744	179
Deferred loans	362,728	-	17,000
Grants	-	-	-
Deposits	-	-	-
Due from other governments	389,036	36,541	-
Due from other funds	1,566,651	-	-
Land held for resale	133,228	-	-
Due from Successor Agency	-	-	880,021
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
Total Assets	\$ 22,150,386	\$ 262,156	\$ 1,072,378
Liabilities, Deferred inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 857,666	\$ 433	\$ -
Accrued liabilities	116,529	-	-
Deposits payable	212,166	-	-
Due to other funds	-	-	-
Due to Successor Agency	266	2,814	-
Total Liabilities	1,186,627	3,247	-
Deferred Inflows of Resources:			
Unavailable revenues	-	-	17,000
Total Deferred Inflows of Resources	-	-	17,000
Fund Balances:			
Nonspendable:			
Land held for resale	133,228	-	-
Notes and loans	362,728	-	-
Restricted for:			
Community development projects	-	-	-
Public safety	-	-	-
Public works	-	-	-
Capital Projects	-	-	-
Debt service	-	-	-
Low and moderate housing	-	-	1,055,378
Pension costs	-	258,909	-
Committed to:			
Capital Projects	4,750,000	-	-
Assigned to:			
Capital Projects	-	-	-
Unassigned	15,717,803	-	-
Total Fund Balances	20,963,759	258,909	1,055,378
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 22,150,386	\$ 262,156	\$ 1,072,378

CITY OF BELL

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Debt Service Funds Public Financing Authority	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ -	\$ 13,371,264	\$ 32,929,609
Receivables:			
Accounts	-	232,177	708,380
Accrued interest	-	23,763	88,930
Deferred loans	-	-	379,728
Grants	-	219,138	219,138
Deposits	-	19,500	19,500
Due from other governments	-	83,436	509,013
Due from other funds	-	4,124	1,570,775
Land held for resale	-	-	133,228
Due from Successor Agency	-	-	880,021
Restricted assets:			
Cash and investments with fiscal agents	1,999	12	2,011
Total Assets	\$ 1,999	\$ 13,953,414	\$ 37,440,333
Liabilities, Deferred inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ 579,699	\$ 1,437,798
Accrued liabilities	-	24,901	141,430
Deposits payable	-	13,225	225,391
Due to other funds	1,214,533	356,242	1,570,775
Due to Successor Agency	-	-	3,080
Total Liabilities	1,214,533	974,067	3,378,474
Deferred Inflows of Resources:			
Unavailable revenues	-	140,388	157,388
Total Deferred Inflows of Resources	-	140,388	157,388
Fund Balances:			
Nonspendable:			
Land held for resale	-	-	133,228
Notes and loans	-	-	362,728
Restricted for:			
Community development projects	-	3,990,594	3,990,594
Public safety	-	296,692	296,692
Public works	-	2,290,045	2,290,045
Capital Projects	-	3,088,744	3,088,744
Debt service	-	2,754,043	2,754,043
Low and moderate housing	-	-	1,055,378
Pension costs	-	-	258,909
Committed to:			
Capital Projects	-	-	4,750,000
Assigned to:			
Capital Projects	-	852,290	852,290
Unassigned	(1,212,534)	(433,449)	14,071,820
Total Fund Balances	(1,212,534)	12,838,959	33,904,471
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,999	\$ 13,953,414	\$ 37,440,333

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CITY OF BELL

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017**

Fund balances of governmental funds \$ 33,904,471

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	\$ 116,332,478	
Accumulated depreciation	<u>(49,515,273)</u>	66,817,205

Deferred outflows related to net pension liability for:

Contributions made after the actuarial measurement date	2,374,094	
Difference between expected and actual experiences	32,423	
Adjustments due to differences in proportions	622,485	
Net difference between projected and actual earnings	<u>3,613,925</u>	6,642,927

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	(2,810,000)	
Lease revenue bonds	(16,305,000)	
General obligation bonds	(29,560,000)	
Capital Leases	(351,819)	
Unamortized bond premium	(900,059)	
Liability claims	(5,438,267)	
Compensated absences	(1,263,023)	
Other post-employment benefits obligation	(11,214,680)	
Net pension liability	<u>(31,971,126)</u>	(99,813,974)

Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds. (845,649)

Deferred inflows related to net pension liability for:

Change in assumptions	(717,376)	
Difference between expected and actual experiences	(101,606)	
Difference in proportions	(615,463)	
Difference in proportionate contributions	<u>(1,264,448)</u>	(2,698,893)

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.

157,388

Net Position of governmental activities \$ 4,163,475

CITY OF BELL

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	General	Retirement	Low and Moderate Housing
Revenues:			
Taxes	\$ 10,716,820	\$ 2,142,139	\$ -
Licenses and permits	813,512	-	-
Intergovernmental	144,218	465,206	-
Charges for services	746,431	-	-
Use of money and property	390,613	2,760	507
Fines and forfeitures	503,092	-	-
Miscellaneous	542,036	1,299,873	-
Total Revenues	13,856,722	3,909,978	507
Expenditures:			
Current:			
General government	3,855,888	875,063	59
Public safety	7,718,092	1,071,705	-
Community development	991,944	-	-
Community services	2,052,601	-	-
Public works	70,153	-	-
Capital outlay	152,341	-	-
Debt service:			
Principal retirement	5,252	-	-
Interest and fiscal charges	1,413	-	-
Total Expenditures	14,847,684	1,946,768	59
Excess (Deficiency) of Revenues Over (Under) Expenditures	(990,962)	1,963,210	448
Other Financing Sources (Uses):			
Transfers in	1,528,721	445,830	-
Transfers out	(342,000)	(1,799,089)	-
Capital leases	70,742	-	-
Total Other Financing Sources (Uses)	1,257,463	(1,353,259)	-
Extraordinary gain	-	-	947,511
Net Change in Fund Balances	266,501	609,951	947,959
Fund Balances, Beginning of Year	20,697,258	(351,042)	107,419
Fund Balances, End of Year	\$ 20,963,759	\$ 258,909	\$ 1,055,378

CITY OF BELL

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Debt Service Funds		
	Public Financing Authority	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ 3,583,610	\$ 16,442,569
Licenses and permits	-	-	813,512
Intergovernmental	-	4,275,350	4,884,774
Charges for services	-	429,882	1,176,313
Use of money and property	5	2,735,294	3,129,179
Fines and forfeitures	-	30,072	533,164
Miscellaneous	-	16,278	1,858,187
Total Revenues	5	11,070,486	28,837,698
Expenditures:			
Current:			
General government	3,201	26,285	4,760,496
Public safety	-	383,804	9,173,601
Community development	-	1,668,886	2,660,830
Community services	-	529,601	2,582,202
Public works	-	4,110,244	4,180,397
Capital outlay	-	179,269	331,610
Debt service:			
Principal retirement	845,000	1,193,356	2,043,608
Interest and fiscal charges	177,140	2,268,320	2,446,873
Total Expenditures	1,025,341	10,359,765	28,179,617
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,025,336)	710,721	658,081
Other Financing Sources (Uses):			
Transfers in	1,024,840	1,295,360	4,294,751
Transfers out	-	(2,153,662)	(4,294,751)
Capital leases	-	24,189	94,931
Total Other Financing Sources (Uses)	1,024,840	(834,113)	94,931
Extraordinary gain	-	-	947,511
Net Change in Fund Balances	(496)	(123,392)	1,700,523
Fund Balances, Beginning of Year	(1,212,038)	12,962,351	32,203,948
Fund Balances, End of Year	\$ (1,212,534)	\$ 12,838,959	\$ 33,904,471

CITY OF BELL

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
JUNE 30, 2017
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total governmental funds \$ 1,700,523

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	\$ 254,189	
Depreciation	<u>(3,263,835)</u>	(3,009,646)

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	1,707,753	
Principal - general obligation bonds	575,000	
Principal - capital leases	64,137	
Capital lease issuance	(398,923)	
Amortization of bond premiums	37,959	
Increase in insurance claims liabilities	(1,381,667)	
Increase in other post-employment benefits obligation	<u>(731,568)</u>	(127,309)

Net change in accrued interest on long-term debt for the current period reported on the statement of activities. 46,720

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. (1,631,106)

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. (121,692)

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. (494,187)

Change in net position of governmental activities \$ (3,636,697)

CITY OF BELL

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	Bell Successor Agency Private- Purpose Trust
Assets:	
Pooled cash and investments	\$ 2,697,628
Receivables:	
Accrued interest	2,640
Due from other governments	72,592
Land held for resale	835,730
Restricted assets:	
Cash and investments with fiscal agents	2,041,639
Capital assets:	
Capital assets, not being depreciated	8,286,780
Capital assets, net of accumulated depreciation	5,957,435
Total Assets	19,897,524
Liabilities:	
Accounts payable	18,443
Accrued liabilities	791
Accrued interest	268,976
Due to other governments	13,110
Long-term liabilities:	
Due in one year	1,945,324
Due in more than one year	18,045,375
Total Liabilities	20,292,019
Net Position:	
Held in trust for other pension benefits and other purposes	(394,495)
Total Net Position	\$ (394,495)

CITY OF BELL

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2017

	Bell Successor Agency Private- Purpose Trust
Additions:	
Taxes	\$ 3,253,352
Interest and change in fair value of investments	6,459
Miscellaneous	108,592
Total Additions	3,368,403
Deductions:	
Administrative expenses	145,093
Contractual services	50,511
Interest expense	1,012,722
Depreciation expense	152,814
Total Deductions	1,361,140
Extraordinary gain/(loss)	(947,511)
Changes in Net Position	1,059,752
Net Position - Beginning of the Year	(1,579,247)
Restatement	125,000
Net Position - Beginning of the Year, as restated	(1,454,247)
Net Position - End of the Year	\$ (394,495)

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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

b. Government-Wide and Fund Financial Statements

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

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.

Public Financing Authority Debt Service Fund — This fund is used to account for the payment of principal and interest on long-term debt of the Public Financing Authority.

Fiduciary Fund Types

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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 acquisition 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, 2017

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.

Pensions

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 of the City's California Public Employees' Retirement System (CalPERS) plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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.

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 net position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position 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 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, which are deferred and amortized over the expected average remaining service life time.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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

In addition to liabilities, the statement of net 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 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. 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, 2017, 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, 2017

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.

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.

CITY OF BELL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017**Note 2: Cash and Investments**

Cash and investments as of June 30, 2017, are classified in the accompanying financial statements as follows:

	Government- wide	Fiduciary Funds Bell Successor Agency Private- Purpose Trust Fund	Total
Cash and investments	\$ 32,929,609	\$ 2,697,628	\$ 35,627,237
Restricted cash and investments	2,011	2,041,639	2,043,650
Total cash and investments	<u>\$ 32,931,620</u>	<u>\$ 4,739,267</u>	<u>\$ 37,670,887</u>

Cash and investments as of June 30, 2017, consist of the following:

	Government- wide	Fiduciary Funds Bell Successor Agency Private- Purpose Trust Fund	Total
Cash on hand	\$ 3,580	\$ -	\$ 3,580
Deposits with financial institutions	322,768	59,688	382,456
Investments	32,603,261	2,637,940	35,241,201
Total cash and investments	<u>\$ 32,929,609</u>	<u>\$ 2,697,628</u>	<u>\$ 35,627,237</u>

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 2016. 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, 2017

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.

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, 2017
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	More than 1 year less than 5 years
Commercial Paper	\$ 646,418	\$ 646,418	\$ -
US Treasury Obligations	5,296,426	2,023,640	3,272,786
Money Market Mutual Fds	838,870	838,870	-
US Agency Securities	3,189,086	-	3,189,086
State investment pool	25,267,036	-	-
Restricted Investments:			
Government obligations	2,047,015	2,047,015	-
Total	<u>\$ 37,284,851</u>	<u>\$ 5,555,943</u>	<u>\$ 6,461,872</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	Ratings	
		Moody's	S&P
Commercial Paper:			
Bank of Tokyo Mitsubishi NY	\$ 248,924	P-1	A-1
Toyota Motor	397,494	P-1	A-1+
US Treasury Obligations	5,296,426	Aaa	AA+
Money Market Mutual Fds	838,870	Aaa	AAA
US Agency Securities:			
FNMA	668,497	Aaa	AA+
FHLB	1,400,421	Aaa	AA+
FHLMC	1,120,168	Aaa	AA+
State investment pool	25,267,036	N/A	N/A
Restricted Investments:			
Government obligations	2,047,015	N/A	N/A
	<u>\$ 37,284,851</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, 2017.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 2: Cash and Investments (Continued)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 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, 2017.

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.

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2017:

Investment Type	Total	Level 1	Level 2
Commerical Paper	\$ 646,418	\$ -	\$ 646,418
US Treasury Obligations	5,296,426	-	5,296,426
US Agency Securities	3,189,086	-	3,189,086
State Investment Pool	25,267,036	-	25,267,036
Sub - Total	<u>\$ 34,398,966</u>	<u>\$ -</u>	<u>\$ 34,398,966</u>

Amortized Costs:

Money Market Mutual Funds	\$ 838,870
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Restricted Investments:

Government Obligations	2,047,015
	<u>\$ 2,885,885</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
Note 2: Cash and Investments (Continued)

Deposits and securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Local Agency Investment Funds classified in Level 2 of the fair value hierarchy are valued using specified fair market value factors. Federal Agency Securities classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes.

Note 3: Interfund Receivables, Payables and Transfers

Current interfund receivables and payables at June 30, 2017, are as follows:

<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Amount</u>
General Fund	Public Financing Authority	1,214,533
	Nonmajor Governmental Funds	352,118
Nonmajor Governmental Funds	Nonmajor Governmental Funds	4,124
		<u>\$ 1,570,775</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, 2017, is as follows:

<u>Transfer in (receiving fund)</u>	<u>Transfer out (paying fund)</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$754,472
	Retirement Fund	774,249
		<u>1,528,721</u>
Retirement	General Fund	338,600
	Nonmajor Governmental Funds	107,230
		<u>445,830</u>
Public Financing Authority	Retirement Fund	1,024,840
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,295,360
		<u>\$ 4,294,751</u>

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.

CITY OF BELL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 4: Capital Assets

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2017:

Governmental Activities:	Balance at July 1, 2015	Adjustments	Balance July 1, 2016, Restated	Additions	Deletions	Balance at June 30, 2017
Capital assets, not being depreciated:						
Rights-of-Way	\$ 6,725,298	\$ -	\$ 6,725,298	\$ -	\$ -	\$ 6,725,298
Land	16,244,717	-	16,244,717	-	-	16,244,717
Construction in progress	428,301	(428,301)	-	22,624	-	22,624
Total capital assets not being depreciated:	<u>23,398,316</u>	<u>(428,301)</u>	<u>22,970,015</u>	<u>22,624</u>	<u>-</u>	<u>22,992,639</u>
Capital assets being depreciated:						
Buildings and Improvements	36,259,859	-	36,259,859	-	-	36,259,859
Equipment and vehicles	3,961,537	-	3,961,537	149,272	1,252,486	2,858,323
Infrastructure						
Roads and Bridges	50,020,842	-	50,020,842	82,293	-	50,103,135
Traffic signals	3,956,697	-	3,956,697	-	-	3,956,697
Sewers	1,213,256	-	1,213,256	-	-	1,213,256
Storm drains	959,918	-	959,918	-	-	959,918
Total capital assets being depreciated:	<u>96,372,109</u>	<u>-</u>	<u>96,372,109</u>	<u>231,565</u>	<u>1,252,486</u>	<u>95,351,188</u>
Less Accumulated Depreciation:						
Buildings and Improvements	(13,964,008)	-	(13,964,008)	(1,177,502)	-	(15,141,510)
Equipment and vehicles	(3,122,931)	-	(3,122,931)	(322,688)	1,252,486	(2,193,133)
Infrastructure						
Roads and Bridges	(27,897,010)	-	(27,897,010)	(1,554,696)	-	(29,451,706)
Traffic signals	(2,878,994)	-	(2,878,994)	(193,103)	-	(3,072,097)
Sewers	(706,338)	-	(706,338)	(12,364)	-	(718,702)
Storm drains	(945,992)	-	(945,992)	(3,482)	-	(949,474)
Total accumulated depreciation:	<u>(49,515,273)</u>	<u>-</u>	<u>(49,515,273)</u>	<u>(3,263,835)</u>	<u>1,252,486</u>	<u>(51,526,622)</u>
Total capital assets being depreciated, net	<u>46,856,836</u>	<u>-</u>	<u>46,856,836</u>	<u>(3,032,270)</u>	<u>-</u>	<u>43,824,566</u>
Total capital assets, net	<u>\$ 70,255,152</u>	<u>\$ (428,301)</u>	<u>\$ 70,255,152</u>	<u>\$ (3,009,646)</u>	<u>\$ -</u>	<u>\$ 66,817,205</u>

Depreciation expense was charged in the following functions in the statement of activities for the fiscal year ended June 30, 2017:

General government	\$ 441,238
Public Safety	207,829
Community Service	827,311
Public Works	1,787,457
	<u>\$ 3,263,835</u>

CITY OF BELL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017**Note 5: Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2017:

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017	Due Within One Year
Governmental Activities:					
<u>General Obligation Bonds</u>					
Series 2004	\$ 12,660,000	\$ -	\$ 445,000	\$ 12,215,000	\$ 465,000
Series 2007	17,530,000	-	185,000	17,345,000	220,000
Unamortized premium	473,066	-	21,507	451,559	-
Total General Obligation Bonds	30,663,066	-	651,507	30,011,559	685,000
<u>Revenue Bonds:</u>					
Lease Revenue Refunding Bonds, Series 2005	16,795,000	-	490,000	16,305,000	510,000
Taxable Pension Revenue Bonds, Series 2005	3,655,000	-	845,000	2,810,000	920,000
Unamortized premium on revenue bonds	464,952	-	16,452	448,500	-
Total Revenue Bonds	20,914,952	-	1,351,452	19,563,500	1,430,000
<u>Capital Leases:</u>					
Ford Motor Company	163,840	-	37,842	125,998	37,843
The Bancorp	67,452	-	14,217	53,235	15,445
Enterprise	103,494	24,899	21,297	107,096	18,153
De Lage Landen Public Finance	-	70,742	5,252	65,490	13,053
Total Capital Leases	334,786	95,641	78,608	351,819	84,494
<u>Other Liabilities:</u>					
Liability Claims	4,056,600	2,823,287	1,441,620	5,438,267	1,479,745
Compensated absences	1,141,331	691,244	569,552	1,263,023	610,389
Total Other Liabilities	5,197,931	-	-	6,701,290	2,090,134
Total Governmental Activities Long Term Liabilities	\$ 57,110,735	\$ 95,641	\$ 2,081,567	\$ 56,628,168	\$ 4,289,628

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 \$765,000. The amount of bonds outstanding at June 30, 2017, totaled \$12,215,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 5: Long-Term Liabilities (Continued)

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.

Minimum annual requirements to amortize the 2004 General Obligation Bonds outstanding as of June 30, 2017, are as follows:

Year Ending June 30,	General Obligation Bonds, Series 2004	
	Principal	Interest
2018	\$ 465,000	\$ 550,019
2019	485,000	531,019
2020	500,000	511,319
2021	520,000	490,919
2022	540,000	469,381
2023-2027	3,080,000	1,971,059
2028-2032	3,835,000	1,187,150
2033-2037	2,790,000	213,750
Total	<u>\$ 12,215,000</u>	<u>\$ 5,924,616</u>

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 \$185,000 to \$1,585,000,000. 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
Note 5: Long-Term Liabilities (Continued)

be invested in federal securities pursuant to the Escrow Agreement, dated July 1, 2012, between the City and U.S. Bank National 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, 2017, totaled \$17,345,000.

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, 2017, are as follows:

Year Ending June 30,	General Obligation Bonds, Series 2007	
	Principal	Interest
2018	\$ 220,000	\$ 861,750
2019	265,000	849,625
2020	320,000	835,000
2021	365,000	817,875
2022	420,000	798,250
2023 - 2027	2,875,000	3,614,625
2028 - 2032	4,555,000	2,688,625
2033 - 2037	6,740,000	1,284,750
2038 - 2042	1,585,000	39,625
	<u>\$ 17,345,000</u>	<u>\$ 11,790,125</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 \$49.3 million. Pledged property tax revenue recognized during the fiscal year ended June 30, 2017, was \$2.4 million against the total debt service payments of \$2.0 million.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 5: Long-Term Liabilities (Continued)

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, 2017, was \$16,305,000.

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 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 5: Long-Term Liabilities (Continued)

Minimum annual requirements to amortize the 2005 Series Lease Revenue Refunding Bonds outstanding as of June 30, 2017, are as follows:

Year Ending June 30,	Lease Revenue Refunding Bonds Series 2005	
	Principal	Interest
2018	\$ 510,000	\$ 783,158
2019	530,000	762,026
2020	555,000	739,301
2021	580,000	715,038
2022	605,000	689,409
2023 - 2027	3,460,000	2,965,500
2028 - 2032	4,420,000	1,986,250
2033 - 2037	5,645,000	733,375
Total	<u>\$ 16,305,000</u>	<u>\$ 9,374,057</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 \$26.9 million. Pledged lease payments recognized during the fiscal year ended June 30, 2017, were \$2.6 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, 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 \$2,810,000 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
Note 5: Long-Term Liabilities (Continued)

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, 2017, are as follows:

Year Ending June 30,	Taxable Pension Revenue Bonds Series 2005	
	Principal	Interest
2018	\$ 920,000	\$ 128,780
2019	995,000	76,309
2020	895,000	24,523
Total	<u>\$ 2,810,000</u>	<u>\$ 229,612</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 \$3.0 million. Pledged retirement tax revenue recognized during the fiscal year ended June 30, 2017, was \$1.9 million as against the total debt service payments of \$1,022,141.

Ford Motor Company

During July 2015, the City entered into a vehicle lease agreement with Ford Motor Credit Company for four 2015 Ford Utility Police Interceptors for the Police Department. Interest on the vehicles accrues at 5.20% for a period of 5 years commencing on July 28, 2015.

The following is a schedule, by years, of future minimum lease payments:

Year Ending June 30,	Total
2018	\$ 45,632
2019	45,632
2020	<u>45,632</u>
Total Minimum Lease Payments	136,896
Less Amount Representing Interest	<u>(10,898)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 125,998</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 5: Long-Term Liabilities (Continued)The Bancorp

During July 2015, the City entered into a vehicle lease agreement with The Bancorp for a 2014 Chevrolet Tahoe and a 2015 Ford Utility Police Interceptor for the Police Department. Interest on the vehicles accrues at 6.598% for a period of 5 years commencing on September 10, 2015.

The following is a schedule, by years, of future minimum lease payments:

Year Ending June 30,	Total
2018	\$ 18,243
2019	18,243
2020	18,243
2021	4,561
Total Minimum Lease Payments	59,290
Less Amount Representing Interest	(6,055)
Present Value of Net Minimum Lease Payments	<u>\$ 53,235</u>

Enterprise

During March 2015, the City entered into a vehicle lease agreement with Enterprise Fleet Management for a 2013 Ford Utility Police Interceptor, 2015 Ford Taurus, four 2015 Ford Taurus' for the Police Department. Interest on the vehicles accrues at 7.184%, 7.922%, 7.856%, 7.917%, 7.922%, and 7.856% for a period of 5 years commencing on July 1, 2015.

The following is a schedule, by years, of future minimum lease payments:

Year Ending June 30,	Total
2018	\$ 30,818
2019	30,818
2020	30,469
2021	7,892
2022	1,318
Thereafter	22,971
Total Minimum Lease Payments	124,286
Less Amount Representing Interest	(17,190)
Present Value of Net Minimum Lease Payments	<u>\$ 107,096</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 5: Long-Term Liabilities (Continued)De Lage Landen Public Finance

On January 25, 2017, the City entered into a lease agreement with De Lage Landen Finance LLC for 7 Copies machine for the total of lease payment \$1333.07 as follows: Sharp/MX4070N \$244.45/monthly lease for Community Services Dept; Sharp/MX5070N \$246.48/monthly lease for City Hall Front Office; Sharp/MX6070N \$308.10/Monthly lease for Police Dept; Sharp/MXM266N \$133.51/Monthly lease for Little Bear Park; Sharp/MXM266N \$133.51/Monthly lease for Veterans Memorial Park; Sharp/MXM266N \$133.51/monthly lease for City Hall Front Office; Sharp/MXM266N \$133.51/Monthly lease for DEB Park. Lease payment are due on each periodic anniversary of the commencement date. Interest on the copies machine accrues at 4.941% annually and .412% Monthly rate.

Year Ending June 30,	Total
2018	\$ 15,997
2019	15,997
2020	15,997
2021	15,997
2022	9,331
	<hr/>
Total Minimum Lease Payments	\$ 73,319
Less Amount Representing Interest	(7,829)
	<hr/>
Present Value of Net Minimum Lease Payments	<u>\$ 65,490</u>

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 the 2005 Lease Revenue Refunding Bonds and the 2005 Taxable Pension Revenue Bonds for the fiscal year ended June 30, 2015 because the City's audited financial statements were not issued within 90 to 240 days of the year-end. Accordingly, the Housing Authority has 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).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
Note 5: Long-Term Liabilities (Continued)

The City entered into an Excess Liability Coverage policy with 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.

At June 30, 2017, 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 2016 and 2017, are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2015-2016	\$ 5,723,488	\$ 568,677	\$ 2,235,565	\$ 4,056,600
2016-2017	4,056,600	2,823,287	1,441,620	5,438,267

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, 2017, was \$1,263,023, which includes vested sick and vacation time. The following is a summary of compensated absences payable for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 1,141,331	\$ 691,244	\$ 569,552	\$ 1,263,023	\$ 610,389

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
Note 6: Defined Benefit Pension PlanPlan Description:

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety and miscellaneous pools. The City sponsors five rate plans (two miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

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

Below is the summary of the plans' provisions and benefits in effect at June 30, 2017, for which the City of Bell has contracted:

	Miscellaneous cost-sharing plans		Safety cost-sharing plans		
	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	2.7% @ 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	8%	7%	10%	9%	12%
Required employer contribution rates	27%	7%	30%	24%	12%

*Closed to new CalPERS entrants.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
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, 2017, the contributions recognized as a reduction to the net pension liability was \$1,195,645 for the Safety Plan and \$865,883 from the Miscellaneous Plan, totally \$2,061,528.

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

As of June 30, 2017, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

Proportionate Share of Net Pension Liability	
Miscellaneous	\$ 11,878,189
Safety	20,092,937
Total Net Pension Liability:	\$ 31,971,126

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, 2016, 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, 2015 rolled forward to June 30, 2016 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, 2015 and 2016 was as follows:

	Miscellaneous	Safety	Total Cost-sharing Plans
Proportion - June 30, 2016	0.36845%	0.38023%	0.74868%
Proportion - June 30, 2017	0.34193%	0.38795%	0.72988%
Change - Increase (Decrease)	-0.02652%	0.00772%	-0.01880%

CITY OF BELL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017**Note 6: Defined Benefit Pension Plan (Continued)**

For the year ended June 30, 2017, the City recognized a total pension expense of \$927,355 for Miscellaneous and \$3,067,848 for Safety, totalling \$4,005,203 for all plans in total. At June 30, 2017, the City reported deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
City contribution subsequent to the measurement date	\$ 1,015,918	\$ -
Change in Assumptions	-	306,757
Difference between Expected and Actual Experience	32,423	7,429
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,596,571	-
Adjustment due to Difference in Proportions	503,459	6,355
Difference between proportion actuarial and actual contributions	-	61,523
Total	\$ 3,148,371	\$ 382,064

Safety Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
City contribution subsequent to the measurement date	\$ 1,358,176	\$ -
Change in Assumptions	-	410,619
Difference between Expected and Actual Experience	-	94,177
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,017,354	-
Adjustment due to Difference in Proportions	119,026	609,108
Difference between proportion actuarial and actual contributions	-	1,202,925
Total	\$ 3,494,556	\$ 2,316,829

Total Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
City contribution subsequent to the measurement date	\$ 2,374,094	\$ -
Change in Assumptions	-	717,376
Difference between Expected and Actual Experience	32,423	101,606
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,613,925	-
Adjustment due to Difference in Proportions	622,485	615,463
Difference between proportion actuarial and actual contributions	-	1,264,448
Total	\$ 6,642,927	\$ 2,698,893

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
Note 6: Defined Benefit Pension Plan (Continued)

\$2,374,094 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 measurement year ended June 30, 2017. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total Plans
2017	\$ 314,350	\$ (919,553)	\$ (605,203)
2018	307,884	(586,799)	(278,915)
2019	714,623	800,724	1,515,347
2020	413,532	525,179	938,711
Total	<u>\$ 1,750,389</u>	<u>\$ (180,449)</u>	<u>\$ 1,569,940</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability. The June 30, 2016 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	3.3% - 14.2% (1)
Investment Rate of Return	7.65% (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, 2015 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 6: Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.65 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 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
Note 6: Defined Benefit Pension Plan (Continued)

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.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	1.0	(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

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:

Plans' Net Pension Liability/(Asset)	Discount Rate - 1% 6.65%	Current Discount 7.65%	Discount Rate +1% 8.65%
Miscellaneous	\$ 16,649,976	\$ 11,878,189	\$ 7,934,545
Safety	29,751,652	20,092,937	12,164,124
TOTAL:	\$ 46,401,628	\$ 31,971,126	\$ 20,098,669

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, 2017, the City reported no payable for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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.

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, 2017, the City contributed \$469,529 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, 2017, was \$1,284,052 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%.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
Note 7: Other Post-Employment Benefits (OPEB) (Continued)

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

Annual required contribution	\$ 1,284,052
Interest on net OPEB obligation	471,740
Adjustment to annual required contribution	(554,695)
Annual OPEB cost (expense)	1,201,097
Contributions made	469,529
Increase/(decrease) in Net OPEB obligation	731,568
Net OPEB obligation - beginning of year	10,483,112
Net OPEB obligation - end of year	<u>\$ 11,214,680</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017, and two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 1,289,392	32.4%	\$ 9,701,464
6/30/2016	1,270,406	38.5%	10,483,112
6/30/2017	1,201,097	39.1%	11,214,680

Funding Status and Progress:

Valuation Date	Actuarial Asset Value	Entry Age Normal Cost Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Underfunded Actuarial Liability As a Percentage of Covered Payroll
7/1/2014	\$ -	\$ 16,572,431	\$ 16,572,431	0.0%	\$ 5,084,805	325.9%
7/1/2016	-	15,809,016	15,809,016	0.0%	5,917,870	267.1%

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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

The actuarial assumptions are as follows for the valuation performed as of July 1, 2016:

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: Fund Balance and Net Position Restatements

Beginning net position has been restated as follows:

Government-Wide

Governmental Activities

To remove prior year slurry seal improperly
capitalized in prior year.

\$ (428,301)

Note 9: 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, 2017, was \$37,733 and is included in the loans receivable balance however it also has an associated allowance for doubtful accounts to offset the loan.

Note 10: 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).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
Note 10: Successor Agency Trust For Assets of the Former Redevelopment Agency (Continued)

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.

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	\$2,697,628
Restricted:	
Cash with fiscal agents	<u>2,041,639</u>
Total Cash and investments:	<u>\$4,739,267</u>

b. Capital Assets Held by the Successor Agency

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017
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	<u>1,368,369</u>	<u>152,814</u>	<u>-</u>	<u>1,521,183</u>
Total capital assets being depreciated; net	<u>6,110,249</u>	<u>(152,814)</u>	<u>-</u>	<u>5,957,435</u>
Total capital assets; net	<u>\$ 14,397,029</u>	<u>\$ (152,814)</u>	<u>\$ -</u>	<u>\$ 14,244,215</u>

Depreciation expense for the period ended June 30, 2017, was \$152,814.

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

	Balance at July 1, 2016	Restatement	Additions	Deletions	Balance at June 30, 2017	Due Within One Year
Tax allocation bonds						
Refunding Bonds, Series 2003	\$ 17,880,000	\$ -	\$ -	\$ 1,075,000	\$ 16,805,000	\$ 1,125,000
Promissory notes						
2009 Promissory Note	1,875,000	(125,000)	-	125,000	1,625,000	250,000
2014 Promissory Note	853,720	-	-	504,102	349,618	349,618
LAUSD Settlement Note	441,413	-	-	110,353	331,060	220,706
SERAF Loan	<u>-</u>	<u>947,511</u>	<u>-</u>	<u>67,490</u>	<u>880,021</u>	<u>-</u>
Total long-term debt	<u>\$ 21,050,133</u>	<u>\$ 822,511</u>	<u>\$ -</u>	<u>\$ 1,881,945</u>	<u>\$ 19,990,699</u>	<u>\$ 1,945,324</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 10 Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)

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 \$1,525,000. 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, 2017, was \$16,805,000.

Minimum annual requirements to amortize the 2003 Tax Allocation Refunding Bonds outstanding as of June 30, 2017, are as follows:

Year Ending June 30,	Tax Allocation Refunding Bonds Series 2003	
	Principal	Interest
2018	\$ 1,125,000	\$ 914,856
2019	1,175,000	862,544
2020	1,230,000	807,319
2021	1,300,000	739,669
2022	1,370,000	668,169
2023 - 2027	4,835,000	2,293,319
2028 - 2032	3,890,000	1,209,094
2033 - 2034	1,880,000	160,031
Total	<u>\$ 16,805,000</u>	<u>\$ 7,655,001</u>

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 \$26 million. The Successor Agency had debt service payments totaling \$2,016,944 during the fiscal year ended June 30, 2017.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
Note 10: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)
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, 2017, totaled \$1,875,000. 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.

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

Year Ending June 30,	Promissory Note	
	Principal	Interest
2018	\$ 250,000	\$ 81,250
2019	250,000	68,750
2020	250,000	56,250
2021	250,000	43,750
2022	250,000	31,250
2023 - 2024	375,000	25,000
Total	\$ 1,625,000	\$ 306,250

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 10: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)
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.

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

Year Ending June 30,	2014 Promissory Note
	Principal
2018	\$ 349,618
Total	\$ 349,618

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, 2017, the outstanding balance was \$331,060.

SERAF Loan

On May 15, 2015 the Department of Finance reinstated the SERAF Loan between the Successor Agency and the Low Mod Housing Successor Fund. HSC Section 34191.4(b)(2)(A) allows this repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in that fiscal year and the ROPS residual pass-through disturbed to the taxing entities in the fiscal year 2012-13 base year. At June 30, 2017, the outstanding balance was \$880,021.

d. Restatement of Net Position

Restatement of \$125,000 was restated to properly record the payment made in 2016 against the note payable but erroneously recorded as an expense.

**CITY OF BELL
COST SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2017**

	2015	2016	2017
Miscellaneous Plan			
Plan's Proportion of the Net Pension Liability	0.13340%	0.14726%	0.13727%
Plan's Proportionate Share of the Net Pension Liability	\$ 8,300,805	\$ 10,107,596	\$ 11,878,189
Plan's Covered Payroll	\$ 2,406,787	\$ 2,499,269	\$ 2,822,312
Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	344.89%	404.42%	420.87%
The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%

Notes to Schedule:

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

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

(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 three years are shown.

**CITY OF BELL
COST SHARING MULTIPLE EMPLOYER BENEFIT PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, 2017**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Miscellaneous Plan			
Actuarially Determined Contribution	\$ 753,630	\$ 865,883	\$ 1,015,918 (a)
Contribution in Relation to the Actuarially Determined Contribution	(753,630)	(865,883)	(1,015,918)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,499,269	\$ 2,822,312	\$ 3,007,673
Contributions as a Percentage of Covered-Employee Payroll	30.15%	30.68%	33.78%

(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 three years are shown.

(a) Contribution includes a \$672,318 credit from CalPERS, not actual payment made.

Note to Schedule:

Valuation Date: June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method/period	Level percent payroll/closed
Asset valuation method	Market value
Inflation	2.75%
Salary increases	3.30% to 14.20%
Payroll growth	3.00%
Investment rate of return	7.65% net of pension plan investment and administrative expenses; includes inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007
Mortality	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

**CITY OF BELL
COST SHARING MULTIPLE EMPLOYER SAFETY PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2017**

	2015	2016	2017
<u>Safety Plan</u>			
Plan's Proportion of the Net Pension Liability	0.21049%	0.22825%	0.23221%
Plan's Proportionate Share of the Net Pension Liability	\$ 13,097,414	\$ 15,667,179	\$ 20,092,937
Plan's Covered Payroll	\$ 2,448,847	\$ 2,383,307	\$ 2,793,537
Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	534.84%	657.37%	719.27%
The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%

Notes to Schedule:

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

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

(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 three years are shown.

**CITY OF BELL
COST SHARING MULTIPLE EMPLOYER SAFETY PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, 2017**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Safety Plan			
Actuarially Determined Contribution	\$ 517,528	\$ 1,005,648	\$ 1,358,176 (a)
Contribution in Relation to the Actuarially Determined Contribution	(517,528)	(1,005,648)	(1,358,176)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,631,843	\$ 1,647,040	\$ 2,372,016
Contributions as a Percentage of Covered-Employee Payroll	31.71%	61.06%	57.26%

(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 three years are shown.

(a) Contribution includes a \$802,914 credit from CalPERS, not actual payment made.

Note to Schedule:

Valuation Date: June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method/period	Level percent payroll/closed
Asset valuation method	Market value
Inflation	2.75%
Salary increases	3.30% to 14.20%
Payroll growth	3.00%
Investment rate of return	7.65% net of pension plan investment and administrative expenses; includes inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007
Mortality	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Budgetary Fund Balance, July 1	\$ 20,697,258	\$ 20,697,258	\$ 20,697,258	\$ -
Resources (Inflows):				
Taxes	10,491,800	10,491,800	10,716,820	225,020
Licenses and permits	546,150	546,150	813,512	267,362
Intergovernmental	490,830	490,830	144,218	(346,612)
Charges for services	721,700	721,700	746,431	24,731
Use of money and property	334,500	334,500	390,613	56,113
Fines and forfeitures	675,000	675,000	503,092	(171,908)
Miscellaneous	104,800	306,545	542,036	235,491
Transfers in	1,543,390	1,543,390	1,528,721	(14,669)
Capital leases	-	-	70,742	70,742
Amounts Available for Appropriations	35,605,428	35,807,173	36,153,443	346,270
Charges to Appropriations (Outflow):				
General government				
Non Departmental	759,360	848,455	780,817	67,638
City Council	196,090	196,725	158,028	38,697
City Manager	354,370	361,870	310,948	50,922
Human Resources	219,850	221,350	209,698	11,652
Finance	914,430	933,555	925,574	7,981
City Attorney	450,000	450,000	654,381	(204,381)
City Clerk	297,170	297,170	197,948	99,222
Liability - Safety Operations	328,810	530,555	297,843	232,712
Worker's Comp - Miscellaneous Operations	55,000	55,000	220,889	(165,889)
Building Regulations	80,000	80,000	99,762	(19,762)
Patrol Operations	4,218,650	4,381,056	4,457,259	(76,203)
Police Administration	492,490	492,490	509,811	(17,321)
Jail	1,653,170	1,653,170	1,591,793	61,377
Liability - Safety Operations	448,770	448,770	428,680	20,090
Worker's Comp - Safety Operations	846,000	846,000	696,299	149,701
City Attorney	50,000	50,000	34,250	15,750
Planning	215,790	215,790	179,810	35,980
Economic Development	129,780	96,552	107,657	(11,105)
Building Regulation	197,320	451,552	392,678	58,874
Engineering	81,470	81,470	74,013	7,457
Code Enforcement	239,730	239,730	237,786	1,944
Youth/Sports/Activities	1,183,980	1,184,123	1,086,906	97,217
Social Service Programs	691,710	704,900	677,531	27,369
Skate Park Activities	-	75,327	16,996	58,331
Technical Center	10,000	10,000	3,461	6,539
Facilities Maintenance	275,000	275,000	-	275,000
Park Maintenance	462,340	441,040	200,890	240,150
Civic Center Maintenance	44,000	68,936	66,817	2,119
Public works	35,820	94,949	70,153	24,796
Capital outlay	56,000	172,182	152,341	19,841
Debt service:				
Principal retirement	-	-	5,252	(5,252)
Interest and fiscal charges	-	-	1,413	(1,413)
Transfers out	342,000	342,000	342,000	-
Total Charges to Appropriations	15,329,100	16,299,717	15,189,684	1,110,033
Budgetary Fund Balance, June 30	\$ 20,276,328	\$ 19,507,456	\$ 20,963,759	\$ 1,456,303

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
RETIREMENT
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (351,042)	\$ (351,042)	\$ (351,042)	\$ -
Resources (Inflows):				
Taxes	2,171,300	2,171,300	2,142,139	(29,161)
Intergovernmental	426,190	426,190	465,206	39,016
Use of money and property	-	-	2,760	2,760
Miscellaneous	832,660	832,660	1,299,873	467,213
Transfers in	452,580	452,580	445,830	(6,750)
Amounts Available for Appropriations	3,531,688	3,531,688	4,004,766	473,078
Charges to Appropriations (Outflow):				
General government	962,070	962,070	875,063	87,007
Public safety	1,121,570	1,121,570	1,071,705	49,865
Transfers out	1,799,090	1,799,090	1,799,089	1
Total Charges to Appropriations	3,882,730	3,882,730	3,745,857	136,873
Budgetary Fund Balance, June 30	\$ (351,042)	\$ (351,042)	\$ 258,909	\$ 609,951

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

Note 1: Budgetary Control and Accounting

The City Council establishes budgets for all governmental funds on a basis consistent with Generally Accepted Accounting Principles, with the exception of capital projects which are budgeted on a project-length basis. 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 budgetary comparison schedules are not presented for the Low and Moderate Housing Major Special Revenue and Surplus Property Authority Special Revenue, due to no approved budget for the year ended June 30, 2017.

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, 2017, the following expenditures exceeded appropriations in the General Fund.

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
General government			
City Attorney	\$ 450,000	\$ 654,381	\$ (204,381)
Worker's Comp - Miscellaneous			
Operations	55,000	220,889	(165,889)
Building Regulations	80,000	99,762	(19,762)
Public safety			
Patrol Operations	4,381,056	4,457,259	(76,203)
Police Administration	492,490	509,811	(17,321)
Community development			
Economic Development	96,552	107,657	(11,105)

CITY OF BELL

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2017

Special Revenue Funds

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

CDBG Fund

To account for revenues and costs related to the activities approved and funded by the federal CDBG Program.

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.

DOT Section 125 Fund

To account for federal grants and costs related to Department of Transportation.

CITY OF BELL

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2017

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.

Community Housing Authority Fund

To account for revenues and expenditures related to the operations of the Community Housing Authority.

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.

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.

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.

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

To account for the federal expenditures related to capital project.

CITY OF BELL

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2017

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.

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.

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, 2017**

	Special Revenue Funds			
	CDBG	Air Quality Management	Sanitation	Sewer Maintenance
Assets:				
Pooled cash and investments	\$ -	\$ 114,217	\$ 651,786	\$ 1,123,691
Receivables:				
Accounts	-	11,918	168,693	4,854
Accrued interest	-	128	801	984
Grants	62,165	-	-	-
Deposits	-	-	-	-
Due from other governments	-	-	-	1,673
Due from other funds	4,124	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 66,289	\$ 126,263	\$ 821,280	\$ 1,131,202
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 192,704	\$ 6	\$ 23,872	\$ 11,638
Accrued liabilities	4,024	-	1,188	2,466
Deposits payable	-	-	-	-
Due to other funds	73,509	-	-	-
Total Liabilities	270,237	6	25,060	14,104
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	126,257	796,220	1,117,098
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	(203,948)	-	-	-
Total Fund Balances	(203,948)	126,257	796,220	1,117,098
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 66,289	\$ 126,263	\$ 821,280	\$ 1,131,202

CITY OF BELL

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

(CONTINUED)

	Special Revenue Funds			
	AB939 Recycling	Surplus Property Authority	Street Lighting	Proposition A
Assets:				
Pooled cash and investments	\$ 262	\$ -	\$ 273,038	\$ 240,885
Receivables:				
Accounts	-	-	-	4,779
Accrued interest	-	-	366	299
Grants	-	-	-	-
Deposits	-	-	-	-
Due from other governments	297	-	10,405	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 559	\$ -	\$ 283,809	\$ 245,963
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 32,443	\$ 48,973
Accrued liabilities	-	-	896	643
Deposits payable	-	-	-	-
Due to other funds	-	47,497	-	-
Total Liabilities	-	47,497	33,339	49,616
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	250,470	-
Capital Projects	-	-	-	196,347
Debt service	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	559	(47,497)	-	-
Total Fund Balances	559	(47,497)	250,470	196,347
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 559	\$ -	\$ 283,809	\$ 245,963

CITY OF BELL

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Special Revenue Funds			
	Federal Asset Seizure	Bikeway	Community Housing Authority	DOT Section 125
Assets:				
Pooled cash and investments	\$ 132,313	\$ -	\$ 3,142,000	\$ 13,463
Receivables:				
Accounts	-	28,420	-	-
Accrued interest	158	-	13,979	-
Grants	-	-	-	-
Deposits	-	-	19,500	-
Due from other governments	-	-	-	15,473
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 132,471	\$ 28,420	\$ 3,175,479	\$ 28,936
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 2,624	\$ 64,758	\$ -
Accrued liabilities	-	-	5,087	-
Deposits payable	-	-	13,225	-
Due to other funds	-	15,919	1,215	57,688
Total Liabilities	-	18,543	84,285	57,688
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	2,009
Total Deferred Inflows of Resources	-	-	-	2,009
Fund Balances:				
Restricted for:				
Community development projects	-	9,877	3,091,194	-
Public safety	132,471	-	-	-
Public works	-	-	-	-
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	(30,761)
Total Fund Balances	132,471	9,877	3,091,194	(30,761)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 132,471	\$ 28,420	\$ 3,175,479	\$ 28,936

CITY OF BELL

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

(CONTINUED)

	Special Revenue Funds	Capital Projects Funds		
	OTS State Grant	Gas Tax	Community Housing Authority	State COPS
Assets:				
Pooled cash and investments	\$ -	\$ 558,677	\$ 798,223	\$ 96,853
Receivables:				
Accounts	-	13,513	-	-
Accrued interest	-	647	-	143
Grants	27,306	-	-	-
Deposits	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 27,306	\$ 572,837	\$ 798,223	\$ 96,996
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,279	\$ 111,510	\$ -	\$ 2,107
Accrued liabilities	6,385	832	-	2,288
Deposits payable	-	-	-	-
Due to other funds	36,862	-	1,000	-
Total Liabilities	44,526	112,342	1,000	4,395
Deferred Inflows of Resources:				
Unavailable revenues	15,362	-	-	-
Total Deferred Inflows of Resources	15,362	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	797,223	-
Public safety	-	-	-	92,601
Public works	-	-	-	-
Capital Projects	-	460,495	-	-
Debt service	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	(32,582)	-	-	-
Total Fund Balances	(32,582)	460,495	797,223	92,601
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 27,306	\$ 572,837	\$ 798,223	\$ 96,996

CITY OF BELL

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Capital Projects Funds			
	Proposition C	Measure R	City Capital Projects	Federal Grants
Assets:				
Pooled cash and investments	\$ 1,886,471	\$ 616,968	\$ 849,329	\$ 174,395
Receivables:				
Accounts	-	-	-	-
Accrued interest	2,140	701	2,961	456
Grants	-	-	-	129,667
Deposits	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,888,611	\$ 617,669	\$ 852,290	\$ 304,518
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 18,074	\$ 65,377	\$ -	\$ 4,084
Accrued liabilities	-	-	-	1,092
Deposits payable	-	-	-	-
Due to other funds	616	-	-	121,936
Total Liabilities	18,690	65,377	-	127,112
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	123,017
Total Deferred Inflows of Resources	-	-	-	123,017
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	92,300
Public safety	-	-	-	71,620
Public works	-	-	-	-
Capital Projects	1,869,921	552,292	-	9,689
Debt service	-	-	-	-
Assigned to:				
Capital Projects	-	-	852,290	-
Unassigned	-	-	-	(119,220)
Total Fund Balances	1,869,921	552,292	852,290	54,389
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,888,611	\$ 617,669	\$ 852,290	\$ 304,518

CITY OF BELL

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Debt Service Funds		
	General Obligation Bonds Debt	Community Housing Authority	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ 2,684,996	\$ 13,697	\$ 13,371,264
Receivables:			
Accounts	-	-	232,177
Accrued interest	-	-	23,763
Grants	-	-	219,138
Deposits	-	-	19,500
Due from other governments	55,588	-	83,436
Due from other funds	-	-	4,124
Restricted assets:			
Cash and investments with fiscal agents	-	12	12
Total Assets	\$ 2,740,584	\$ 13,709	\$ 13,953,414
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ 250	\$ 579,699
Accrued liabilities	-	-	24,901
Deposits payable	-	-	13,225
Due to other funds	-	-	356,242
Total Liabilities	-	250	974,067
Deferred Inflows of Resources:			
Unavailable revenues	-	-	140,388
Total Deferred Inflows of Resources	-	-	140,388
Fund Balances:			
Restricted for:			
Community development projects	-	-	3,990,594
Public safety	-	-	296,692
Public works	-	-	2,290,045
Capital Projects	-	-	3,088,744
Debt service	2,740,584	13,459	2,754,043
Assigned to:			
Capital Projects	-	-	852,290
Unassigned	-	-	(433,449)
Total Fund Balances	2,740,584	13,459	12,838,959
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,740,584	\$ 13,709	\$ 13,953,414

CITY OF BELL

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds			
	CDBG	Air Quality Management	Sanitation	Sewer Maintenance
Revenues:				
Taxes	\$ -	\$ -	\$ 13,817	\$ 341,247
Intergovernmental	294,212	46,886	-	496,726
Charges for services	-	-	399,178	-
Use of money and property	54	292	3,638	4,369
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	4,342	6,257
Total Revenues	294,266	47,178	420,975	848,599
Expenditures:				
Current:				
General government	-	-	338	663
Public safety	-	-	-	-
Community development	532,942	-	11	-
Community services	20	-	-	-
Public works	-	1,091	322,292	1,252,665
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	532,962	1,091	322,641	1,253,328
Excess (Deficiency) of Revenues Over (Under) Expenditures	(238,696)	46,087	98,334	(404,729)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(49,149)	(69,460)
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(49,149)	(69,460)
Net Change in Fund Balances	(238,696)	46,087	49,185	(474,189)
Fund Balances, Beginning of Year	34,748	80,170	747,035	1,591,287
Fund Balances, End of Year	\$ (203,948)	\$ 126,257	\$ 796,220	\$ 1,117,098

CITY OF BELL

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	AB939 Recycling	Surplus Property Authority	Street Lighting	Proposition A
Revenues:				
Taxes	\$ 2,361	\$ -	\$ 450,554	\$ -
Intergovernmental	-	-	-	659,368
Charges for services	-	-	-	30,704
Use of money and property	452	-	1,091	627
Fines and forfeitures	-	-	-	-
Miscellaneous	2,183	-	3,092	-
Total Revenues	4,996	-	454,737	690,699
Expenditures:				
Current:				
General government	-	-	176	766
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	529,581
Public works	-	-	595,243	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	595,419	530,347
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,996	-	(140,682)	160,352
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(81,520)	(52,722)
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(81,520)	(52,722)
Net Change in Fund Balances	4,996	-	(222,202)	107,630
Fund Balances, Beginning of Year	(4,437)	(47,497)	472,672	88,717
Fund Balances, End of Year	\$ 559	\$ (47,497)	\$ 250,470	\$ 196,347

CITY OF BELL

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			
	Federal Asset Seizure	Bikeway	Community Housing Authority	DOT Section 125
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	28,420	-	360,534
Charges for services	-	-	-	-
Use of money and property	515	2	2,705,051	52
Fines and forfeitures	30,072	-	-	-
Miscellaneous	-	-	404	-
Total Revenues	30,587	28,422	2,705,455	360,586
Expenditures:				
Current:				
General government	-	-	23,151	-
Public safety	-	-	-	-
Community development	-	-	1,104,504	-
Community services	-	-	-	-
Public works	-	18,545	-	389,339
Capital outlay	35,833	-	-	-
Debt service:				
Principal retirement	73,356	-	-	-
Interest and fiscal charges	20,718	-	-	-
Total Expenditures	129,907	18,545	1,127,655	389,339
Excess (Deficiency) of Revenues Over (Under) Expenditures	(99,320)	9,877	1,577,800	(28,753)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(25,120)	-	(1,722,771)	-
Capital leases	24,189	-	-	-
Total Other Financing Sources (Uses)	(931)	-	(1,722,771)	-
Net Change in Fund Balances	(100,251)	9,877	(144,971)	(28,753)
Fund Balances, Beginning of Year	232,722	-	3,236,165	(2,008)
Fund Balances, End of Year	\$ 132,471	\$ 9,877	\$ 3,091,194	\$ (30,761)

CITY OF BELL

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds	Capital Projects Funds		
	OTS State Grant	Gas Tax	Community Housing Authority	State COPS
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	59,765	781,230	-	129,324
Charges for services	-	-	-	-
Use of money and property	2	2,599	-	501
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	59,767	783,829	-	129,825
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	78,434	-	-	200,524
Community development	-	3,125	1,000	-
Community services	-	-	-	-
Public works	-	1,016,778	-	-
Capital outlay	-	114,814	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	78,434	1,134,717	1,000	200,524
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,667)	(350,888)	(1,000)	(70,699)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(93,320)	-	(39,280)
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	-	(93,320)	-	(39,280)
Net Change in Fund Balances	(18,667)	(444,208)	(1,000)	(109,979)
Fund Balances, Beginning of Year	(13,915)	904,703	798,223	202,580
Fund Balances, End of Year	\$ (32,582)	\$ 460,495	\$ 797,223	\$ 92,601

CITY OF BELL

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Capital Projects Funds			
	Proposition C	Measure R	City Capital Projects	Federal Grants
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	549,642	410,296	-	458,947
Charges for services	-	-	-	-
Use of money and property	5,454	1,649	7,864	1,068
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	555,096	411,945	7,864	460,015
Expenditures:				
Current:				
General government	-	-	1,191	-
Public safety	-	-	-	104,846
Community development	27,304	-	-	-
Community services	-	-	-	-
Public works	246,198	178,379	-	89,714
Capital outlay	21,019	-	-	7,603
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	294,521	178,379	1,191	202,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	260,575	233,566	6,673	257,852
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(20,320)
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(20,320)
Net Change in Fund Balances	260,575	233,566	6,673	237,532
Fund Balances, Beginning of Year	1,609,346	318,726	845,617	(183,143)
Fund Balances, End of Year	\$ 1,869,921	\$ 552,292	\$ 852,290	\$ 54,389

CITY OF BELL

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Debt Service Funds		
	General		Total
	Obligation Bonds	Community	Governmental
	Debt Service	Housing Authority	Funds
Revenues:			
Taxes	\$ 2,775,631	\$ -	\$ 3,583,610
Intergovernmental	-	-	4,275,350
Charges for services	-	-	429,882
Use of money and property	-	14	2,735,294
Fines and forfeitures	-	-	30,072
Miscellaneous	-	-	16,278
Total Revenues	2,775,631	14	11,070,486
Expenditures:			
Current:			
General government	-	-	26,285
Public safety	-	-	383,804
Community development	-	-	1,668,886
Community services	-	-	529,601
Public works	-	-	4,110,244
Capital outlay	-	-	179,269
Debt service:			
Principal retirement	630,000	490,000	1,193,356
Interest and fiscal charges	1,442,044	805,558	2,268,320
Total Expenditures	2,072,044	1,295,558	10,359,765
Excess (Deficiency) of Revenues Over (Under) Expenditures	703,587	(1,295,544)	710,721
Other Financing Sources (Uses):			
Transfers in	-	1,295,360	1,295,360
Transfers out	-	-	(2,153,662)
Capital leases	-	-	24,189
Total Other Financing Sources (Uses)	-	1,295,360	(834,113)
Net Change in Fund Balances	703,587	(184)	(123,392)
Fund Balances, Beginning of Year	2,036,997	13,643	12,962,351
Fund Balances, End of Year	\$ 2,740,584	\$ 13,459	\$ 12,838,959

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
CDBG
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 34,748	\$ 34,748	\$ 34,748	\$ -
Resources (Inflows):				
Intergovernmental	523,050	663,335	294,212	(369,123)
Use of money and property	-	-	54	54
Amounts Available for Appropriations	557,798	698,083	329,014	(369,069)
Charges to Appropriations (Outflow):				
Community development	523,050	663,335	532,942	130,393
Community services	-	-	20	(20)
Total Charges to Appropriations	523,050	663,335	532,962	130,373
Budgetary Fund Balance, June 30	\$ 34,748	\$ 34,748	\$ (203,948)	\$ (238,696)

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
AIR QUALITY MANAGEMENT
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 80,170	\$ 80,170	\$ 80,170	\$ -
Resources (Inflows):				
Intergovernmental	-	-	46,886	46,886
Use of money and property	90	90	292	202
Amounts Available for Appropriations	80,260	80,260	127,348	47,088
Charges to Appropriations (Outflow):				
Public works	5,000	5,000	1,091	3,909
Total Charges to Appropriations	5,000	5,000	1,091	3,909
Budgetary Fund Balance, June 30	\$ 75,260	\$ 75,260	\$ 126,257	\$ 50,997

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
SANITATION
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 747,035	\$ 747,035	\$ 747,035	\$ -
Resources (Inflows):				
Taxes	58,350	58,350	13,817	(44,533)
Charges for services	330,000	330,000	399,178	69,178
Use of money and property	1,300	1,300	3,638	2,338
Miscellaneous	-	-	4,342	4,342
Amounts Available for Appropriations	1,136,685	1,136,685	1,168,010	31,325
Charges to Appropriations (Outflow):				
General government	-	-	338	(338)
Community development	-	-	11	(11)
Public works	351,040	387,995	322,292	65,703
Transfers out	49,150	49,150	49,149	1
Total Charges to Appropriations	400,190	437,145	371,790	65,355
Budgetary Fund Balance, June 30	\$ 736,495	\$ 699,540	\$ 796,220	\$ 96,680

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
SEWER MAINTENANCE
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,591,287	\$ 1,591,287	\$ 1,591,287	\$ -
Resources (Inflows):				
Taxes	373,190	373,190	341,247	(31,943)
Intergovernmental	-	-	496,726	496,726
Use of money and property	2,400	2,400	4,369	1,969
Miscellaneous	-	-	6,257	6,257
Amounts Available for Appropriations	1,966,877	1,966,877	2,439,886	473,009
Charges to Appropriations (Outflow):				
General government	-	-	663	(663)
Public works	772,380	1,479,151	1,252,665	226,486
Transfers out	69,460	69,460	69,460	-
Total Charges to Appropriations	841,840	1,548,611	1,322,788	225,823
Budgetary Fund Balance, June 30	\$ 1,125,037	\$ 418,266	\$ 1,117,098	\$ 698,832

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
AB939 RECYCLING
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (4,437)	\$ (4,437)	\$ (4,437)	\$ -
Resources (Inflows):				
Taxes	45,000	45,000	2,361	(42,639)
Use of money and property	-	-	452	452
Miscellaneous	-	-	2,183	2,183
Amounts Available for Appropriation	40,563	40,563	559	(40,004)
Budgetary Fund Balance, June 30	\$ 40,563	\$ 40,563	\$ 559	\$ (40,004)

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 472,672	\$ 472,672	\$ 472,672	\$ -
Resources (Inflows):				
Taxes	488,840	488,840	450,554	(38,286)
Use of money and property	700	700	1,091	391
Miscellaneous	-	-	3,092	3,092
Amounts Available for Appropriations	962,212	962,212	927,409	(34,803)
Charges to Appropriations (Outflow):				
General government	-	-	176	(176)
Public works	502,260	661,090	595,243	65,847
Transfers out	81,520	81,520	81,520	-
Total Charges to Appropriations	583,780	742,610	676,939	65,671
Budgetary Fund Balance, June 30	\$ 378,432	\$ 219,602	\$ 250,470	\$ 30,868

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
PROPOSITION A
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 88,717	\$ 88,717	\$ 88,717	\$ -
Resources (Inflows):				
Intergovernmental	662,080	662,080	659,368	(2,712)
Charges for services	40,000	40,000	30,704	(9,296)
Use of money and property	-	-	627	627
Amounts Available for Appropriations	790,797	790,797	779,416	(11,381)
Charges to Appropriations (Outflow):				
General government	1,000	1,000	766	234
Community services	631,490	652,786	529,581	123,205
Transfers out	52,720	52,720	52,722	(2)
Total Charges to Appropriations	685,210	706,506	583,069	123,437
Budgetary Fund Balance, June 30	\$ 105,587	\$ 84,291	\$ 196,347	\$ 112,056

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
FEDERAL ASSET SEIZURE
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 232,722	\$ 232,722	\$ 232,722	\$ -
Resources (Inflows):				
Use of money and property	300	300	515	215
Fines and forfeitures	-	-	30,072	30,072
Capital leases	-	-	24,189	24,189
Amounts Available for Appropriations	233,022	233,022	287,498	54,476
Charges to Appropriations (Outflow):				
Capital outlay	100,000	100,000	35,833	64,167
Debt service:				
Principal retirement	-	-	73,356	(73,356)
Interest and fiscal charges	-	-	20,718	(20,718)
Transfers out	25,120	25,120	25,120	-
Total Charges to Appropriations	125,120	125,120	155,027	(29,907)
Budgetary Fund Balance, June 30	\$ 107,902	\$ 107,902	\$ 132,471	\$ 24,569

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
BIKEWAY
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	23,530	23,530	28,420	4,890
Use of money and property	-	-	2	2
Amounts Available for Appropriations	23,530	23,530	28,422	4,892
Charges to Appropriations (Outflow):				
Public works	16,500	42,500	18,545	23,955
Total Charges to Appropriations	16,500	42,500	18,545	23,955
Budgetary Fund Balance, June 30	\$ 7,030	\$ (18,970)	\$ 9,877	\$ 28,847

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
COMMUNITY HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 3,236,165	\$ 3,236,165	\$ 3,236,165	\$ -
Resources (Inflows):				
Use of money and property	2,619,800	2,619,800	2,705,051	85,251
Miscellaneous	-	-	404	404
Amounts Available for Appropriations	5,855,965	5,855,965	5,941,620	85,655
Charges to Appropriations (Outflow):				
General government	60,000	60,000	23,151	36,849
Community development	1,261,330	1,261,330	1,104,504	156,826
Transfers out	1,722,770	1,722,770	1,722,771	(1)
Total Charges to Appropriations	3,044,100	3,044,100	2,850,426	193,674
Budgetary Fund Balance, June 30	\$ 2,811,865	\$ 2,811,865	\$ 3,091,194	\$ 279,329

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE

DOT Section 125

YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (2,008)	\$ (2,008)	\$ (2,008)	\$ -
Resources (Inflows):				
Intergovernmental	400,000	400,000	360,534	(39,466)
Use of money and property	-	-	52	52
Amounts Available for Appropriation	397,992	397,992	358,578	(39,414)
Charges to Appropriation (Outflow):				
Public works	-	389,339	389,339	-
Total Charges to Appropriations	-	389,339	389,339	-
Budgetary Fund Balance, June 30	\$ 397,992	\$ 8,653	\$ (30,761)	\$ (39,414)

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
OTS STATE GRANT
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (13,915)	\$ (13,915)	\$ (13,915)	\$ -
Resources (Inflows):				
Intergovernmental	123,310	123,310	59,765	(63,545)
Use of money and property	-	-	2	2
Amounts Available for Appropriations	109,395	109,395	45,852	(63,543)
Charges to Appropriations (Outflow):				
Public safety	123,310	123,309	78,434	44,875
Total Charges to Appropriations	123,310	123,309	78,434	44,875
Budgetary Fund Balance, June 30	\$ (13,915)	\$ (13,914)	\$ (32,582)	\$ (18,668)

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
GAS TAX
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 904,703	\$ 904,703	\$ 904,703	\$ -
Resources (Inflows):				
Intergovernmental	747,680	896,680	781,230	(115,450)
Use of money and property	2,500	2,500	2,599	99
Amounts Available for Appropriations	1,654,883	1,803,883	1,688,532	(115,351)
Charges to Appropriations (Outflow):				
Community development	-	188,202	3,125	185,077
Public works	1,086,050	1,092,254	1,016,778	75,476
Capital outlay	10,000	489,286	114,814	374,472
Transfers out	93,320	93,320	93,320	-
Total Charges to Appropriations	1,189,370	1,863,062	1,228,037	635,025
Budgetary Fund Balance, June 30	\$ 465,513	\$ (59,179)	\$ 460,495	\$ 519,674

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 798,223	\$ 798,223	\$ 798,223	\$ -
Resources (Inflows):				
Amounts Available for Appropriations	798,223	798,223	798,223	-
Charges to Appropriation (Outflow):				
Community development	795,220	795,220	1,000	794,220
Total Charges to Appropriations	795,220	795,220	1,000	794,220
Budgetary Fund Balance, June 30	\$ 3,003	\$ 3,003	\$ 797,223	\$ 794,220

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
STATE COPS
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 202,580	\$ 202,580	\$ 202,580	\$ -
Resources (Inflows):				
Intergovernmental	127,700	127,700	129,324	1,624
Use of money and property	750	750	501	(249)
Amounts Available for Appropriations	331,030	331,030	332,405	1,375
Charges to Appropriations (Outflow):				
Public safety	261,470	266,870	200,524	66,346
Transfers out	39,280	39,280	39,280	-
Total Charges to Appropriations	300,750	306,150	239,804	66,346
Budgetary Fund Balance, June 30	\$ 30,280	\$ 24,880	\$ 92,601	\$ 67,721

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
PROPOSITION C
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,609,346	\$ 1,609,346	\$ 1,609,346	\$ -
Resources (Inflows):				
Intergovernmental	549,170	549,170	549,642	472
Use of money and property	4,000	4,000	5,454	1,454
Amounts Available for Appropriations	2,162,516	2,162,516	2,164,442	1,926
Charges to Appropriations (Outflow):				
Community development	55,000	55,000	27,304	27,696
Public works	466,000	685,765	246,198	439,567
Capital outlay	170,000	130,000	21,019	108,981
Total Charges to Appropriations	691,000	870,765	294,521	576,244
Budgetary Fund Balance, June 30	\$ 1,471,516	\$ 1,291,751	\$ 1,869,921	\$ 578,170

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
MEASURE R
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 318,726	\$ 318,726	\$ 318,726	\$ -
Resources (Inflows):				
Intergovernmental	411,850	411,850	410,296	(1,554)
Use of money and property	1,200	1,200	1,649	449
Amounts Available for Appropriations	731,776	731,776	730,671	(1,105)
Charges to Appropriations (Outflow):				
Public works	404,400	534,400	178,379	356,021
Total Charges to Appropriations	404,400	534,400	178,379	356,021
Budgetary Fund Balance, June 30	\$ 327,376	\$ 197,376	\$ 552,292	\$ 354,916

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
CITY CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 845,617	\$ 845,617	\$ 845,617	\$ -
Resources (Inflows):				
Use of money and property	5,000	5,000	7,864	2,864
Amounts Available for Appropriation	850,617	850,617	853,481	2,864
Charges to Appropriation (Outflow):				
General government	-	-	1,191	(1,191)
Total Charges to Appropriations	-	-	1,191	(1,191)
Budgetary Fund Balance, June 30	\$ 850,617	\$ 850,617	\$ 852,290	\$ 1,673

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
FEDERAL GRANTS
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (183,143)	\$ (183,143)	\$ (183,143)	\$ -
Resources (Inflows):				
Intergovernmental	372,000	457,179	458,947	1,768
Use of money and property	250	250	1,068	818
Amounts Available for Appropriations	189,107	274,286	276,872	2,586
Charges to Appropriations (Outflow):				
Public safety	109,200	194,379	104,846	89,533
Public works	10,000	112,268	89,714	22,554
Capital outlay	-	22,000	7,603	14,397
Transfers out	20,320	20,320	20,320	-
Total Charges to Appropriations	139,520	348,967	222,483	126,484
Budgetary Fund Balance, June 30	\$ 49,587	\$ (74,681)	\$ 54,389	\$ 129,070

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$(1,212,038)	\$ (1,212,038)	\$(1,212,038)	\$ -
Resources (Inflows):				
Use of money and property	-	-	5	5
Transfers in	1,024,840	1,024,840	1,024,840	-
Amounts Available for Appropriations	(187,198)	(187,198)	(187,193)	5
Charges to Appropriations (Outflow):				
General government	2,700	2,700	3,201	(501)
Debt service:				
Principal retirement	845,000	845,000	845,000	-
Interest and fiscal charges	177,140	177,140	177,140	-
Total Charges to Appropriations	1,024,840	1,024,840	1,025,341	(501)
Budgetary Fund Balance, June 30	\$(1,212,038)	\$ (1,212,038)	\$(1,212,534)	\$ (496)

CITY OF BELL

BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION BONDS DEBT SERVICE
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,036,997	\$ 2,036,997	\$ 2,036,997	\$ -
Resources (Inflows):				
Taxes	2,635,780	2,635,780	2,775,631	139,851
Amounts Available for Appropriations	4,672,777	4,672,777	4,812,628	139,851
Charges to Appropriations (Outflow):				
Debt service:				
Principal retirement	630,000	630,000	630,000	-
Interest and fiscal charges	1,442,300	1,442,300	1,442,044	256
Total Charges to Appropriations	2,072,300	2,072,300	2,072,044	256
Budgetary Fund Balance, June 30	\$ 2,600,477	\$ 2,600,477	\$ 2,740,584	\$ 140,107

CITY OF BELL

**BUDGETARY COMPARISON SCHEDULE
 COMMUNITY HOUSING AUTHORITY
 YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 13,643	\$ 13,643	\$ 13,643	\$ -
Resources (Inflows):				
Use of money and property	-	-	14	14
Transfers in	1,295,360	1,295,360	1,295,360	-
Amounts Available for Appropriations	1,309,003	1,309,003	1,309,017	14
Charges to Appropriations (Outflow):				
Debt service:				
Principal retirement	490,000	490,000	490,000	-
Interest and fiscal charges	805,360	805,360	805,558	(198)
Total Charges to Appropriations	1,295,360	1,295,360	1,295,558	(198)
Budgetary Fund Balance, June 30	\$ 13,643	\$ 13,643	\$ 13,459	\$ (184)

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CITY OF BELL
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017

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 account ing)

	Fiscal Year			
	2008	2009	2010	2011
Governmental activities				
Net Investment in capital assets	\$ 51,684	\$ 46,194	\$ 26,001	\$ 24,507
Restricted	6,418	8,059	12,190	15,286
Unrestricted	(16,625)	(15,094)	(19,382)	(25,430)
Total governmental activities net position	41,477	39,159	18,809	14,363
<hr/>				
Business-type activities				
Unrestricted	-	-	-	-
Total business-type activities net position	-	-	-	-
<hr/>				
Primary Government				
Net Investment in capital assets	51,684	46,194	26,001	24,507
Restricted	6,418	8,059	12,190	15,286
Unrestricted	(16,625)	(15,094)	(19,382)	(25,430)
Total governmental activities net position	\$ 41,477	\$ 39,159	\$ 18,809	\$ 14,363
<hr/> <hr/>				

Notes:

The city began to report accrual information when it implented GASB Statement 34 in Fiscal Year 2003

Source: City of Bell Finance Department

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 35,511	\$ 41,050	\$ 22,939	\$ 23,797	\$ 22,251	\$ 19,702
17,156	14,009	13,687	12,777	13,321	13,734
(23,833)	(32,214)	2,295	(29,327)	(27,128)	(29,273)
28,834	22,845	38,921	7,247	8,444	4,163
-	-	-	-	-	-
-	-	-	-	-	-
35,511	41,050	22,939	23,797	22,251	19,702
17,156	14,009	13,687	12,777	13,321	13,734
(23,833)	(32,214)	2,295	(29,327)	(27,128)	(29,273)
\$ 28,834	\$ 22,845	\$ 38,921	\$ 7,247	\$ 8,444	\$ 4,163

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

	Fiscal Year			
	2008	2009	2010	2011
Expenses:				
Governmental activities:				
General government	\$ 12,736	\$ 15,310	\$ 15,587	\$ 12,759
Public safety	8,516	8,244	8,364	7,706
Community Development				-
Community Services	4,447	3,737	8,670	4,242
Public works	3,215	3,582	5,932	4,394
Pass through agreements	N/A	N/A	3,670	1,190
Interest on long-term debt	6,927	7,156	6,538	5,101
Total business-type activities net position	35,841	38,029	48,761	35,392
Business-type activities:				
Skate Park	-	-		
Total business-type activities expenses	-	-	-	-
Total governmental activities net position	\$ 35,841	\$ 38,029	\$ 48,761	\$ 35,392
Program Revenues:				
Governmental activities:				
Charges for Services:				
Lease income*	\$ 3,515	\$ 3,760	\$ -	\$ -
Fines and forfeitures*	1,220	1,216	-	-
Licenses and permits*	1,134	947	-	-
Other activities*	1,679	1,712	-	-
General government	-	-	4,543	4,590
Public safety	-	-	1,717	910
Community Development				-
Community Services	-	-	263	299
Public works	-	-	19	12
Operating contributions and grants	4,937	5,030	5,941	1,730
Capital contributions and grants	2,128	3,092	1,812	2,396
Total government activities program revenues	14,613	15,757	14,295	9,937
Business-type activities:				
Skate Park	-	-	-	-
Total business-type activities revenues	-	-	-	-
Total primary government program revenues	\$ 14,613	\$ 15,757	\$ 14,295	\$ 9,937

Fiscal Year						
2012	2013	2014	2015	2016	2017	
\$ 9,123	\$ 10,546	\$ 10,195	\$ 7,817	\$ 3,675	\$ 6,691	
6,708	7,425	7,024	9,208	9,818	11,541	
-	-	2,886	1,282	2,290	2,752	
3,535	3,759	3,641	4,029	3,373	3,494	
4,631	5,040	4,550	4,038	4,727	6,087	
509	-	-	-	-	-	
4,068	4,376	3,027	2,234	2,463	2,363	
28,574	31,146	31,323	28,608	26,346	32,928	

-	-	-	-	-	-	
\$ 28,574	\$ 31,146	\$ 31,323	\$ 28,608	\$ 26,346	\$ 32,928	

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
4,349	4,704	1,347	3,097	1,790	1,990	
785	768	495	1	177	97	
-	-	-	212	210	231	
283	291	308	-	-	-	
52	368	664	297	401	896	
1,957	1,398	1,732	810	1,063	447	
2,706	2,093	2,701	3,279	3,792	3,384	
10,132	9,622	7,247	7,696	7,433	7,045	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$ 10,132	\$ 9,622	\$ 7,247	\$ 7,696	\$ 7,433	\$ 7,045	

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

	Fiscal Year			
	2008	2009	2010	2011
Net (Expense)/Revenue				
Governmental activities	\$ (21,228)	\$ (22,272)	\$ (34,466)	\$ (25,455)
Business-type activities	-	-	-	-
Total primary government net expense	\$ (21,228)	\$ (22,272)	(34,466)	(25,455)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 8,933	\$ 10,138	\$ 11,448	\$ 6,526
Sales and use taxes**	2,570	2,061	-	-
Franchise taxes	446	552	560	480
Business licenses taxes		-	-	-
Utility users taxes	3,175	3,302	3,124	3,151
Motel taxes	446	267	-	-
Special assessments		-	-	5,450
Real property transfer taxes	35	20	29	39
Other Taxes				-
Motor vehicle in lieu	3,010	3,145	-	-
Unrestricted grants and contributions		-	5,704	5,040
Investment income	606	282	22	28
Sale of property	326	1	41	-
Other	288	186	1,099	651
Special item: Repayment of excess pension assessment	-	-	(2,934)	-
Extraordinary gain: dissolution of the Bell Community				
Redevelopment Agency	-	-	-	-
Extrordinary loss: uncollectible advances to Bell Successor Agency	-	-	-	-
Special item: gain on forgiveness of bonds payable	-	-	-	-
Use of money and property	-	-	-	-
Total governmental activities	19,835	19,954	19,093	21,365
Business-type activities:				
Transfers	-	-	-	-
Total business-type activities	-	-	-	-
Total primary government	\$ 19,835	\$ 19,954	19,093	21,365
Change in Net Position				
Governmental activities	\$ (1,393)	\$ (2,318)	\$ (15,373)	\$ (4,090)
Business-type activities	-	-	-	-
Restatement of Net Position		-	-	-
Total primary government	\$ (1,393)	\$ (2,318)	\$ (15,373)	\$ (4,090)

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					
2012	2013	2014	2015	2016	2017
\$ (18,442)	\$ (21,524)	\$ (24,076)	\$ (20,912)	\$ (18,913)	\$ (25,883)
-	-	-	-	-	-
(18,442)	(21,524)	(24,076)	(20,912)	(18,913)	(25,883)

\$ 2,272	\$ 903	\$ 8,390	\$ 9,446	\$ 9,232	\$ 10,086
-	-	2,054	2,063	2,392	2,151
588	521	690	696	619	565
-	-	-	38	-	-
2,959	3,017	3,135	3,195	3,221	3,374
-	-	-	-	-	-
7,346	4,721	-	-	-	-
23	17	-	-	-	-
-	-	109	69	76	118
-	-	-	16	15	17
4,666	4,716	-	-	-	-
11	4	-	-	-	-
-	-	13,117	-	-	-
108	1,967	10,982	85	1,946	1,858
-	-	-	-	-	-
14,944	-	-	-	-	948
-	(6,632)	-	-	-	-
-	6,300	-	-	-	-
-	-	3,400	3,080	3,063	3,129
32,917	15,534	41,877	18,688	20,564	22,246

-	-	-	-	-	-
-	-	-	-	-	-
32,917	15,534	41,877	18,688	20,564	22,246

\$ 14,475	\$ (5,990)	\$ 17,801	\$ (2,224)	\$ 1,651	\$ (3,637)
-	-	-	-	-	-
-	-	(1,724)	(29,449)	(455)	(428)
\$ 14,475	\$ (5,990)	\$ 16,077	\$ (31,673)	\$ 1,196	\$ (4,065)

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

	Fiscal Year			
	2008	2009	2010	2011
General fund:				
Reserved	\$ 6,383	\$ 4,699	\$ 4,384	
Total governmental activities net position	9,020	10,988	1,698	
Total general fund	<u>\$ 15,403</u>	<u>\$ 15,687</u>	<u>\$ 6,082</u>	
All other governmental funds				
Total business-type activities net position	\$ 14,216	\$ 12,057	\$ 6,665	
Unreserved, reported in:				
Debt service	(11,111)	(10,357)	(6,860)	
Capital projects	32,871	28,251	24,646	
Special revenue	(1,102)	(263)	9,001	
Total all other governmental fund:	<u>\$ 34,874</u>	<u>\$ 29,688</u>	<u>\$ 33,452</u>	
Total governmental activities net position				
Total fund balances of governmental funds	<u><u>\$ 50,277</u></u>	<u><u>\$ 45,375</u></u>	<u><u>\$ 39,534</u></u>	
General Fund				
Nonspendable				\$ 4,489
Committed				-
Unassigned				1,709
General Fund total fund balance				<u>\$ 6,198</u>
All Other Governmental Funds				
Nonspendable				\$ 66
Restricted				39,469
Assigned to:				1,778
Unassigned				(6,925)
All Other Governmental Funds total fund balance				<u>\$ 34,388</u>
Total fund balances of governmental funds				<u><u>\$ 40,586</u></u>

Notes:

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

Source: City of Bell Finance Department

Fiscal Year

2012	2013	2014	2015	2016	2017
-------------	-------------	-------------	-------------	-------------	-------------

\$ 4,384	\$ 129	\$ 8	\$ 1,338	\$ 987	\$ -
-	-	-	-	-	4,750
303	(1,615)	20,754	18,694	19,710	16,214
<u>\$ 4,687</u>	<u>\$ (1,486)</u>	<u>\$ 20,762</u>	<u>\$ 20,032</u>	<u>\$ 20,697</u>	<u>\$ 20,964</u>

\$ 61	\$ 197	\$ -	\$ 20	\$ -	\$ -
37,949	15,322	13,687	13,234	13,321	13,734
2,327	2,346	1,262	44	-	852
(282)	(198)	(972)	(2,122)	(1,814)	(1,646)
<u>\$ 40,055</u>	<u>\$ 17,667</u>	<u>\$ 13,977</u>	<u>\$ 11,176</u>	<u>\$ 11,507</u>	<u>\$ 12,940</u>
<u>\$ 40,055</u>	<u>\$ 17,667</u>	<u>\$ 13,977</u>	<u>\$ 11,176</u>	<u>\$ 11,507</u>	<u>\$ 12,940</u>

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			
	2008	2009	2010	2011
Revenues:				
Taxes	\$ 15,147	\$ 14,828	\$ 17,090	\$ 17,673
Licenses and permits	1,134	947	1,099	629
Fines and forfeitures	1,292	1,513	1,040	759
Charges for services	1,236	1,424	1,268	715
Intergovernmental	9,422	10,636	10,865	7,135
Investment income	681	304	22	28
Lease income	3,515	3,760	3,798	3,712
Sale of property	781	1	-	-
Use of money and property	-	-	-	-
Contributions	-	-	-	-
Other	1,188	771	1,001	1,417
Total revenues	34,396	34,184	36,183	32,068
Expenditures:				
Current:				
General government	12,336	12,607	10,595	7,789
Public safety	8,015	7,582	7,864	7,083
Community development			-	-
Community services	3,839	3,094	3,365	2,970
Public works	1,583	1,981	4,569	2,874
Pass-through agreements	-	-	3,670	1,190
Capital outlay	6,104	8,795	4,870	1,501
Debt service				
Interest and fiscal charges	6,117	7,087	6,298	5,028
Principal payments	27,895	1,661	1,926	2,224
Other charges	1,852	878	-	-
Total expenditures	67,741	43,685	43,157	30,659
Excess of revenues over (under) expenditures	\$ (33,345)	\$ (9,501)	\$ (6,974)	\$ 1,409
Other financing sources (uses)				
Proceed from sale of capital assets	-	-	56	1
Transfers in	8,307	8,713	8,010	3,127
Transfers out	(8,307)	(8,713)	(8,010)	(3,127)
Issuance of bond	70,000	-	-	-
Issuance of note	-	4,600	-	-
Issuance of loan	-	-	-	-
Premium on bond issue	480	-	-	-
Payment to bond escrow	-	-	-	-
Capital Leases	-	-	-	-
Repayment of excess pension assessment	-	-	(2,934)	-
Extraordinary gain from dissolution of Bell CRA	-	-	-	-
Extraordinary loss on uncollectible advances to Bell Successor Agency	-	-	-	-
Total other financing sources (uses)	70,480	4,600	(2,878)	1
Net change in fund balance	\$ 37,135	\$ (4,901)	\$ (9,852)	\$ 1,410
Debt service as a percentage of noncapital expenditures	55.2%	25.1%	21.5%	24.9%

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 Anticipation Notes

Source: City of Bell Finance Department

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 14,792	\$ 10,974	\$ 14,376	\$ 15,507	\$ 15,392	\$ 16,443
554	762	743	580	634	814
869	554	391	504	670	533
621	1,199	1,291	2,539	1,256	1,176
7,487	6,407	4,832	4,110	4,533	4,885
11	4	-	-	-	-
3,661	3,615	-	-	-	-
-	-	-	-	-	-
-	-	3,400	3,080	3,063	3,129
-	-	-	-	5	-
132	1,969	10,982	85	1,946	1,858
28,127	25,484	36,015	26,405	27,499	28,838
8,437	9,434	9,478	5,821	4,889	4,760
5,967	6,845	6,759	8,842	8,798	9,174
-	-	2,965	1,267	2,260	2,661
2,642	2,908	2,825	3,024	2,479	2,582
2,932	3,435	2,984	1,816	2,982	4,180
509	-	-	-	-	-
1,312	1,456	3,752	3,201	1,060	332
4,317	4,711	2,779	2,624	2,533	2,447
2,295	18,625	30,415	3,325	1,894	2,044
-	-	-	-	-	-
28,411	47,414	61,957	29,920	26,895	28,180
(284)	(21,930)	(25,942)	(3,515)	604	658
-	4,486	44,500	-	-	-
4,037	(4,486)	33,962	2,845	2,710	4,295
(4,037)	-	(33,962)	(2,845)	(2,710)	(4,295)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	399	95
-	-	-	-	-	-
4,440	-	-	-	-	948
-	(6,632)	-	-	-	-
4,440	(6,632)	44,500	-	399	1,043
\$ 4,156	\$ (28,562)	\$ 18,558	\$ (3,515)	\$ 1,003	\$ 1,701
24.4%	50.8%	57.0%	22.3%	17.1%	16.1%

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)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Govt. Owned	Institutional	Misc.
2008	877,819	159,581	230,203	-	3,794	57
2009	921,778	168,687	243,142	5,800	4,194	58
2010	884,239	180,508	249,366	-	4,277	59
2011	858,709	175,586	281,413	965	8,529	59
2012	861,938	175,161	293,450	1,164	4,299	59
2013	868,594	175,568	256,251	462	5,873	60
2014	893,965	179,789	295,600	94	5,343	62
2015	923,525	195,334	330,041	95	5,662	-
2016	969,353	196,810	345,120	5,237	5,742	-
2017	1,004,521	207,908	438,338	16,149	5,830	-

Notes:

*Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Data Source: Los Angeles County Assessor 2007/08 - 2016/17 Combined Tax

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

Recreational	Vacant	SBE Nonunitary	Cross Reference	Unsecured	Less: Tax- Exempt Property*	Total Taxable Assessed Value	Total Direct Rate
2,450	7,368	5,639	4,004	55,640	37	1,346,518	0.57323
2,772	8,273	5,639	3,876	67,317	33	1,431,503	0.60125
2,286	8,392	5,639	3,988	73,061	33	1,411,782	0.71558
2,497	8,790	124	3,816	51,439	26	1,391,901	0.69074
2,285	7,797	124	3,825	49,949	25	1,400,026	0.71265
2,045	7,389	124	3,896	51,951	20	1,372,193	0.69804
2,133	32,206	265	3,472	54,000	20	1,466,909	0.46965
2,873	14,765	265	3,637	57,383	20	1,533,560	0.46491
2,924	22,114	493	2,651	56,144	-	1,606,588	0.46627
3,104	9,342	716	2,713	64,636	-	1,753,257	0.48268

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

	Fiscal Year				
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000
Bell Measure A Go Bonds	-	-	-	-	0.15286
LA Ccd Ds 2008 2012 Series F	-	-	-	-	-
LA Community College District	0.00879	0.02212	0.02311	0.04031	0.03530
Los Angeles Unified School District	0.12334	0.12478	0.15181	0.18695	0.16819
Metropolitan Water District	0.00450	0.00430	0.00430	0.00370	0.00370
Montebello Unified School District	0.06681	0.08063	0.09673	0.09792	0.10001
Tax District #1	0.23755	0.25755	0.37441	0.31141	0.18755
Total Direct & Overlapping ² Tax Rates	1.44099	1.48938	1.65036	1.64029	1.64761
City's Share of 1% Levy Per Prop 13 ³	0.05366	0.05366	0.05366	0.05366	0.05366
Voter Approved City Debt Rate	0.23755	0.25755	0.37441	0.31141	0.18755
Redevelopment Rate ⁴	1.24209	1.26191	1.37871	1.31511	1.19125
Total Direct Rate ⁵	0.57323	0.60125	0.71558	0.69074	0.71265

Notes:

¹In 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.

²Overlapping 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.

³City'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.

⁴Redevelopment 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.

⁵Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency 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/Agency in the same proportions as general fund revenue.

Data Source: Los Angeles County Assessor 2007/08 - 2016/17 Tax Rate Table

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Fiscal Year				
2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
1.00000	1.00000	1.00000	1.00000	1.00000
0.15286	0.15286	0.15286	0.15286	0.15286
0.01119	-	-	-	-
0.03756	0.04454	0.04017	0.03575	0.03596
0.17561	0.14644	0.14688	0.12971	0.13110
0.00350	0.00350	0.00350	0.00350	0.00350
0.09630	0.09457	0.08750	0.08715	0.14705
0.18755	0.18755	0.18755	0.18755	0.18755
1.66457	1.62946	1.61846	1.59652	1.65802
0.05366	0.05366	0.05366	0.05366	0.05366
0.18755	0.18755	0.18755	0.18755	0.18755
-	-	-	-	-
0.69804	0.46965	0.46491	0.46627	0.48268

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

Fiscal Year 2016-2017:

Owner	Secured			Unsecured		
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV
1) Cheli Distribution Center Inc (Pending Appeals On Parcels)	11	\$ 111,154	6.58%			
2) First Industrial LP (Pending Appeals On Parcels)	2	53,565	3.17%			
3) Perrin Bernard Supowitz Inc	4	50,949	3.02%	2	2,182	3.38%
4) Pi Bell Parcel II/III LLC	6	48,092	2.85%			
5) Salvation Army	3	44,383	2.63%			
6) PI BELL PARCEL I LLC (Pending Appeals on Parcels)	4	25,926	1.54%			
7) Pr I Bell Technology Industrial CA LLC (Pending Appeals On Parcels)	4	21,164	1.25%			
8) Bell Palm Plaza Lp	5	15,913	0.94%			
9) Amb Property Lp	2	14,468	0.86%			
10) 6015-6025 Bandini LLC	6	13,528	0.80%			
Top Ten Total	47	399,142	23.64%	2	2,182	0.0338
City Total		\$ 1,688,621			\$ 64,636	

Fiscal Year 2007-2008:

Owner	Secured			Unsecured		
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV
1) Cheli Distribution Center Inc (pending Appeals on Parcels)	13	\$ 119,128	9.23%			
2) PERRIN BERNARD SUPOWITZ INC	2	23,999	1.86%			
3) PR I BELL TECHNOLOGY INDUSTRIAL CA LLC (Pending Appeals On Parcels)	4	18,700	1.45%			
4) INLAND PAPERBOARD AND PACKAGING	3	5,328	0.41%	2	8,735	15.70%
5) BELL PALM PLAZA LP	5	14,060	1.09%			
6) AMB PROPERTY LP	2	12,784	0.99%			
7) BANDINI PARTNERS LLC	2	6,367	0.49%			
8) BANDINI PROPERTIES LLC	6	5,659	0.44%			
9) CUSTOM BUILDING PRODUCTS INC				1	5,602	10.07%
10) GOLDEN STATE WATER COMPANY	2	5,492	0.43%			
Top Ten Total	39	\$ 211,517	16.39%	3	\$ 14,337	0.2577
City Total		\$ 1,290,914			\$ 55,640	

Notes:

Top owners last edited on 11/3/15 by maheav using sales through 6/30/08 (version R.1)

Data Source:

Los Angeles County Assessor 2007/08 Combined Tax Rolls and the SBE Non Unitary Tax Roll. This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Combined			Primary Use & Primary Agency
Value	% of Net AV		
\$	111,154	6.34%	Industrial/Successor Agency
	53,565	3.06%	Industrial/TD #1
	53,131	3.03%	Industrial/Successor Agency
	48,092	2.74%	Industrial/Successor Agency
	44,383	2.53%	Commercial/Successor Agency
	25,926	1.48%	Unsecured/TD #1
	21,164	1.21%	Industrial/Successor Agency
	15,913	0.91%	Commercial/Successor Agency
	14,468	0.83%	Industrial/TD #1
	13,528	0.77%	Industrial/TD #1
	401,324	22.89%	
\$	1,753,257		

Combined			Primary Use & Primary Agency
Value	% of Net AV		
\$	119,128	8.85%	Industrial/Successor Agency
	23,999	1.78%	Industrial/Successor Agency
	18,700	1.39%	Industrial/Successor Agency
	14,063	1.04%	Unsecured/TD #1
	14,060	1.04%	Commercial/Successor Agency
	12,784	0.95%	Industrial/TD #1
	6,367	0.47%	Industrial/TD #1
	5,659	0.42%	Industrial/TD #1
	5,602	0.42%	Unsecured/Successor Agency
	5,492	0.41%	Utility/TD #1
\$	225,854	18.23%	
\$	1,346,554		

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

	Fiscal Year				
	2007	2008	2009	2010	2011
Apparel Stores	\$ 5,484	\$ 5,103	\$ 5,001	\$ 5,247	\$ 6,286
General Merchandise	1,159	1,537	2,459	2,538	2,488
Food Stores	11,937	12,062	11,404	10,629	10,657
Eating and Drinking Places	35,911	33,243	30,376	30,898	31,817
Auto Dealers and Supplies	84,268	45,356	27,906	17,917	13,797
Service Stations	38,357	38,547	26,927	29,065	36,300
Other Retail Stores	29,374	28,705	25,527	25,080	22,616
All Other Outlets	54,204	75,116	67,565	57,595	57,311
Restaurants and Hotels					
Fuel and Service Stations					
Business and Industry					
General Consumer Goods					
Autos and Transportation					
Food and Drugs					
Building and Construcion					
Total business-type activities net position	\$ 260,694	\$ 239,669	\$ 197,165	\$ 178,969	\$ 181,272

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

Notes:

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

Fiscal Year					
2012	2013	2014	2015	2016	
\$ 6,743	\$ 5,719	\$ 5,967	6422	6559	
2,537	3,086	3,296	4424	4628	
11,684	11,561	12,272	11697	11711	
33,316	36,611	38,077	43704	47746	
14,021	15,154	16,629	17162	17557	
37,865	39,339	38,945	39384	32359	
21,202	20,688	20,151	21406	21490	
60,184	68,053	64,406	69595	77357	
			43,385	48,312	
			37,928	36,741	
			33,756	44,264	
			23,967	22,666	
			23,303	25,004	
			22,188	21,880	
			380	471	
\$ 187,552	\$ 200,211	\$ 199,743	\$ 213,794	\$ 219,407	

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

Fiscal Year 2016-17		Fiscal Year 2007-2008	
Tax Remitter	Business Category	Tax Remitter	Business Category
7 Eleven	Service Stations	7 Eleven	Service Stations
76	Service Stations	76	Service Stations
Advantage Auto Sales	Used Automotive Dealers	Arco AM PM Mini Mart	Service Stations
Bell Chevron	Service Stations	Auto City	Used Automotive Dealers
Bell Thrift Store	Second-Hand Stores	Bell Chevron	Service Stations
Bellwood Auto Body	Auto Repair Shops	Bellwood Auto Body	Auto Repair Shops
Carl's Jr	Quick-Service Restaurants	Carls Jr	Quick-Service Restaurants
Culichich Town	Casual Dining	Casa De Ceramica	Home Furnishings
CVS Pharmacy	Drug Stores	Chuck E Cheeses	Casual Dining
El Pescador	Casual Dining	CVS Pharmacy	Drug Stores
General Motors Acceptance	Auto Lease	Hill-Rom	Medical/Biotech
Hometown Buffet	Casual Dining	Hometown Buffet	Casual Dining
Individual Foodservice	Food Service Equip./Supplies	Individual Foodservice	Food Service Equip./Supplies
International Paper Company	Light Industrial/Printers	Individual Paper Products	Light Industrial/Printers
Kaman Industrial Technology	Heavy Industrial	Ink Jet Super Store	Office Supplies/Furniture
La Barca Restaurant	Casual Dining	Jack in the Box	Quick-Service Restaurants
Las Playitas Auto Sales	Used Automotive Dealers	Kaman Industrial Technology	Heavy Industrial
McDonalds	Quick-Service Restaurants	Kwaks Ultramar	Service Stations
Northgate Market	Grocery Stores	La Barca Restaurant	Casual Dining
O'Reilly Auto Parts	Automotive Supply Stores	Las Playas Mariscos	Casual Dining
Shell	Service Stations	Maurice J Sopp & Son	New Motor Vehicle Dealers
Smart & Final	Grocery Stores	McDonalds	Quick-Service Restaurants
Tacos El Gavilan	Quick-Service Restaurants	Northgate Market	Grocery Stores
USA Gasoline	Service Stations	Smart & Final	Grocery Stores
WSS	Shoe Stores	WSS	Shoe Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 59.02%

Percent of Fiscal Year Total Paid By Top 25 Accounts = 73.04%

Notes:

*Firms Listed Alphabetically

Period: April 2016 Thru March 2017

Notes:

*Firms Listed Alphabetically

Period: April 2007 Thru March 2008

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

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	Certificates of Participation	Bond Anticipation Notes
2008	50,000,000	25,010,000	63,425,000	2,295,000	0
2009	50,000,000	24,240,000	62,650,000	2,195,000	0
2010	50,432,346	23,440,000	61,825,000	2,090,000	0
2011	50,061,333	22,600,000	60,940,000	1,980,000	0
2012	49,680,320	0	59,990,000	1,865,000	0
2013	32,179,307	0	52,670,000	1,745,000	0
2014	31,663,294	0	22,880,000	1,620,000	0
2015	31,117,281	0	21,705,000	0	0
2016	30,190,000	0	20,450,000	0	0
2017	29,560,000	0	19,115,000	0	0

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

Other Debt	Total Governmental Activities	Percent of Assessed Value	Debt Per Capita
0	140,730,000	16.76%	3,631
4,584,183	143,669,183	16.15%	3,707
4,388,091	142,175,437	16.21%	3,545
4,353,685	139,935,018	15.87%	3,808
0	111,535,320	8.13%	3,117
0	86,594,307	5.90%	2,407
0	56,163,294	3.66%	1,561
0	52,822,281	3.44%	1,439
334,786	50,974,786	3.18%	1,391
351,819	49,026,819	3.58%	1,337

City of Bell
Direct and Overlapping Government Activities Debt
As of June 30, 2017
(amount expressed in thousands)

		Gross Bonded Debt Balance	Percent Applicable to City	Net Bonded Debt
Direct Debt				
116.01	GENERAL OBLIGATION BONDS SERIES 2004	\$ 12,215	100.000%	\$ 12,215.00
116.01	CAPITAL LEASES	352	100.000%	352
116.01	GENERAL OBLIGATION BONDS SERIES 2007	17,345	100.000%	17,345
116.01	LEASE REVENUE REF BONDS SERIES 2005	16,305	100.000%	16,305
116.01	TAX PENSION REVENUE BONDS SERIES 2005	2,810	100.000%	2,810
Total governmental activities net position				\$ 49,027.00
Overlapping Debt				
*315.05	METROPOLITAN WATER DISTRICT	\$ 36,282	0.102%	\$ 37
805.55	LA CCD DS 2003 TAXABLE SERIES 2004B	33,670	0.235%	79
805.58	LA CCD DS 2001, 2006 SERIES B	4,880	0.235%	11
805.60	LA CCD DS 2001, 2008 SER E-1	14,440	0.235%	34
805.62	LA CCD DS 2003, 2008 SER F-1	14,320	0.235%	34
805.65	LA CCD DS 2008, 2009 TAXABLE SER B	75,000	0.235%	176
805.66	LA CCD DS 2008, 2010 TAX SERIES D	125,000	0.235%	294
805.67	LA CCD DS 2008, 2010 TAX SER E (BABS)	900,000	0.235%	2,115
805.70	LA CCD DS 2013 REF BONDS	254,505	0.235%	598
805.71	LA CCD DS 2008 SERIES G	224,160	0.235%	527
805.73	LA CCD DS 2015 REF SERIES A	1,459,300	0.235%	3,429
805.74	LA CCD DS 2015 REF SERIES B	37,655	0.235%	88
805.75	LA CCD DS 2015 REF SERIES C	289,955	0.235%	681
805.77	LA CCD DS 2008 SER J	414,995	0.235%	975
887.56	LOS ANGELES UNIF DS 2002 REF BOND	15,215	0.230%	35
887.66	LOS ANGELES UNIF DS 2005 REF BONDS A-1	71,850	0.230%	165
887.67	LOS ANGELES UNIF DS 2005 REF BONDS A-2	14,790	0.230%	34
887.76	LOS ANGELES UNIF DS 2007 REF BDS SER A-1	4,225	0.230%	10
887.77	LOS ANGELES UNIF DS 2007 REF BDS SER A-2	17,510	0.230%	40
887.79	LOS ANGELES UNIF DS 2007 REF BDS SER B	32,100	0.230%	74
887.86	LOS ANGELES UNIF DS 2002 SERIES E	200,000	0.230%	460
887.87	LOS ANGELES UNIF DS 2004 SERIES J	756,510	0.230%	1,740
887.89	LOS ANGELES UNIF DS 2005 SERIES H	608,995	0.230%	1,401
887.91	LAUSD MEASURE R SERIES 2009	75,630	0.230%	174
887.92	LAUSD MEASURE R SERIES KRY BABS	363,005	0.230%	835
887.93	LAUSD MEASURE Y 2009 SERIES KRY BABS	806,795	0.230%	1,856
887.95	LAUSD MEASURE K 2010 SERIES KRY	145,250	0.230%	334
887.96	LAUSD MEASURE R 2010 SERIES KRY	157,165	0.230%	361
887.97	LAUSD MEASURE Y 2010 SERIES KRY	130,450	0.230%	300
887.98	LAUSD MEASURE R 2010 SERIES RY BABS	477,630	0.230%	1,099
887.99	LAUSD MEASURE Y 2010 SERIES RY BABS	772,955	0.230%	1,778
888.54	LAUSD MEASURE Y 2010 SERIES KY	29,100	0.230%	67
888.57	LOS ANGELES UNIF DS 2011 REFUNDING BOND SERIES A 1	146,935	0.230%	338
888.58	LOS ANGELES UNIF DS 2011 REFUNDING BOND SERIES A 2	146,930	0.230%	338
888.59	LOS ANGELES UNIF DS 2012 REFUNDING BOND SERIES A	139,510	0.230%	321
888.60	LOS ANGELES UNIF DS 2014 REF BOND SERIES A	142,415	0.230%	328
888.61	LOS ANGELES UNIF DS 2014 REF BOND SERIES B	323,170	0.230%	743
888.62	LOS ANGELES UNIF DS 2014 REF BOND SERIES C	934,275	0.230%	2,149
888.63	LOS ANGELES UNIF DS 2014 REF BOND SERIES D	153,385	0.230%	353
888.64	LOS ANGELES UNIF DS 2004 SERIES J	12,285	0.230%	28
888.65	LOS ANGELES UNIF DS 2004 SERIES K	1,235	0.230%	3
888.66	LOS ANGELES UNIF DS 2005 SERIES K	14,480	0.230%	33
888.67	LOS ANGELES UNIF DS 2005 SERIES L	4,410	0.230%	10
888.68	LOS ANGELES UNIF DS 2015 REF BONDS SERIES A	318,085	0.230%	732
888.69	LOS ANGELES UNIF DS 2008 SERIES A 2016	1,217,135	0.230%	2,799
888.70	LOS ANGELES UNIF DS 2016 REF BONDS SERIES A	1,581,685	0.230%	3,638
899.50	MONTEBELLO USD DS 1998 SERIES 1998	5,165	2.356%	122
899.51	MONTEBELLO USD DS 1998 SERIES 1999	7,421	2.356%	175
899.54	MONTEBELLO USD DS 1998 SERIES 2002	13,557	2.356%	319
899.56	MONTEBELLO USD DS 2004 SERIES 2008	1,540	2.356%	36
899.57	MONTEBELLO USD DS 2004 SERIES 2009-1	2,560	2.356%	60
899.58	MONTEBELLO USD DS 2004 SERIES 2009A-2 BABS	12,640	2.356%	298
899.59	MONTEBELLO USD DS 2010 REFUNDING BONDS	5,500	2.356%	130
899.60	MONTEBELLO USD DS REF 2004 SERIES 2013A	19,310	2.356%	455
899.61	MONTEBELLO USD DS REF BOND SERIES 2015	28,215	2.356%	665
899.62	MONTEBELLO USD DS REF BONDS 2016 SERIES A	14,935	2.356%	352
899.63	MONTEBELLO USD DS 2016 SERIES A	100,000	2.356%	2,356
Total Overlapping Debt				\$ 36,622.00
Total Direct and Overlapping Debt				\$ 85,649.00

2016/17 Assessed Valuation: \$1,102,630,056 After Deducting \$650,626,853 Incremental Value.

Debt to Assessed Valuation Ratios:

Direct Debt	4.45%
Overlapping Debt	3.32%
Total Debt	7.77%

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

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Data Source: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2016/17 Lien Date Tax Rolls

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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
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	36,716	\$431,879	\$11,762	30.0	45.30%	6.30%	9.10%
2016	36,409	\$440,325	\$12,094	29.9	47.40%	7.30%	7.20%
2017	36,408	\$445,343	\$12,232	33.7	47.40%	7.30%	6.20%

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

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

	Fiscal Year				
	2006-2007	2007-2008	2008-2009	2009-2010	2011-2012
City Council				N/A	0
General Government*	25	22	22	N/A	
City Manager's Office				N/A	2
City Clerk's Office				N/A	1
Finance Department				N/A	4
Police Department	52	52	51	N/A	40
Community Development Department				N/A	12
Public Works	1	1	1	N/A	
Community Services	12	9	6	N/A	3
Total business-type activities net position	90	84	80		62

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"

Fiscal Year				
2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
0	0	1	1	1
3	3	4	2	2
1	2	2	1	1
6	6	7	7	7
43	40	41	46	51
9	10	13	14	16
5	6	8	9	37
67	67	76	80	115

City of Bell
Operating Indicators By Function
Last Ten Fiscal Years

	Fiscal Year				
	2006-2007	2007-2008	2008-2009	2009-2010	2011-2012
General Government					
Code Enforcement					
Number of Inspections	7,290	6,252	5,859	N/A	N/A
Investigations resulting in voluntary compliance	6,245	5,694	5,284	N/A	N/A
Building and planning					
Building permits issued	1,400	952	829	N/A	N/A
Plan checks	298	117	106	N/A	N/A
Public Safety					
Traffic citations issued	5,180	5,894	10,315	6,075	1,451
Calls for service	22,749	23,516	27,924	23,610	19,215
Public Works					
Lineal feet of existing sewer rehabilitation	-	-	-	N/A	N/A
Community Services					
Class offered	78	67	-	N/A	N/A
Number of class participants	1,626	1,238	-	N/A	N/A

Source:
City of Bell, Various Departments

Fiscal Year				
2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
N/A	N/A	N/A	N/A	7,944
N/A	N/A	N/A	N/A	2,595
N/A	N/A	N/A	N/A	465
N/A	N/A	N/A	N/A	127
2,953	1,743	1,731	2,874	2,136
24,641	20,883	22,726	29,698	29,065
N/A	N/A	N/A	N/A	5,850
N/A	N/A	N/A	N/A	127
N/A	N/A	N/A	N/A	2,638

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

		Fiscal Year				
		2006-2007	2007-2008	2008-2009	2009-2010	2011-2012
Police						
	Stations	1	1	1	1	1
Public Works						
	Streets (miles)	38.8	38.8	38.8		
	Sewers (miles)	39.1	39.1	39.1		
	Street lights	24	24	24		
	Traffic signals	37	38	38		
Community Services						
	Parks	6	6	6	6	6
	Community centers	1	1	1	1	1
Finance						
	Business Licenses					

Fiscal Year				
2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
1	1	1	1	1
		37.5	37.5	33
				37
				28
		28	28	31
6	6	6	6	6
1	1	1	1	1
		1,458	1488	1076

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