
**TOWN OF PARADISE
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2014**

TOWN OF PARADISE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Paradise
Paradise, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paradise, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paradise, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 15 to the financial statements in the year ended June 30, 2014 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2015, on our consideration of the Town of Paradise's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Paradise's internal control over financial reporting and compliance.

Sacramento, California
January 26, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Paradise's financial performance provides an overview of the Town's financial activities for the fiscal year ending June 30, 2014. Please read it in conjunction with the Town's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements follow. For governmental activities, the statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts as a trustee or agent for the benefit of those outside the government.

REPORTING THE TOWN AS A WHOLE

The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting which recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

In the Statement of Net Position and the Statement of Activities, the Town is reporting its Governmental activities. Most of the Town's basic services are reported here, including the police, fire, community development, engineering, and general administration. Property taxes, motor vehicle in lieu, and sales taxes fund most of these activities.

The Town has reconsidered the presentation of assets related to loans provided through business and housing activities. These loans, after a period of time, are expected to be forgiven as the borrower adheres to the grant fund covenants. Primarily as a result of this decision, total assets decreased 72.6% or \$7.9 million. Cash and investments have increased over \$1.1 million this fiscal year. Liabilities reflect a very small decrease of less than \$100,000. Overall, the net position of the Town's governmental activities decreases 84% or \$7.8 million mainly due to the removal of the loan assets discussed above.

The most recent actuarial study indicates that the net OPEB obligation at the end of the fiscal year ended June 30, 2014, is \$4,619,105. Because of the tremendous reduction in future OPEB obligations obtained through employee agreement, the increase to net OPEB obligation was \$147,549 for 2013/14. Had the Town not reduced the related unfunded liability 70.3 percent through agreement with employees, the net OPEB obligation added would have been much higher. Table 1 below shows a summary of Net Position.

**Table 1
Net Position**

	Governmental Activities	
	2014	2013
Current and other assets	\$7,019,523	\$15,366,138
Capital assets	13,938,651	13,494,682
Total Assets	<u>20,958,174</u>	<u>28,860,820</u>
Long term liabilities (due in more than one year)	(17,356,322)	(16,906,971)
Other liabilities	(2,146,525)	(2,675,706)
Total Liabilities	<u>(19,502,847)</u>	<u>(19,582,677)</u>
Net Assets:		
Invested in capital assets, net of debt	5,694,753	4,667,059
Restricted	3,462,591	12,420,218
Unrestricted	(7,702,017)	(7,809,134)
Total Net Position	<u>\$1,455,327</u>	<u>\$9,278,143</u>

Table 2 below shows another perspective of the net assets of the Town. This year's Town revenues increased by \$1.4 million or 8.0 percent. All categories of revenue have increased including property taxes, motor vehicle in-lieu and other general taxes all of which decreased the prior fiscal year. This shows some improvement in the local economy and most notably in local property values. Program expenses increased \$3.1 million or 22.7%. This is a reflection of both re-categorizing some funds as governmental funds, spending more federal and state grant monies in the community (both in infrastructure improvements and in household improvement grants and loans) , and allocating depreciation to specific governmental activities. About \$990,000 more was spent this fiscal year compared to the prior fiscal year on capital improvement road projects.

Table 2
Changes in Net Assets

	Governmental Activities	
	2014	2013
Revenues		
Program Revenues:		
Charges for Services	\$1,207,712	\$1,110,241
Operating Contributions & Grants	6,682,096	5,867,741
Capital Contributions & Grants	238,579	165,699
General Revenues:		
Property Taxes	4,310,387	4,159,976
Other Taxes	2,886,018	2,774,368
Motor vehicle in-lieu	1,922,350	1,913,039
Other general revenues	312,285	161,886
Total Revenues	17,559,427	16,152,950
Program expenses		
General Government	2,485,765	1,477,307
Community Development	3,007,043	709,564
Public Safety	7,289,415	7,276,665
Public Works	504,073	562,190
Parks & Recreation	525,625	24,773
Streets	2,204,063	1,875,940
Unallocated Depreciation	0	975,481
Interest on Long Term Debt	779,682	788,161
Total Expenses	16,795,666	13,690,081
Change in Net Position before prior period adjustments & extraordinary items	763,761	2,462,869
Prior period adjustments	(8,674,591)	(574,408)
Net asset transfer	88,014	0
Change in net assets	(\$7,822,816)	\$1,888,461

THE TOWN'S FUNDS

As the Town completed the year, its governmental funds, (as presented in the balance sheet and the statement of revenues, expenditures and changes in fund balances), reported a combined fund balance of \$6,148,007. It reflects a 13 percent or \$726,493 increase in governmental fund balances.

General Fund Highlights

Over the course of the year, the Town Council revised the budget several times. The budget was adjusted each time material changes in trends or projections were identified. A thorough mid-year budget review was completed which reviewed and revised personnel costs and continued to cut other operating expenditures where needed.

The Town's general fund revenues reflect 3 percent growth after many years of decline. While there are a few categories that have declined, the major category of taxes and assessments reflect growth of 3.8 percent.

Town staff, through shared sacrifice concessions, saved the Town substantial salary and benefit dollars. The Town negotiated employee concessions that both reduced expenses for the fiscal year reported and kept medical contribution caps in place so as not to increase long term obligations of the Town:

- ✓ The management group agreed to a 5% salary reduction for the entire year. In addition, the group began paying all of the required pension employee contribution for an equivalent salary increase. Because of the impact that the salary reduction has on other benefits the management group receives, the concession amounted to an average of 5.65 percent reduction per group member
- ✓ The police mid-management, confidential mid-management and general unit groups also agreed to a 5 percent salary reduction for the entire year. Depending on each individual's benefit packages the actual reductions ranged from an average of 5.4 percent to 5 percent per person.
- ✓ The police officer's association agreed to continue their waiver of holiday pay and uniform allowance for the entire year instead of the 5 percent salary reduction. This concession results in an even larger savings reducing expenditures by an average of 6.86 percent per individual.
- ✓ The general fund maintains its historically low full time equivalency of 42.19 employees for the fiscal year.

As reflected under current expenditures, expenditures decreased \$358,715 or 3.6 percent. The continued deferral of most equipment and vehicle purchases kept debt service obligations from growing too fast. Debt service principal and interest reflect an increase of \$54,929 this is including the \$30,000 scheduled increase for the Pension Obligation Bond which greatly reduced annual pension contribution rates. The Pension Obligation Bond was issued to pay for the unfunded liability related to CalPERS pension benefits.

Revenues exceeded expenses by \$55,302 before transfers are reported. After transfers, the net change in general fund balance is a positive \$578,102. The ending general fund balance for June 30, 2014 is \$1,934,496 a 42 percent increase compared to the prior year. This brings the ending fund balance within about \$81,000 of having reserves that can be used to lessen the annual cash borrowing required by the Town.

Other Key Governmental Funds

The animal control fund saw a decrease of revenues and transfers in of \$20,077 during the year and also a decrease in expenditures and transfers out of \$3,900. This leaves an ending fund balance of \$1,504. Even at reduced staffing levels, this fund is still not self-sustaining and requires transfer in from the donation account to balance. The fund is owed \$103,117 in state mandated costs reimbursements, but as the State of California has deferred these payments for some time, this amount has not been booked as a receivable due to uncertainty. As the fund cannot sustain services with its existing reduced staffing levels, a decision will need to be made to either increase fees to a point that fully funds the services provided or to decrease the amount of service provided.

The building safety and waste water services fund had revenues of \$840,111; an increase of \$174,106 or 26 percent. Expenses and transfers out also increased but only \$7,723 to \$677,987 which is an increase of 1.2 percent. The fund now has an ending fund balance of \$194,072. This fund accounts for the services provided to the community related to building and onsite construction and health and safety issues.

The gas tax fund reflects a \$159,598 increase in revenues and transfers in from other funds. Expenses and transfers out increased \$84,297; however, revenues still exceeded expenses by \$110,050. This increases the funds ending fund balance to \$503,633. Some additional street maintenance projects are planned for 2014/15 that will use a portion of this ending fund balance.

PROPRIETARY FUND

The proprietary fund is made up of one internal service fund which is related to self insurance funding. The proprietary fund's statement of revenue, expenses, and changes in fund net position report what is equivalent to the "ending fund balance" in governmental funds.

The net assets for the internal service fund for self insurance funding decreased \$41,119 for the year compared to the prior year. These numbers are all a direct reflection of what the insurance JPA is able to offer the Town in terms of dividends or return of equity. No dividends or equity is expected to be released from the JPA for the next several years as it is necessary for the JPA to rebuild equity released to members during the recession.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At fiscal year-end 2014, the Town had \$13,938,651, net of depreciation, in a broad range of capital assets, including police and fire equipment, buildings, roads, and vehicles as shown in table 3 below. This amount represents a net increase of \$443,969 after depreciation or 3.3 percent compared to last year. More vehicles and equipment were retired than were added and existing assets continue to depreciate. The net increase is mainly a reflection of the road related capital improvement projects completed and funded primarily through grant funds.

The Town's fiscal year 2014 capital budget included about \$1.9 million in street maintenance, rehabilitation, and new construction and design. The Pearson at Recreation Drive Signal was completed at the beginning of the fiscal year. Some work was completed on the Downtown Paradise Safety Project and some preliminary work was completed on the Cypress Curve Realignment and on the Paradise Signal Upgrade projects. None of these projects are funded through the general fund, but are funded primarily through federal and state grants. This year's major additions included:

- Construction in Process:
 - Pearson at Recreation Drive Signal 1,297,08
 - Downtown Paradise Safety Project 151,048
 - Cypress Curve Realignment 2,575
 - Paradise Signal Upgrade 6,291
- Refurbished Two Police Vehicles 47,479
- Purchased Used Bucket Truck 11,372
- Received Donated Used Truck 6,000

Table 3

**Capital Assets at Year-end
(Net of Depreciation)**

	Governmental Activities	
	2014	2013
Land	\$1,065,236	\$1,246,001
Construction in progress	468,480	971,314
Buildings and improvements	274,045	287,532
Infrastructure	11,526,779	10,318,923
Machinery and equipment	335,201	359,323
Vehicles	268,910	311,589
Totals	\$13,938,651	\$13,494,682

Debt

At year end, the Town had \$18.63 million in notes, bonds, capital leases, other post-employment benefits (OPEB), CalPERS side fund, and compensated absences. This is an increase compared to the prior year of 2.0 percent. \$1.3 million of the obligations shown in table 4 are due within one year.

Table 4
Outstanding Debt at Year-end

	Governmental Activities	
	2014	2013
Bonds payable & accreted interest	\$11,607,515	\$11,809,914
Capital leases	440,971	637,140
OPEB	4,619,105	4,471,556
CAL Fire OPEB Note	606,987	0
CalPERS side fund	919,951	928,140
Compensated absences	436,836	419,033
Total Liabilities	\$18,631,365	\$18,265,783

No additional bonds or notes were issued in 2013/14, but the Town added the note to the schedule that funds the OPEB obligations of the personnel transferred to CAL FIRE. The Town has made two of the ten payments on this obligation. As indicated in the capital assets section, only minimal equipment purchases were made during 2013/14 so one capital lease was added, but two leases were paid off. By implementing a vesting schedule for new hires, starting an irrevocable trust to begin funding the future obligation, and by capping benefits for all employee groups, the Town made considerable progress in reducing the OPEB obligation reported for 2013/14 as required by GASB 45.

Please refer to Note 7 for more detailed information about the obligations outstanding.

THE TOWN AS TRUSTEE

The Town is the trustee, or fiduciary, for an employee bank fund and for a police department found money fund. As of January 2012, it also elected to become the successor agency of the former Paradise Redevelopment Agency (Agency). The Town's role is now to manage the receipt and disbursement of monies related to debt service of enforceable obligations. All of this related activity is now being accounted for in private-purpose trust funds. The Town is responsible for the assets in these funds and must only use these funds as indicated in the trust arrangements. The Town's fiduciary activities related to the Agency are reported in Statements of Net Position and Changes in Net Position. The other fiduciary activities are reported under a statement of Fiduciary Assets and Liabilities and Changes in Assets and Liabilities. The activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds total assets are \$4,970 and the private-purpose trust funds net position is negative \$6.9 million as of June 30, 2014.

NEXT YEAR'S BUDGET AND ASSUMPTIONS

At the issuance of these financial statements, seven of the twelve months has been completed of the 2014/15 fiscal year. The Town has also just completed its comprehensive mid-year budget year which confirms that the local economy is continuing to show modest growth. Property taxes and motor vehicle in lieu is projected to grow 2.39 percent and over 5 percent respectively. Also, continuing improvement is being seen in consumer spending areas like sales taxes and franchise fees. In addition, the community approved a 0.5% general transaction and use tax measure in November which will take effect in April 2015. This will bring about \$200,000 in additional revenues this 2014/15 fiscal year and about \$850,000 a year for the next 5.75 years. Other governmental funds remain healthy with adequate reserves. Community development and building activities also continue the growth trend started in 2013/14. The amended general fund budget for 2014/15 currently has \$10.1 million available for appropriations before considering transfers in, and \$10.6 million with transfers. This is about a 5.8 percent increase and a 5.0 percent increase in revenues respectively compared to the audit year being reported.

The Town will maintain a balanced general fund budget for 2014/15 and will in fact add about \$370,000 to its ending fund balance. \$148,000 will be assigned for special expenditures in 2015/16 and \$151,000 will be available to rebuild cash reserves and to lessen the amount of cash the Town will need to borrow in the future. The Town will carefully monitor and balance the need to start addressing equipment replacement and deferred maintenance with the need for financial stability and building adequate cash reserves. Current general fund budgeted expenditures amount to \$10.2 million a 7% growth from the prior year, but still below expected revenues. Highlights of the measures in place in 2014/15 to build financial stability:

- ✓ 0.5 percent general transaction and use tax to generate revenues of \$850,000 a year for six years.
- ✓ All employees are paying 100% of the CalPERS employee contribution which is 7% of salary for Miscellaneous Employees and 9% for Public Safety Employees.
- ✓ All employee units have agreed to cap the amount the Town contributes toward health insurance premiums as away to reduce the OPEB obligation. According to the most recent actuary study received for the OPEB obligation, this reduced the present value of future benefits to \$13.6 million which is a 70.3 percent reduction compared to the original \$45.8 million.
- ✓ New hires are now entering second and third tiers of retirement plans which are providing some immediate expenditure savings.
- ✓ By cutting back and restructuring in non general fund activities, the Town has eliminated the need for the general fund to transfer funds into any other fund in order to eliminate structural deficits.

The general fund five year budget projection shows revenue growth of about 1.7 percent for the next five years. Expenditures for that same period are projected to grow about 1.6 percent. Town Council and Management are committed to maintaining a balanced budget and rebuilding available reserves and will make additional cutbacks as necessary. Management and elected officials are also evaluating cost recovery and other ways to diversify the revenues of the Town. Finally, of high importance will be establishing policies that minimize unfunded liability and reduces the future obligations of the Town to a level that the Town can sustain.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town's Finance Department at 5555 Skyway, Paradise, California.

TOWN OF PARADISE
STATEMENT OF NET POSITION
JUNE 30, 2014

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash and investments (Note 3)	\$ 3,951,712
Restricted cash and investments with fiscal agents (Note 3)	1,569
Accounts receivable	1,018,945
Interest receivable	1,666
Prepaid items	30,914
Advances to the Successor Agency Trust Funds	2,014,313
Loans receivable, net of allowance of \$10,992,426 (Note 4)	404
Capital assets (Note 5):	
Nondepreciable:	
Land and construction in progress	1,533,716
Depreciable:	
Infrastructure, buildings, vehicles, and equipment	22,356,899
Accumulated depreciation	<u>(9,951,964)</u>
Total Assets	<u>20,958,174</u>
<u>LIABILITIES</u>	
Accounts payable	349,768
Accrued wages	188,067
Unearned revenue	333,647
Noncurrent liabilities (Note 7):	
Due within on year	1,275,043
Due in more than one year	<u>17,356,322</u>
Total Liabilities	<u>19,502,847</u>
<u>NET POSITION</u>	
Net investment in capital assets	5,694,753
Restricted for:	
Public safety	216,890
Streets and roads	2,277,372
Community development	322,127
Wastewater and drainage	646,202
Unrestricted	<u>(7,702,017)</u>
Total Net Position	<u>\$ 1,455,327</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

<u>Functions/Programs</u>	<u>Program Revenues</u>				Net (Expense) Revenue and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government	\$ 2,485,765	\$ 106,552	\$ 1,406,724	\$ -	\$ (972,489)
Community development	3,007,043	681,974	2,794,877	-	469,808
Public safety	7,289,415	261,985	338,658	19,641	(6,669,131)
Public works	504,073	131,117	1,201,830	-	828,874
Parks and recreation	525,625	26,084	-	-	(499,541)
Streets	2,204,063	-	940,007	218,938	(1,045,118)
Interest on long term debt	779,682	-	-	-	(779,682)
Total Governmental Activities	<u>\$ 16,795,666</u>	<u>\$ 1,207,712</u>	<u>\$ 6,682,096</u>	<u>\$ 238,579</u>	<u>\$ (8,667,279)</u>

General Revenues:

Taxes:	
Secured and unsecured property taxes	\$ 4,310,387
Sales and usage taxes	1,758,211
Transient lodging tax	185,352
Franchise taxes	873,541
Real property transfer taxes	68,914
Other taxes	3,854
Motor vehicle in-lieu, unrestricted	1,922,350
Homeowners property tax relief, unrestricted	69,109
Investment income	28,659
Other	<u>210,663</u>
Total General Revenues and Transfers	<u>9,431,040</u>
Change in Net Position	763,761
Net Position - July 1, 2013	<u>9,278,143</u>
Prior period adjustments (Note 15)	(8,674,591)
Net asset transfer	<u>88,014</u>
Net Position - July 1, 2013, restated	<u>691,566</u>
Net Position - June 30, 2014	<u>\$ 1,455,327</u>

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General Fund	Home Grant Fund	Cal Home Rehabilitation Fund	First Time Home Buyer Fund
<u>ASSETS</u>				
Cash and investments	\$ -	\$ 5,365	\$ 84,819	\$ -
Restricted cash and investments with fiscal agents	1,569	-	-	-
Accounts receivable	639,750	-	-	56,346
Interest receivable	127	-	111	-
Prepaid items	1,229	-	-	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
Advances receivable from the Successor Agency Trust Funds	2,014,313	-	-	-
Loans receivable, net of allowance of \$10,992,426	<u>404</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 2,657,392</u>	<u>\$ 5,365</u>	<u>\$ 84,930</u>	<u>\$ 56,346</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 295,751	\$ -	\$ -	\$ 978
Accrued wages	142,066	-	-	-
Due to other funds	265,544	-	-	55,368
Advances payable	19,535	-	-	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>722,896</u>	<u>-</u>	<u>-</u>	<u>56,346</u>
<u>FUND BALANCES</u>				
Nonspendable	\$ 2,015,945	\$ -	\$ -	\$ -
Restricted	-	5,365	84,930	-
Unassigned	<u>(81,449)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,934,496</u>	<u>5,365</u>	<u>84,930</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,657,392</u>	<u>\$ 5,365</u>	<u>\$ 84,930</u>	<u>\$ 56,346</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2014

	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>		
Cash and investments	\$ 3,861,494	\$ 3,951,678
Restricted cash and investments with fiscal agents	-	1,569
Accounts receivable	322,849	1,018,945
Interest receivable	1,428	1,666
Prepaid items	29,685	30,914
Due from other funds	472,237	472,237
Advances receivable	19,535	19,535
Advances receivable from the Successor Agency Trust Funds	-	2,014,313
Loans receivable, net of allowance of \$10,992,426	-	404
	<u>\$ 4,707,228</u>	<u>\$ 7,511,261</u>
Total Assets		
<u>LIABILITIES</u>		
Accounts payable	\$ 53,039	\$ 349,768
Accrued wages	46,001	188,067
Due to other funds	151,325	472,237
Advances payable	-	19,535
Unearned revenue	333,647	333,647
	<u>584,012</u>	<u>1,363,254</u>
Total Liabilities		
<u>FUND BALANCES</u>		
Nonspendable	\$ -	\$ 2,015,945
Restricted	4,127,578	4,217,873
Unassigned	(4,362)	(85,811)
	<u>4,123,216</u>	<u>6,148,007</u>
Total Fund Balances		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,707,228</u>	<u>\$ 7,511,261</u>

See accompanying notes to the basic financial statements.

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

Total fund balances of governmental funds		\$ 6,148,007
<p>Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the governmental funds because of the following</p>		
<p>Capital assets net of accumulated depreciation of \$9,951,964 have not been included as financial resources in the governmental funds</p>		13,938,651
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Bonds payable		(7,802,927)
Accrued interest payable		(3,804,588)
Capital leases payable		(440,971)
Other post-employment benefits		(4,619,105)
CDF retiree health vesting		(606,987)
PERS side fund		(919,951)
Compensated absences		(436,836)
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position</p>		34
Net position of governmental activities		\$ 1,455,327

See accompanying notes to the basic financial statements.

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

	<u>General Fund</u>	<u>Home Grant Fund</u>	<u>Cal Home Rehabilitation Fund</u>	<u>First Time Homebuyer Fund</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 7,196,405	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	3,854	-	-	-
Fines and forfeitures	50,150	-	-	-
Use of money and property	9,744	-	335	-
Intergovernmental revenues	2,073,430	-	-	2,480,845
Charges for services	181,193	-	-	-
Program income	-	100,426	42,730	-
Other revenues	169,418	-	-	-
	<u>9,684,194</u>	<u>100,426</u>	<u>43,065</u>	<u>2,480,845</u>
Total Revenues				
<u>EXPENDITURES</u>				
Current:				
General government	1,482,208	-	-	-
Community development	211,443	147,879	9,509	2,400,479
Public safety	6,708,833	-	-	-
Public works	22,133	-	-	-
Parks and recreation	9,306	-	-	-
Streets	-	-	-	-
Capital Outlay	71,216	-	-	-
Debt service:				
Principal	739,283	-	-	-
Interest and fiscal charges	384,470	-	-	-
	<u>9,628,892</u>	<u>147,879</u>	<u>9,509</u>	<u>2,400,479</u>
Total Expenditures				
Excess of revenues over (under) expenditures	<u>55,302</u>	<u>(47,453)</u>	<u>33,556</u>	<u>80,366</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from Proprietary Fund	41,119	-	-	-
Transfers in	481,681	-	-	-
Transfers out	-	(31,405)	(2,119)	(80,366)
	<u>522,800</u>	<u>(31,405)</u>	<u>(2,119)</u>	<u>(80,366)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	578,102	(78,858)	31,437	-
Fund Balances - July 1, 2013	<u>1,382,157</u>	<u>84,223</u>	<u>53,493</u>	<u>-</u>
Prior Period Adjustment (Note 15)	(25,763)	-	-	-
Fund Balance Restated - July 1, 2013	<u>1,356,394</u>	<u>84,223</u>	<u>53,493</u>	<u>-</u>
Fund Balances - June 30, 2014	<u>\$ 1,934,496</u>	<u>\$ 5,365</u>	<u>\$ 84,930</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Other Governmental Funds</u>	<u>Totals</u>
<u>REVENUES</u>		
Taxes and assessments	\$ 431,723	\$ 7,628,128
Licenses, permits, and impact fees	888,106	891,960
Fines and forfeitures	47,317	97,467
Use of money and property	7,570	17,649
Intergovernmental revenues	3,644,091	8,198,366
Charges for services	109,763	290,956
Program income	26,144	169,300
Other revenues	<u>96,183</u>	<u>265,601</u>
Total Revenues	<u>5,250,897</u>	<u>17,559,427</u>
<u>EXPENDITURES</u>		
Current:		
General government	213	1,482,421
Community development	237,733	3,007,043
Public safety	318,775	7,027,608
Public works	546,792	568,925
Parks and recreation	-	9,306
Streets	1,834,017	1,834,017
Capital Outlay	1,695,267	1,766,483
Debt service:		
Principal	54,497	793,780
Interest and fiscal charges	<u>-</u>	<u>384,470</u>
Total Expenditures	<u>4,687,294</u>	<u>16,874,053</u>
Excess of revenues over (under) expenditures	<u>563,603</u>	<u>685,374</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfer from Proprietary Fund	-	41,119
Transfers in	2,200,397	2,682,078
Transfers out	<u>(2,568,188)</u>	<u>(2,682,078)</u>
Total Other Financing Sources (Uses)	<u>(367,791)</u>	<u>41,119</u>
Net Change in Fund Balances	195,812	726,493
Fund Balances - July 1, 2013	<u>3,927,404</u>	<u>5,447,277</u>
Prior Period Adjustment (Note 15)	-	(25,763)
Fund Balance Restated - July 1, 2013	<u>3,927,404</u>	<u>5,421,514</u>
Fund Balances - June 30, 2014	<u>\$ 4,123,216</u>	<u>\$ 6,148,007</u>

See accompanying notes to the basic financial statements.

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

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	\$	726,493
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation as expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		1,537,081
Depreciation expense		(912,348)
Capital asset disposals		(180,764)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position		
Capital lease obligation principal payments		196,169
Bond principal payments		597,611
Accreted interest, net change		(395,212)
The amounts below, included in the Statement of Activities, do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds (net change):		
Compensated absences		(17,803)
Other post-employment benefits		(147,549)
PERS side fund		8,189
CDF retiree health vesting		(606,987)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service fund is reported with the governmental activities.		
		<u>(41,119)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>763,761</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Governmental Activities - Internal Service Fund
<u>ASSETS</u>	
Current Assets	
Cash and investments	\$ <u>34</u>
Total Current Assets	<u>34</u>
Total Assets	<u>34</u>
<u>NET POSITION</u>	
Unrestricted	<u>34</u>
Total Net Position	\$ <u><u>34</u></u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Activities - Internal Service Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash received from users/ departments	\$ _____ -
Net cash provided (used) by operating activities	_____ -
<u>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Transfers out	_____ (41,119)
Net cash provided (used) by non-capital and related financing activities	_____ (41,119)
Net increase (decrease) in cash and cash equivalents	_____ (41,119)
Cash and Cash Equivalents - July 1, 2013	_____ 41,153
Cash and Cash Equivalents - June 30, 2014	\$ _____ 34
Reconciliation of cash and cash equivalents to the Statement of Net Position:	
Cash and investments	\$ _____ 34
Total cash and investments	\$ _____ 34
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ _____ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in operating assets:	_____ -
Accounts receivable	_____ -
Net cash provided (used) by operating activities	\$ _____ -

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

<u>ASSETS</u>	<u>Private- Purpose Trust Funds</u>	<u>Agency Funds</u>
Cash and investments	\$ 175,027	\$ 4,970
Restricted cash and investments with fiscal agents	373,501	-
Land	<u>294,246</u>	<u>-</u>
Total Assets	<u>842,774</u>	<u>\$ 4,970</u>
<u>LIABILITIES</u>		
Interest payable	27,211	-
Due to others	-	4,970
Long-term debt, due within one year	8,720	-
Long-term debt, due in more than one year	<u>7,762,059</u>	<u>-</u>
Total Liabilities	<u>7,797,990</u>	<u>\$ 4,970</u>
<u>NET POSITION</u>		
Unrestricted	<u>(6,955,216)</u>	
Total net deficit	<u>\$ (6,955,216)</u>	

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Private- Purpose Trust Funds
<u>ADDITIONS</u>	
Taxes and assessments	\$ 360,800
Investment revenue	544
Interfund transfer in	360,800
Total Additions	722,144
<u>DEDUCTIONS</u>	
Interest expense	339,931
Interfund transfer out	360,800
Total Deductions	700,731
Changes in net position	21,413
Net deficit - July 1, 2013	(6,849,641)
Prior period adjustment	(126,988)
Net deficit - July 1, 2013, restated	(6,976,629)
Net deficit - June 30, 2014	\$ (6,955,216)

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The accompanying basic financial statements present the financial activity of the Town of Paradise (Town), which is the primary government, along with the financial activities of its component units, which are entities for which the Town is financially accountable.

B. Basis of Presentation

The Town's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the overall Town government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between governmental and business-type activities of the Town. The Town's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including fiduciary funds and blended component units. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An internal service fund is also presented in these statements. Internal service balances and activities have been combined with the governmental activities in the government-wide financial statements. This fund accounts for charges to other funds and departments for insurance premiums.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

The Town's internal service fund is a proprietary fund. Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Change in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liabilities are incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary fund financial statements include a statement of net position and statement of changes in net position. The Town's fiduciary funds are used to account for assets held by the Town as trustee for the Redevelopment Agency Successor Agency, and as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust funds use the flow of economic resources measurement focus and the accrual basis of accounting. The Town maintains three trust funds and fourteen agency funds. Agency funds use the accrual method of accounting but have no measurement focus as any assets and liabilities are reported.

C. Major Funds

The Town reported the following major governmental funds in the accompanying financial statements:

General Fund - This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Home Grant Fund - This fund accounts for Home Grant monies collected and spent by the Town.

Cal Home Rehabilitation Fund - This fund is used to account for revenues and expenditures related to the Cal Home Rehabilitation Grant.

First Time Home Buyer Fund - This fund is used to account for revenues and expenditures related to the First Time Home Buyer Grant.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the Town may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The Town's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations. The principal operating revenues of the water, sewer, and garbage enterprise funds are charges to customers for sales and services. Revenues are based on cycle billings rendered to customers. All residential and commercial utility customers are billed once a month. There is one billing cycle per month that includes all types of customers, based on their location within the Town. Revenues for services provided but not billed at the end of a fiscal year are accrued. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Compensated Absences

Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. The Town's liability for compensated absences is recorded in the government-wide Statement of Net Position for governmental funds and the Statement of Net Position for proprietary funds as appropriate. A liability is calculated for all the costs of compensated absences based upon benefits earned by employees in the current period for which there is a probability of payment at termination. The salary and related payroll costs are those in effect at June 30, 2014. The amount of accrued sick pay is not due upon termination and therefore is not recorded as a liability for the Town.

F. Property Taxes

California Constitution Article XIII A, limits the combined property tax rate to one percent of a property's assessed valuation. Additional taxes may be imposed with voter approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year unless a change in ownership occurs. The state legislature has determined the method of distributing the one percent tax levy among the various taxing jurisdictions.

Property tax revenues are recognized in the fiscal year for which taxes have been levied, and collected within sixty days of fiscal year end. Property taxes are billed and collected as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/Lien Date(s)	January 1	January 1
Levy Date(s)	July 1	July 1
Due Date(s)	November 1 (50%) February 1 (50%)	August 1
Delinquency Date(s)	December 10 (Nov.) April 10 (Feb.)	August 31

The Town adopted an alternative method of property tax distribution (the "Teeter Plan"). Under this method, the Town receives 100% of its secured property tax levied in exchange for foregoing any interest and penalties collected on delinquent taxes. The Town receives payments as a series of advances made by the County throughout the fiscal year. The secured property tax levy is recognized as revenue upon receipt including the final payment, which generally is received within 60 days after the fiscal year end.

G. Capital Assets

Capital assets, which include property, plant, equipment, construction in progress, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5 to 25
Infrastructure	20
Vehicles	5 to 10
Machinery and Equipment	5 to 10

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and American Institute of Certified Public Accountants (AICPA), require management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

I. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2013, the Town implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 65

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. Implementation of this standard resulted in a prior period adjustment. See Note 15.

Government Accounting Standards Board Statement No. 66

In March 2012, GASB issued Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Implementation of this standard did not have a significant impact on the financial statements.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2014 or later. The City has not determined the effects on the financial statements.

Government Accounting Standards Board Statement No. 68

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2015.

Government Accounting Standards Board Statement No. 69

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2015.

Government Accounting Standards Board Statement No. 70

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2015.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The following procedures are performed by the Town in establishing the budgetary data reflected in the financial statements:

- 1) The Finance Director submits a preliminary budget by June 30 of each year to Town Council. This allows the Town to continue normal operations until the final budget is adopted in September. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayers' comments.
- 3) The appropriated budget is prepared by fund, department, and division. The government department heads may make transfers of appropriation within a department. Transfers of appropriations between departments requires approval of the Town Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.
- 4) The budget is legally adopted through the passage of a council resolution.
- 5) The Town Council may amend the budget by resolution during the fiscal year. The Town Manager may transfer appropriations from one program, activity, or object to another within the same fund. All appropriations lapse at the end of the fiscal year to the extent they have not been expended. Capital project funds are based on a project time frame, rather than a fiscal year "operating" time frame reappropriating unused appropriations from year to year until project completion.
- 6) A budget review is presented to the Town Council by the Town Manager mid-year and approved additions or changes are legally adopted through Council resolution.
- 7) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Capital Project Funds.
- 8) Budgets for the General, Special Revenue, and Capital Project Funds are adopted on a basis consistent with United States generally accepted accounting principles.

There were no budgets prepared for the Cluster Septic Special Revenue Fund, Regional Surface Transportation Program Fund, Chaplains Disaster Relief Fund, Special Projects Donations Fund, Special Projects Fund, CalHome Grant Fund, Clark Road Signal Fund, Improvement Agreements Fund, Tree Replacement In Lieu Fund, Highway Safety Improvement Special Revenue Fund, Town of Paradise Housing Authority Fund, and the Wastewater Design Assessment District Debt Service Fund.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE: 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Excess of Expenditures or Expense over Appropriations

The funds below incurred expenditures and transfers in excess of budgets in the amounts below. Sufficient resources were available in the fund balance of the funds.

<u>Fund</u>	<u>Final Appropriation</u>	<u>Expenditures</u>	<u>Excess</u>
Non-major Funds:			
Animal Control Shelter Fund	\$ 135,556	\$ 135,982	\$ 426
HUD Revolving Loan Fund	\$ -	\$ 570	\$ 570
Citizen Police Fund	\$ 2,450	\$ 4,235	\$ 1,785
CDBG Fund	\$ 27,013	\$ 52,362	\$ 25,349
Abandoned Vehicle Fund	\$ 140	\$ 1,056	\$ 916
AB109 State Fund	\$ 35,405	\$ 70,805	\$ 35,400
Canine Protect Fund	\$ 1,000	\$ 3,923	\$ 2,923

C. Fund Deficits

The Cluster Septic Fund, CDBG Fund, and AVOID Fund had fund balance deficits of \$4,339, \$17, and \$6 respectively at June 30, 2014. The fund balance deficits are primarily due to the Town incurring costs in excess of revenues. The Town will alleviate this deficit as revenues are received.

T
NOTE 3: CASH AND INVESTMENTS

Cash and investments as of June 30, 2014 were classified in the accompanying financial statements as follows:

Governmental activities:	
Cash and investments	\$ 3,951,712
Restricted cash and investments with fiscal agents	1,569
Fiduciary Funds:	
Cash and investments	179,997
Restricted cash and investments with fiscal agents	<u>373,501</u>
Total cash and investments	<u>\$ 4,506,779</u>

Cash and investments were carried at fair value as of June 30, 2014 and consisted of the following:

Petty cash	\$ 1,950
Deposits with financial institutions	1,375,531
Investments	<u>3,129,298</u>
Total cash and investments	<u>\$ 4,506,779</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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

The table below identifies the investment types that are authorized for the Town by the California Government Code (or the Town's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Town's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Town, rather than the general provisions of the California Government Code or the Town's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
Asset Backed Securites	5 years	20%	None
Bankers Acceptances	270 days	40%	None
Commercial Paper (avg Maturity -31 days)	31 days	30%	None
Commercial Paper (avg Maturity -180 days)	180 days	15%	None
Local Agency Investment Fund (LAW)	N/A	Unlimited	\$50 million
Medium Term Notes	5 years	30%	None
Money Market Accounts	N/A	15%	None
Mutual Funds	N/A	15%	None
Negotiable Certificates of Deposit	3 years	30%	None
Repurchase Agreements	1 year	10%	None
Time Certificates of Deposit	5 years	Unlimited	None
Treasury Bills and Notes	5 years	Unlimited	None
U.S. Government and Agency Securities	5 years	Unlimited	None

Investments Authorized by Debt Agreements

Investment of debt issuances held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Town's investment policy. The table below identifies the investment types that are authorized by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Money Market Accounts	N/A	None	None
Certificates of Deposit with Banks and Savings & Loans	None	None	None
Investment Contracts	None	None	None
Commercial Paper, Prime Quality	None	None	None
Municipal Obligations	None	None	None
Banker's Acceptances, Prime Quality	1 year	None	None
Local Agency Investment Fund (LAIF)	None	None	None

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town's interest rate risk is mitigated is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a 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.

Information about the sensitivity of the fair values of the Town's investments to market rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity as of June 30, 2014:

Investment Type	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
State Investment Pool (LAIF)	\$ 2,755,798	\$ -	\$ 2,755,798
Held by bond trustee:			
Money market funds	<u>373,500</u>	<u>-</u>	<u>373,500</u>
	<u>\$ 3,129,298</u>	<u>\$ -</u>	<u>\$ 3,129,298</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Town had no investments (including investments held by bond trustees) that were highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above) as of June 30, 2014.

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 minimum rating required by (where applicable) the California Government Code or debt agreements, and the actual rating as of the fiscal year for each investment type.

	Total	Minimum Legal Rating	Rating as of Fiscal Year End		
			S&P	Moody's	N/A
State Investment Pool (LAIF)	\$ 2,755,798	N/A			Not rated
Held by bond trustee:					
Money market funds	<u>373,500</u>	N/A	AAAm	Aaa	
	<u>\$ 3,129,298</u>				

Concentration of Credit Risk

The Town complies with the limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. The Town held no investments in any one issuer (other than U.S. Treasury securities, external investment pools and mutual funds) that represented 5% or more of total Town investment as of June 30, 2014.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3: 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 does 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 a 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 government 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 Town's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2014, the carrying amount of the Town's deposits was \$1,375,531 and bank balances were \$1,354,227 of which \$250,000 was insured under the FDIC.

Investment in State Investment Pool

The Town 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 Town's investment in these pools are reported in the accompanying financial statements at amounts based upon the Town's pro-rata share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 4: LOANS RECEIVABLE

Housing Rehabilitation and Affordable Housing Loans

The Town engages in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the Town's terms. The balance of the loans receivable arising from these programs at June 30, 2014, was \$10,992,830, which included loans to homeowners totaling \$5,890,228, and loans to the developer (Paradise Community Village) totaling \$5,102,198.

The general fund has loans receivable at June 30, 2014, of \$404 for employee computer loans. Under the agreements with the employees, the employees pay back these loans through payroll deductions.

Allowance for Doubtful Notes

The Town has several programs under which it extends loans to qualifying individuals or groups for the purpose of improving the City's housing stock and/or its supply of low-and-moderate income housing. Certain of these loans provide for the eventual forgiveness of the loan balance if the borrower complies with all the terms of the loan over its full term. The Town has provided a 100% allowance for all notes receivable subject to long-term deferral and/or payment from future refinancing as well as all notes receivable having subordination provisions except for those accounts that have current payment activity and are not delinquent at June 30, 2014. At June 30, 2014 the allowance for doubtful notes totaled \$10,992,426.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2014</u>
Capital assets not being depreciated					
Land	\$ 1,246,000	\$ -	\$ (180,764)	\$ -	\$ 1,065,236
Construction in progress	<u>971,314</u>	<u>1,456,998</u>	<u>-</u>	<u>(1,959,832)</u>	<u>468,480</u>
Total capital assets not being depreciated	<u>2,217,314</u>	<u>1,456,998</u>	<u>(180,764)</u>	<u>(1,959,832)</u>	<u>1,533,716</u>
Capital assets being depreciated					
Buildings and improvements	1,730,837	7,551	-	-	1,738,388
Infrastructure	14,061,111	-	-	1,959,832	16,020,943
Machinery and equipment	1,628,354	7,680	(12,284)	-	1,623,750
Vehicles	<u>3,068,858</u>	<u>64,852</u>	<u>(159,892)</u>	<u>-</u>	<u>2,973,818</u>
Total capital assets being depreciated	<u>20,489,160</u>	<u>80,083</u>	<u>(172,176)</u>	<u>1,959,832</u>	<u>22,356,899</u>
Less: accumulated depreciation for:					
Buildings and improvements	(1,443,305)	(21,038)	-	-	(1,464,343)
Infrastructure	(3,742,187)	(751,977)	-	-	(4,494,164)
Machinery and equipment	(1,269,031)	(31,802)	12,284	-	(1,288,549)
Vehicles	<u>(2,757,269)</u>	<u>(107,531)</u>	<u>159,892</u>	<u>-</u>	<u>(2,704,908)</u>
Total accumulated depreciation	<u>(9,211,792)</u>	<u>(912,348)</u>	<u>172,176</u>	<u>-</u>	<u>(9,951,964)</u>
Capital assets, net	<u>\$ 13,494,682</u>	<u>\$ 624,733</u>	<u>\$ (180,764)</u>	<u>\$ -</u>	<u>\$ 13,938,651</u>

Depreciation was charged to functions based on their usage of the related assets as follows:

General government	\$ 30,384
Public safety	90,929
Parks and recreation	177,305
Streets	<u>613,730</u>
Total governmental activities depreciation expense	<u>\$ 912,348</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances

The composition of interfund balances at June 30, 2014, is as follows:

Current Interfund Balances

Current interfund balances arise from one fund advancing monies to another fund with the intent of being repaid in the next fiscal year.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
<u>Non-major Fund</u>		<u>Major Funds:</u>	
Local Transportation Fund	General Fund		\$ 265,544
Local Transportation Fund	HOME Grant		58,996
		Total Major Fund Payables	324,540
<u>Non-major Fund</u>		<u>Non-major Funds</u>	
Local Transportation Fund	Cluster Septic Fund		\$ 4,339
Local Transportation Fund	Animal Control		580
Local Transportation Fund	Transportation		6
Local Transportation Fund	Highway Safety Improvement Fund		65,072
Local Transportation Fund	Safe Route to School Fund		28,581
Local Transportation Fund	CDBG Fund		45,481
Local Transportation Fund	AVOID Fund		7,266
		Total Nonmajor Fund Payables	151,325
		Total Interfund Payables	\$ 475,865

Long-term Advances

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Non-major Fund: Building Safety and Waste Water Services	Major Fund:: General Fund	\$ 19,535

In the fiscal year 2003/2004, the 10-year advance of \$248,000 from the Building Safety and Waste Water Services Fund was to assist the General Fund's deficit. The interest rate on this advance rate is 3.75%. As of June 30, 2014, the balance of the advance was \$19,535. In addition, in the fiscal year 2005/2006, the 10-year advance of \$100,000 was to assist General Fund due to its lower revenue and high benefit costs related to CalPERS. The interest rate on this advance rate is 4.97%. As of June 30, 2014, the balance of the advance was \$19,535.

Interfund Transfers

In general, the Town uses interfund transfers to (1) move revenues from the funds that collect them to the funds that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to help finance various programs and capital projects accounted for in other funds in accordance with budgetary authorization, and (3) move cash to debt service funds from the funds responsible for payment as debt service payments become due.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Transfer between funds during the fiscal year ended June 30, 2014 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Description of Transfer</u>	<u>Amount</u>
Major Governmental Funds			
Building Safety & Waste Water	General Fund	Internal Services Cost Allocation/ Pension Obligation Bond	\$ 130,809
Animal Control	General Fund	Internal Services Cost Allocation/ Pension Obligation Bond	34,087
State Gas Tax	General Fund	Internal Services Cost Allocation/ Pension Obligation Bond	163,756
Traffic Safety	General Fund	Operating Costs Transfers	30,000
Business and Housing Services	General Fund	Internal Services Cost Allocation/ Pension Obligation Bond	29,621
State SLESF Grant	General Fund	CSO Support Transfers	50,000
AVA	General Fund	Code Enforcement AVA Hours Transfers	4,444
Transit	General Fund	Internal Services Cost Allocation/ Pension Obligation Bond	4,570
Proprietary	General Fund	Banking Layer Refund	41,119
General Plan Update	General Fund	Expenditures related to General Plan Update	34,395
Business and Housing Services	General Fund	Activity Delivery Transfer	2,119
BHS Home Loan Fund	BHS 2010 Home Grant	Payroll Transfer	<u>15,924</u>
Total Major Governmental Funds Transfers			<u>\$ 540,844</u>
Non-Major Governmental Funds			
Transportation	CIP Fund	Micro Surfacing Project Transfers	\$ 261,174
FED CMAQ Congestion	CIP Fund	Pearson/Recreation Signal Transfers	1,232,571
FED CMAQ Congestion	State Gas Tax	Pearson/Recreation Signal Wages Transfers	50,061
State Gas Tax	CIP Fund	Micro Surfacing Project Transfers	35,021
RSTP Fund	State Gas Tax	Project & Maintenance Transfers	299,314
HSIP Highway Safety	CIP Fund	Skyway HSIP Project Transfers	79,917
HSIP Highway Safety	State Gas Tax	Skyway HSIP Project Transfers	43,745
HOME Loan	Business and Housing Services	Activity Delivery Transfers	31,405
Cal HOME Grant	Business and Housing Services	Activity Delivery Transfers	3,500
HOME Grant	Business and Housing Services	Activity Delivery Transfers	22,223
HOME Grant	Business and Housing Services	Activity Delivery Transfers	42,219
Transit	CIP Fund	Skyway HSIP Project Transfers	15,650
PUSD School Resource Officer HS	General Fund	Payroll Transfers	6,250
AB109 State Funds	General Fund	Payroll Transfers	6,393
AVOID- Police Grant	General Fund	Payroll Transfers	19,276
Fed Safe Routes to School	General Fund	Payroll Transfers	19,641
State SLESF Grant	General Fund	Payroll Transfers	23,800
CalGRIP Grant	General Fund	Payroll Transfers	25,482
CDBG Com Dev Block Grant	BHS	Payroll Transfers	6,545
CDBG Com Dev Block Grant	Sewer	Payroll Transfers	28,940
CDBG Com Dev Block Grant	Sewer	Payroll Transfers	<u>30,067</u>
Total Non-Major Governmental Funds Transfers			<u>2,283,194</u>
Total Governmental Interfund Transfers			<u>\$ 2,824,038</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>Fiduciary Funds</u>			
RDA Obligation Retirement	Successor Agency RDA		\$ <u>360,800</u>
Total Fiduciary Interfund Transfers			\$ <u>360,800</u>

Advances To/Advances From Other Funds

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance indication in applicable governmental funds to indicate they are not in spendable form. The following are advances to/from other funds as of June 30, 2014:

Receivable Fund	Payable Fund	Amount
Major Fund:	Private-Purpose Trust Fund:	
General Fund	Successor Redevelopment Agency Fund	\$ 2,014,313

The advance of \$1,060,321 from the General fund of the Town was to assist the Successor Agency with administrative, operation, and program costs. The interest rate on this advance rate is 4.50%. In addition, the advance of \$838,000 was due to the cash shortage of the Successor Agency. Both of the advances in total were \$2,014,313 as of June 30, 2014.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7: LONG TERM DEBT

A. Compensated Absences

Town employees accumulate earned but unused vacation and sick leave benefits, which can be converted to cash at termination of employment. The Town has estimated that the due within one year balance of compensated absences is \$0. The remaining amounts are reported as non-current liabilities due in more than one year on the statement of net position. No expenditure is reported for these amounts in the fund statements. In the statement of activities, the expenditure is allocated to each function based on usage. The non-current portion of these vested benefits, payable in accordance with various collective bargaining agreements, at June 30, 2014, total \$436,836 for governmental activities.

B. Bonds Payable

On April 1, 2007, the Town pursuant to an Agreement with the California Statewide Communities Development Authority issued \$10,918,154 of Pension Obligation Bonds. The aggregate total amount of the bonds for all agencies was \$87,475,699 which includes \$65,140,000 of Series A-1 current interest and \$22,335,699 of Series A-2 capital appreciation bonds. The Town only participated in the Series A-2 bonds. The issuance of the bonds provided monies to meet the Town's obligation to pay the Town's unfunded accrued actuarial liability (UAAL) and employer contribution amount to the California Public Employees Retirement System (PERS). The Town's obligation includes among others, the requirement to amortize the unfunded accrued liability over a multi-year period. On April 1, 2007, the Town contributed \$10,635,313 of the bond proceeds to PERS to fund a portion of the unfunded liability and the employer contribution amount for the Miscellaneous and Safety Plans that provides retirement benefits to the Town's employees and public safety officers. The Town paid cost of issuance fees of \$282,841.

Interest on Series A-2 capital appreciation bonds is payable on June 1 and December 1. The rate of interest varies from 5.160% to 5.694% per annum. Principal is payable in annual installments ranging from \$238,761 to \$648,234 commencing on June 1, 2010 and ending on June 1, 2031. The balance outstanding as of June 30, 2014 was \$7,802,927. The accreted interest on the capital appreciation bonds balance as of June 30, 2014 was \$3,804,588.

For the Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 580,547	\$ 309,453	\$ 890,000
2016	570,929	354,071	925,000
2017	553,594	401,406	955,000
2018	536,963	448,037	985,000
2019	523,423	496,577	1,020,000
2020 - 2024	2,415,343	3,194,657	5,610,000
2025 - 2029	2,139,014	4,460,986	6,600,000
2030 - 2032	<u>483,114</u>	<u>1,336,886</u>	<u>1,820,000</u>
Total	<u>\$ 7,802,927</u>	<u>\$ 11,002,073</u>	<u>\$ 18,805,000</u>

* The amount includes accreted interest.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7: LONG TERM DEBT (CONTINUED)

C. Capital Lease Obligations

The Town has entered into various lease agreements as lessee for financing the acquisition of capital assets. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of inception date.

West America Bank Lease #1

During the fiscal year 2003-2004, the Town entered into an agreement to lease a Wildland Pumper fire truck and one police command vehicle. The lease requires quarterly installments of \$6,690 until April 2009 and quarterly installments of \$4,888 thereafter until April 2014. The lease obligation was paid off during the fiscal year 2013-2014 with the final payment of \$19,631.

West America Bank Lease #3

During the fiscal year 2007-2008, the Town entered into an agreement to lease a fire engine. The lease requires 10 annual installments of \$45,527 until September 2016. The total amount of the lease was for \$373,523. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

For the Year Ending June 30	Payment
2015	\$ 45,527
2016	45,527
2017	45,527
Total minimum lease payments	136,581
Less: amount representing interest	(11,970)
Present value of minimum lease payments	\$ 124,611

Inland Leasing Inc. #1

During the fiscal year 2008-2009, the Town entered into an agreement to lease a Bizhub C 451F Copier with a zero percent interest rate. The lease requires monthly installments of \$364 until October 2013. The lease obligation was paid off during the fiscal year 2013-2014 with the final payment of \$1,447.

Leasource Financial Services, Inc. #2

During the fiscal year 2010-2011, the Town entered into an agreement to lease CAD/RMS Software and Hardware. The lease requires 14 semi-annual installments of \$29,584 until February 2017. The total amount of the lease was for \$358,803. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

Fiscal Year Ending June 30	Payment
2015	\$ 59,167
2016	59,167
2017	59,166
Total minimum lease payments	177,500
Less: amount representing interest	(13,369)
Present value of minimum lease payments	\$ 164,131

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7: LONG TERM DEBT (CONTINUED)

Leasource Financial Services, Inc. #3

During the fiscal year 2010-2011, the Town entered into an agreement to lease a Ford Ranger Truck. The lease requires 10 semi-annual installments of \$2,086 until February 2015. The total amount of the lease was for \$19,000. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

Fiscal Year Ending June 30	Payment
2015	\$ <u>4,172</u>
Total minimum lease payments	4,172
Less: amount representing interest	<u>(125)</u>
Present value of minimum lease payments	\$ <u><u>4,047</u></u>

Leasource Financial Services, Inc. #4

During the fiscal year 2010-2011, the Town entered into an agreement to lease Desktop computers, monitors, exchange server hardware and software, and HP StorageWorks network storage system and software. The lease required 8 semi-annual installments of \$7,050 until February 2014. The lease obligation was paid off during the fiscal year 2013-2014 with the final payment of \$14,109.

Leasource Financial Services, Inc. #5

During the fiscal year 2010-2011, the Town entered into an agreement to lease a Ford F750 dump truck and equipment. The lease requires 7 annual installments of \$14,497 until November 2016. The total amount of the lease was for \$88,714. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

Fiscal Year Ending June 30	Payment
2015	\$ 14,497
2016	14,497
2017	<u>14,497</u>
Total minimum lease payments	43,491
Less: amount representing interest	<u>(4,461)</u>
Present value of minimum lease payments	\$ <u><u>39,030</u></u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7: LONG TERM DEBT (CONTINUED)

Leasource Financial Services, Inc. #6

During the fiscal year 2010-2011, the Town entered into an agreement to lease two Ford F350 trucks and Equipment, and two Ford Crown Victoria cars and equipment. The lease requires 5 annual installments of \$27,921 until November 2014. The total amount of the lease was for \$127,954. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

Fiscal Year Ending June 30	Payment
2015	\$ <u>27,921</u>
Total minimum lease payments	27,921
Less: amount representing interest	<u>(2,049)</u>
Present value of minimum lease payments	\$ <u><u>25,872</u></u>

Inland Leasing Inc. #2

During the fiscal year 2010-2011, the Town entered into an agreement to lease a Bizhub C552DS and Bizhub 601 Copiers with a zero percent interest rate. The lease requires monthly installments of \$431 until June 2016. The total amount of the lease was for \$25,850. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

Fiscal Year Ending June 30	Payment
2015	\$ 5,170
2016	<u>5,098</u>
Total minimum lease payments	10,268
Present value of minimum lease payments	\$ <u><u>10,268</u></u>

Leasource Financial Services, Inc. #7

During the fiscal year 2011-2012, the Town entered into an agreement to lease dispatch workstation upgrade and two voice recorder. The lease requires 60 monthly installments of \$771. The total lease payment of the lease was for \$46,242. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

Fiscal Year Ending June 30	Payment
2015	\$ 9,249
2016	9,249
2017	<u>6,934</u>
Total minimum lease payments	25,432
Less: amount representing interest	<u>(1,727)</u>
Present value of minimum lease payments	\$ <u><u>23,705</u></u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7: LONG TERM DEBT (CONTINUED)

Leasource Financial Services, Inc. #8

During the fiscal year 2012-2013, the Town entered into an agreement to lease two vehicles for the police department. The lease requires 20 monthly installments of \$2,828. The total lease payment of the lease was for \$56,536. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

Fiscal Year Ending June 30	Payment
2015	\$ 11,307
2016	11,307
2017	11,307
2018	8,480
Total minimum lease payments	42,401
Less: amount representing interest	(3,094)
Present value of minimum lease payments	\$ 39,307

City of Marysville. #1

During the fiscal year 2012-2013, the Town entered into an agreement to lease a 1986 Ladder Truck. The lease requires three annual installments of \$10,000 with 0% interest. The total payment of the lease was for \$30,000. The future minimum obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

Fiscal Year Ending June 30	Payment
2015	\$ 10,000
Total minimum lease payments	10,000
Present value of minimum lease payments	\$ 10,000

D. Public Employees Retirement System Side Fund (PERS Side Fund)

During the 2004-2005 fiscal year, the Town was required to participate in the Public Employees Retirement System (PERS) risk pool. As a result, a side fund was created to account for the difference between the funded status of the pool and the funded status of the Town's plan, in addition to the existing unfunded liability. The net outstanding liability at June 30, 2014 was \$919,951 which included miscellaneous plan liability totaling \$271,998, and safety plan liability totaling \$656,142. See Note 8 for further detail.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7: LONG TERM DEBT (CONTINUED)

E. Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2014 was as follows:

	<u>July 1, 2013</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2014</u> <u>Balance</u>	<u>Due within</u> <u>One Year</u>
Government Activities:					
Bonds payable	\$ 8,400,538	\$ -	\$ (597,611)	\$ 7,802,927	\$ 580,547
Accreted interest payable	3,409,376	662,601	(267,389)	3,804,588	309,453
Capital leases	637,140	-	(196,169)	440,971	187,010
Other post-employment benefits	4,471,556	147,549	-	4,619,105	-
CDF Retiree Health Vesting	-	673,153	(66,166)	606,987	68,738
PERS side fund	928,140	-	(8,189)	919,951	77,286
Compensated absences	<u>419,033</u>	<u>17,803</u>	<u>-</u>	<u>436,836</u>	<u>52,009</u>
Governmental activities long-term liabilities	<u>\$ 18,265,783</u>	<u>\$ 1,501,106</u>	<u>\$ (1,135,524)</u>	<u>\$ 18,631,365</u>	<u>\$ 1,275,043</u>

NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN

Plan Description

The Town of Paradise's defined benefit pension plan, Public Employees' Retirement System (PERS), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees' Retirement System, (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes with the Public Employees' Retirement Law. The Town selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office — 400 P Street — Sacramento, CA 95814.

Funding Policy

Active Plan members are required to contribute 7% (9% for safety employees) of their annual covered salary. The Town makes a percentage (depending on the employee group that the employee belongs to) of the contributions required of Town employees on their behalf and for their account. The Town is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the Ca1PERS Board of Administration. The Town has a tier system in regards to Town Employees' Retirement Plan. The required employer contribution rates for the fiscal year 2013-2014 were as follows: Miscellaneous first tier employer contribution rate is 11.545%, Miscellaneous second tier employer contribution rate is 8.049%, Miscellaneous third tier employer contribution rate is 6.250%, Safety first tier employer contribution rate is 27.803%, Safety second tier employer contribution rate is 20.774%, and Safety third tier employer contribution rate is 11.50%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Funding Policy

The Town's contributions to CalPERS for the fiscal years ending June 30, 2014, 2013, and 2012, for the Miscellaneous Plan were \$564,807, \$170,646, and \$219,863, respectively, and equal 100% of the required contributions for each fiscal year. The Town's contributions to CalPERS for the fiscal years ending June 30, 2014, 2013, and 2012, for the Safety Plan were \$0, \$611,362, and \$705,171, respectively, and equal 100% of the required contributions for each fiscal year.

NOTE 9: OTHER POST EMPLOYMENT BENEFITS

The post-employment benefit plan is a single-employer defined healthcare plan administered by the Town. The Town provides postretirement medical benefits, as provided for in various collective bargaining agreements for retirees that meet certain criteria. Upon enrollment in the PERS medical program, health plans for employees retiring after enrollment shall be in accordance with PERS medical program regulations. Employees of the Town, who immediately upon termination, retire under the PERS retirement plan, and remain in the Town's medical plan, shall have a Town paid contribution towards the medical plan premium not to exceed the Town contribution to an active *employee/employee plus spouse/employee plus 2 persons* rate as prescribed in Town Resolution and PERS Health Plan Regulations.

The cap for retirees is based on the cap set for active employees by the Town. Upon revising the cap, PERS adjusts the retirees' caps and notifies the Town. For current retirees and employees hired prior to February 1, 2011, the Town pays up to following amounts each month:

	<u>Safety</u>	<u>Non-Safety</u>
Employee only	\$ 504	\$ 434
Employee plus spouse	1,008	867
Employee plus two person	1,311	1,128

For employees hired after February 1, 2011, the percentage of CalPERS premiums paid by the Town is subject to the following vesting schedule, in addition to the monthly maximums described above: 50% after 10 years of service, plus 10% for each additional year of service, up to 100% after 20 years of service. Also, only 90% of premiums for dependent spouses/partners are reimbursed.

Prior to November 2012, the maximum amounts for police employees were scheduled to increase after 2012 as CalPERS medical premium increase. Effective on and after November 2012, the maximum amounts for all employees are not expected to increase after 2012.

At age 65, retired employees will be eligible for Medicare and the Town's contributions would be supplementary to the amount covered by Medicare. In addition, accumulated sick leave at time of retirement, not used for any other purpose, may be converted to supplement a health premium until the value is exhausted or the retiree reaches 65 or the surviving spouse reaches 65. The rate of sick leave conversion shall be fifty percent of the regular daily rate the employee was receiving at retirement.

Funding Policy

The Town contributes an amount sufficient to pay the current fiscal year's premium. For fiscal year 2013/2014, the Town contributed \$677,871, which consisted of current premiums. As of June 30, 2014, the trust was funded in the amount of \$65,993. The Town intends to continue funding on a pay-as-you-go basis for the near future, and also intends to contribute approximately \$50,000 each year to the trust.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB and Net Obligation

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation.

Annual required contribution	\$	972,134
Interest on net OPEB obligation		192,277
Adjustment to annual required contribution		(288,991)
Annual OPEB cost (expense)		875,420
Contributions made		<u>(727,871)</u>
Increase in net OPEB obligations		147,549
Net OPEB obligation at July 1, 2013		<u>4,471,556</u>
Net OPEB obligation at June 30, 2014	\$	<u>4,619,105</u>

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

<u>Year Ended</u>	<u>Annual OPEB cost</u>	<u>Percentage Contributed</u>	<u>Net Ending OPEB</u>
June 30, 2012	\$ 1,603,952	36,0 %	\$ 4,247,192
June 30, 2013	\$ 862,647	77,1 %	\$ 4,471,556
June 30, 2014	\$ 875,420	83,1 %	\$ 4,619,105

The Plan does not issue a separate audited US GAAP-basis postemployment benefits plan report.

Funded Status and Funding Progress

As of July 1, 2014 the most recent actuarial valuation date, the plan was 0.44% percent funded. The actuarial accrued liability for benefits was \$12,890,590, and the actuarial value of assets was \$65,993, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,824,597. The covered payroll (annual payroll of active employees covered by the plan) was \$4,848,063 and the ratio of the UAAL to the covered payroll was 264.5%

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 that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

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

In the July 1, 2013 actuarial valuation, the entry age normal actuarial funding method was used. The actuarial assumptions included a 4.3% percent investment rate of return [this represents a weighted blend of what the Town expects to earn on its investments over the lifetime of the benefit program (4%) and the expected rate of return on the Trust Fund (7%)], an inflation rate of 3.0%, and healthcare cost trend rate as follows (CalPERS medical premiums are assumed to increase after 2014): 2015 (6.7%), 2016 (6.4%), 2017 (6.1%), 2018 (5.8%), and 2019 and thereafter (5.5%). A projected salary increase assumption rate was not used since the post-retirement medical benefits are not a function of salary. The actuarial report also states that the medical benefits are provided under a plan sponsored by CalPERS, which are considered to be "community rated" within the meaning of GASB 45, therefore, there was no need at this time to value an implicit subsidy in the premium rates charged to retirees. If at some future time this program ceases to be considered "community rated", it may be necessary to include the cost of subsidized premiums in the GASB 45 operating expense, which could significantly increase the Town's future GASB 45 costs. The actuarial value of assets is \$56,110. The Town has elected to use the Entry Age Normal actuarial funding method with a closed 30 year level dollar amortization of the unfunded actuarial accrued liability. The remaining amortization period at June 30, 2014 was twenty six years.

For new employees hired after February 1, 2011 (and January 1, 2011 for one of the employee groups), CalPERS retiree and spouse medical benefits shall vest as follows as is mandated by California Public Employees Retirement Law, Government Code Section 22893 (this vesting schedule represents time with a CalPERS agency, of which five of those years must be completed with the Town):

- 50% vested — 10 years of service
- 55% vested — 11 years of service
- 60% vested — 12 years of service
- 65% vested — 13 years of service
- 70% vested — 14 years of service
- 75% vested — 15 years of service
- 80% vested — 16 years of service
- 85% vested — 17 years of service
- 90% vested — 18 years of service
- 95% vested — 19 years of service
- 100% vested — 20 years of service (100% employee/90% spouse of a premium amount set by the state pursuant to GCS20069 and GCS22871.)

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10: NET POSITION AND FUND BALANCES

A. Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position.

Net Position is divided into three captions at the Government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the Town's capital assets, less the outstanding balance of any debt issued to finance these capital assets.

Restricted describes the portion of Net Position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Town cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted as to use.

B. Fund Balance

Beginning with fiscal year 2011, the Town implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent.

The Town established the following fund balance procedures:

Committed Fund Balance: The Town Council, as the Town's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal action taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use through the same type of formal action taken to establish the commitment. Town Council action to commit fund balance needs to occur within the fiscal reporting period; however the amount can be determined subsequently.

Assigned Fund Balance: Amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The policy hereby delegates the authority to assign amounts to be used for specific purposes to the Town Manager and the Finance Director for the purpose of reporting these amounts in the annual financial statements.

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

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10: NET POSITION AND FUND BALANCES (CONTINUED)

As of June 30, 2014, fund balances consisted of the following:

	<u>General Fund</u>	<u>Home Grant Fund</u>	<u>Cal Home Rehabilitation Fund</u>	<u>First Time Home Buyer Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:						
Loans receivable	\$ 404	\$ -	\$ -	\$ -	\$ -	\$ 404
Other receivable	33,193	-	-	-	-	33,193
Prepaid	1,228	-	-	-	-	1,228
Advances	<u>1,981,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,981,120</u>
Total nonspendable fund balances	<u>2,015,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,015,945</u>
Restricted for:						
Special projects	-	-	-	-	255,359	255,359
Debt service	-	-	-	-	6,278	6,278
Community development	-	5,365	84,930	-	248,814	339,109
General plan	-	-	-	-	129,268	129,268
Public safety	-	-	-	-	359,738	359,738
Streets and roads	-	-	-	-	2,283,425	2,283,425
Wastewater and drainage	-	-	-	-	840,274	840,274
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,405</u>	<u>4,405</u>
Total restricted fund balances	<u>-</u>	<u>5,365</u>	<u>84,930</u>	<u>-</u>	<u>4,127,561</u>	<u>4,217,856</u>
Unassigned	<u>(81,449)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,345)</u>	<u>(85,794)</u>
Total unassigned fund balances	<u>(81,449)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,345)</u>	<u>(85,794)</u>
Total fund balances	<u>\$1,934,496</u>	<u>\$ 5,365</u>	<u>\$ 84,930</u>	<u>\$ -</u>	<u>\$ 4,123,216</u>	<u>\$ 6,148,007</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 11: REVENUE LIMITATIONS IMPOSED BY CALIFORNIA PROPOSITION 218

Proposition 218, which was approved by the voters in November 1996, will regulate the Town's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future years by the voters.

NOTE 12: CONTINGENCIES AND COMMITMENTS

The Town is involved in various litigations. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the Town's financial statements.

The Town has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed by the Town's management that any required reimbursements will not be material.

NOTE 13: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town is a member of Northern California Cities Self Insurance Fund (NCCSIF), a joint powers agency which provides the Town with a shared risk layer of coverage above the self insured \$50,000 retention for liability and the self insured \$100,000 retention for workers compensation. The NCCSIF is composed of 19 member cities and is governed by a board of directors appointed by the member cities. The governing board has authority over budgeting and financing.

NCCSIF is a joint powers agency organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. NCCSIF provides claims processing administrative services, risk management services, and actuarial studies. It is governed by a member of each city/town. The Town council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. However, ultimate liability for payment of claims and insurance premiums resides with member cities.

NCCSIF is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities/town. If the JPA becomes insolvent, the Town is responsible only to the extent of any deficiency in its equity balance.

Upon termination of the JPA agreement, all property of NCCSIF will vest in the respective parties which theretofore transferred, conveyed or leased said property to NCCSIF. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

The NCCSIF establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not recorded. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 13: RISK MANAGEMENT (CONTINUED)

The participants as of June 30, 2014 were as follows:

Anderson	Auburn	Colusa	Corning	Dixon	Folsom	Galt
Gridley	Ione	Jackson	Lincoln	Marysville	Navada	Oroville
Paradise	Bluff	Vista	Rocklin	Willow	Yuba City	

The following is summary financial information of the NCCSIF for the liability and workers' compensation programs for the fiscal year ended June 30, 2014:

	Workers' Compensation	General Liability
Total assets	\$ 36,427,315	\$ 10,512,685
Total liabilities	28,026,632	8,849,435
Net position	\$ 8,400,683	\$ 1,663,250
Operating income	\$ 8,547,305	\$ 5,805,472
Operating expenses	6,477,137	5,982,619
Net Operating income (loss)	2,070,168	(177,147)
Non-Operating income (loss)	610,359	167,048
Net income (loss)	2,680,527	(10,099)
Net position, beginning of fiscal year	5,720,156	1,673,349
Net position, end of fiscal year	\$ 8,400,683	\$ 1,663,250

NOTE 14: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

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

The Bill provides that upon dissolution of a redevelopment agency, either the Town or other unit of local government will agree to serve as the "successor agency" to hold the assets units they are distributed to other units of state and local government. On January 10, 2012, the Town Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the Town Resolution No. 12-08.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

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

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

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

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

Prior to that date, the final seven months of activity of the redevelopment agency continued to be reported in the governmental funds of the Town. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the Town.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the Town to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>Balance at June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2014</u>
Land	\$ <u>294,246</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>294,246</u>
Successor Agency capital assets	\$ <u>294,246</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>294,246</u>

The long-term liabilities consisted of the following components for the fiscal year ended June 30, 2014:

Advance payable consisted of the advance of \$1,176,313 from the General fund of the Town was to assist the Successor Agency with administrative, operation, and program costs. The interest rate on this advance rate is 4.50%. In addition, the advance of \$838,000 was due to the cash shortage of the Successor Agency. Both of the advances in total were \$2,014,313 as of June 30, 2014.

Notes payable consisted of the following as of June 30, 2014:

Note payable to Jeffords - the note bears interest at 8%, payable in monthly installments based upon a fifteen year amortization schedule and matures in full on June 2, 2019.	\$ 70,697
2006 Subordinate Tax allocation notes - the notes bear interest at 4.85% and 5.10% and are payable on December 1 and June 1, and the principal matures in full on December 1, 2016.	<u>1,300,000</u>
	<u>\$ 1,370,697</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

The future principal and interest payments for the notes payable of June 30, 2014 were as follows:

For the Year Ending June 30	Jefford's Notes Payable		2006 Tax Allocation Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 11,979	\$ 5,223	\$ -	\$ 63,675	\$ 11,979	\$ 68,898
2016	12,974	4,228	-	63,675	12,974	67,903
2017	14,050	3,152	1,300,000	63,675	1,314,050	66,827
2018	15,216	1,985	-	-	15,216	1,985
2019	16,478	723	-	-	16,478	723
	<u>\$ 70,697</u>	<u>\$ 15,311</u>	<u>\$ 1,300,000</u>	<u>\$ 191,025</u>	<u>\$ 1,370,697</u>	<u>\$ 206,336</u>

Bonds payable consisted of the following as of June 30, 2014:

On October 21, 2009, the Town issued the 2009 Tax Allocation Refunding Bonds in the amount of \$4,480,000. The refunding bond was used to refund the entire outstanding 2003 Tax Allocation Notes and the 2005 Tax Allocation Notes. The Refunding Bonds have a stated interest rate from 4.80% to 6.00% and mature on June 1, 2043. The Refunding Bonds are subject to redemption prior to their stated maturity, at the option of the Town, as a whole or in part pro rata among maturities and by lot within a maturity, on any date on or after June 1, 2019 from funds derived by the Town from any sources at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the redemption date, without premium. The original issue bond discount on these bonds is being amortized over the life of the bonds and is included with long-term debt on the balance sheet.

On February 1, 2012, the total principal balance of \$4,377,893, which was net of the \$102,107 of unamortized original issue bond discount, was transferred from the Town. The principal balance outstanding, net of \$97,490 of unamortized original bond discount, as of June 30, 2014 was \$4,382,150.

The future principal and interest payments for the bonds payable as of June 30, 2014 were as follows:

Fiscal Year Ended June 30,	Bonds Payable		
	Principal	Interest	Total
2015	\$ -	\$ 262,855	\$ 262,855
2016	-	262,855	262,855
2017	75,000	262,855	337,855
2018	75,000	259,255	334,255
2019	75,000	255,655	330,655
2020-2024	455,000	1,235,135	1,690,135
2025-2029	600,000	1,284,912	1,884,912
2030-2034	805,000	771,596	1,576,596
2035-2039	1,055,000	417,000	1,472,000
2040-2044	1,340,000	132,000	1,472,000
	<u>\$ 4,480,000</u>	<u>\$ 5,144,118</u>	<u>\$ 9,624,118</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2014 was as follows:

	July 1, 2013 Balance	Additions	Reductions	June 30, 2014 Balance	Due within One Year
Advance Payable	\$ 1,898,321	\$ 115,992	\$ -	\$ 2,014,313	\$ -
Notes payable	1,381,756	-	(11,059)	1,370,697	11,979
Bonds payable	4,480,000	-	-	4,480,000	-
Original issue discount	<u>(97,490)</u>	<u>-</u>	<u>3,259</u>	<u>(94,231)</u>	<u>(3,259)</u>
Total	<u>\$ 7,662,587</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,770,779</u>	<u>\$ 8,720</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15: PRIOR PERIOD ADJUSTMENT

The Town determined that the following amounts were recorded in the incorrect period:

<u>Fund</u>	<u>Description of Restatement</u>	<u>Amount</u>
<u>Governmental funds</u>		
Government Wide	To record provision for loan loss allowance.	\$ 8,438,773
General Fund	To properly remove prepaid bond issuance costs pursuant to GASB 65	\$ 210,055
General Fund	To reconcile interest income earned on loan to the allowable interest rate under the terms of the loan.	<u>25,763</u>
	Total Fund Balance Restatement	<u>\$ 8,674,591</u>

NOTE 16: MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

The Town has evaluated subsequent events through the date of this report, which is February 26, 2014, the date these financial statements were available to be issued, and has determined there were no material events requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND
JUNE 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Taxes and assessments:				
Secured and unsecured property taxes	\$ 4,233,160	\$ 4,254,216	\$ 4,310,387	\$ 56,171
Sales and use taxes	1,703,356	1,770,000	1,758,211	(11,789)
Transient lodging taxes	178,967	175,067	185,352	10,285
Franchise taxes	847,760	858,951	873,541	14,590
Real property transfer taxes	48,116	68,714	68,914	200
Total taxes and assessments	<u>7,011,359</u>	<u>7,126,948</u>	<u>7,196,405</u>	<u>69,457</u>
Licenses, permits, and impact fees	3,032	2,132	3,854	1,722
Fines and forfeitures	77,200	53,000	50,150	(2,850)
Use of money and property:	-	-	-	-
Interest earned	7,000	6,000	9,744	3,744
Intergovernmental revenues:				
Motor vehicle in-lieu tax	1,929,000	1,920,000	1,922,350	2,350
Homeowners property tax relief	70,437	69,109	69,109	-
Federal-other	500	430	430	-
State-other	61,000	73,040	81,541	8,501
Total intergovernmental revenues	<u>2,060,937</u>	<u>2,062,579</u>	<u>2,073,430</u>	<u>10,851</u>
Charges for services:				
Police	32,778	24,601	26,390	1,789
Fire	11,525	11,075	7,027	(4,048)
Community development	25,531	28,573	30,934	2,361
Parks and recreation	3,000	3,000	3,250	250
Public works	39,320	27,018	47,519	20,501
Administration	51,940	51,500	66,073	14,573
Total charges for services	<u>164,094</u>	<u>145,767</u>	<u>181,193</u>	<u>35,426</u>
Other revenues	<u>16,700</u>	<u>42,509</u>	<u>169,418</u>	<u>126,909</u>
Total Revenues	<u>9,340,322</u>	<u>9,438,935</u>	<u>9,684,194</u>	<u>245,259</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Town council	34,963	36,438	36,891	(453)
Town manager	155,512	151,719	153,649	(1,930)
Town attorney	172,330	192,451	168,215	24,236
Central service	525,979	534,667	534,169	498
Financial services	203,183	203,183	202,733	450
Town clerk	249,623	248,005	248,851	(846)
Risk management	62,135	70,002	69,389	613
Non-departmental	65,200	67,000	68,311	(1,311)
Total general government	<u>1,468,925</u>	<u>1,503,465</u>	<u>1,482,208</u>	<u>21,257</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
BUDGET TO ACTUAL
GENERAL FUND
JUNE 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Community development				
Planning	190,272	181,104	181,395	(291)
Solid waste	<u>28,909</u>	<u>28,960</u>	<u>30,048</u>	<u>(1,088)</u>
Total community development	<u>219,181</u>	<u>210,064</u>	<u>211,443</u>	<u>(1,379)</u>
Public safety:				
Police	-	-	-	-
Administration	677,967	652,292	649,145	3,147
Operations	2,088,461	2,121,586	2,143,682	(22,096)
Communications	752,715	741,610	697,982	43,628
Motor pool operations	167,177	166,657	180,230	(13,573)
Fire ¹				
Administration	170,564	167,842	166,503	1,339
Emergency operations center	10,081	10,269	9,876	393
Suppression	2,958,776	2,876,699	2,842,100	34,599
Volunteers	<u>38,581</u>	<u>35,581</u>	<u>19,315</u>	<u>16,266</u>
Total public safety	<u>6,864,322</u>	<u>6,772,536</u>	<u>6,708,833</u>	<u>63,703</u>
Public works:				
Engineering	22,053	20,790	17,424	3,366
Parks and recreation	11,090	12,090	9,306	-
Public facilities	<u>4,700</u>	<u>4,700</u>	<u>4,709</u>	<u>(9)</u>
Total public works	<u>37,843</u>	<u>37,580</u>	<u>31,439</u>	<u>6,141</u>
Capital outlay	<u>64,825</u>	<u>68,700</u>	<u>71,216</u>	<u>(2,516)</u>
Debt service:				
Principal	825,128	817,539	819,929	(2,390)
Interest and fiscal charges	<u>317,941</u>	<u>308,069</u>	<u>303,824</u>	<u>4,245</u>
Total debt service	<u>1,143,069</u>	<u>1,125,608</u>	<u>1,123,753</u>	<u>1,855</u>
Total expenditures	<u>9,798,165</u>	<u>9,717,953</u>	<u>9,628,892</u>	<u>89,061</u>
Excess of revenues over (under) expenditures	<u>(457,843)</u>	<u>(279,018)</u>	<u>55,302</u>	<u>334,320</u>
OTHER FINANCING SOURCES (USES)				
Transfer from Proprietary Fund	41,119	41,119	41,119	-
Transfers in	<u>493,632</u>	<u>494,454</u>	<u>481,681</u>	<u>(12,773)</u>
Total Other Financing Sources (Uses)	<u>534,751</u>	<u>535,573</u>	<u>522,800</u>	<u>(336,151)</u>
Net Change in Fund Balance	\$ <u>76,908</u>	\$ <u>256,555</u>	<u>578,102</u>	\$ <u>321,547</u>
Fund Balance Restated - July 1, 2013	-	-	1,356,394	1,356,394
Fund Balance - June 30, 2014	<u>76,908</u>	<u>256,555</u>	\$ <u>1,934,496</u>	<u>1,677,941</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HOME GRANT FUND
JUNE 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Program income	\$ -	\$ -	\$ 100,426	\$ 100,426
Total Revenues	-	-	100,426	100,426
<u>EXPENDITURES</u>				
Current:	-	-	-	-
Community development	-	-	147,879	(147,879)
Total Expenditures	-	-	147,879	(147,879)
Excess of revenues over (under) expenditures	-	-	(47,453)	(47,453)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(31,405)	(31,405)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(31,405)	(31,405)
Net Change in Fund Balance	-	-	(78,858)	(78,858)
Fund Balance - July 1, 2013	-	-	84,223	84,223
Fund Balance - June 30, 2014	\$ -	\$ -	\$ 5,365	\$ 5,365

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CAL HOME REHABILITATION FUND
JUNE 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Use of money and property Program Income	\$ 200	\$ 200	\$ 335	\$ 135
	<u>-</u>	<u>-</u>	<u>42,730</u>	<u>42,730</u>
Total Revenues	<u>200</u>	<u>200</u>	<u>43,065</u>	<u>42,865</u>
<u>EXPENDITURES</u>				
Current:				
Community Development	<u>-</u>	<u>-</u>	<u>9,509</u>	<u>(9,509)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>9,509</u>	<u>(9,509)</u>
Exces of revenues over (under) expenditures	<u>200</u>	<u>200</u>	<u>33,556</u>	<u>33,356</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(2,119)</u>	<u>(2,119)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,119)</u>	<u>(2,119)</u>
Net Change in Fund Balance	200	200	31,437	31,237
Fund Balance - July 1, 2013	<u>-</u>	<u>-</u>	<u>53,493</u>	<u>53,493</u>
Fund Balance - June 30, 2014	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 84,930</u>	<u>\$ 84,730</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 FIRST TIME HOME BUYER FUND
 JUNE 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Intergovernmental revenues	\$ 2,872,353	\$ 2,720,647	\$ 2,480,845	\$ (239,802)
Total Revenues	<u>2,872,353</u>	<u>2,720,647</u>	<u>2,480,845</u>	<u>(239,802)</u>
<u>EXPENDITURES</u>				
Current:				
Community development	<u>2,753,591</u>	<u>2,595,624</u>	<u>2,400,479</u>	<u>195,145</u>
Total Expenditures	<u>2,753,591</u>	<u>2,595,624</u>	<u>2,400,479</u>	<u>195,145</u>
Excess of revenues over (under) expenditures	<u>118,762</u>	<u>125,023</u>	<u>80,366</u>	<u>(44,657)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	<u>(118,762)</u>	<u>(125,023)</u>	<u>(80,366)</u>	<u>44,657</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(118,762)</u>	<u>(125,023)</u>	<u>(80,366)</u>	<u>44,657</u>
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balance (Deficit) - July 1, 2013	-	-	-	-
Fund Balance (Deficit) - June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF PARADISE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS - OTHER POST-EMPLOYMENT BENEFITS

<u>Actuarial Valuation Date</u>	<u>Entry Age Normal Cost Actuarial Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Liability as a percentage of Payroll</u>
July 1, 2011	\$ 10,165,475,166	\$ 8,470,235,152	\$1,695,240,014	83,3 %	\$955,980,815	177,3 %
July 1, 2012	\$ 10,951,745,049	\$ 9,135,654,246	\$1,816,090,803	83,4 %	\$949,833,090	191,2 %
July 1, 2013	\$ 11,724,021,480	\$ 9,854,787,710	\$1,869,233,770	84,1 %	\$947,734,809	197,2 %

SUPPLEMENTARY INFORMATION

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014

Special Revenue Funds				
	Cluster Septic	Animal Control Shelter	Gas Tax	Traffic Safety
<u>ASSETS</u>				
Cash and investments	\$ -	\$ -	\$ 463,083	\$ 18,764
Accounts receivable	-	8,315	91,013	4,563
Interest receivable	-	-	171	7
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
Prepaid items	-	-	-	-
	-	-	-	-
Total Assets	\$ -	\$ 8,315	\$ 554,267	\$ 23,334
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ 2,390	\$ 29,259	\$ -
Accrued wages	-	3,841	21,375	-
Due to other funds	4,339	580	-	-
Unearned revenue	-	-	-	-
	-	-	-	-
Total Liabilities	4,339	6,811	50,634	-
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	-	1,504	503,633	23,334
Unassigned	(4,339)	-	-	-
	-	-	-	-
Total Fund Balances (Deficits)	(4,339)	1,504	503,633	23,334
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 8,315	\$ 554,267	\$ 23,334

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Special Projects	EDBG Repayment	HUD Revolving Loan	SLESF
<u>ASSETS</u>				
Cash and investments	\$ 255,359	\$ 74,565	\$ 161,903	\$ 10,989
Accounts receivable	-	-	-	6,089
Interest receivable	-	30	62	4
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
Prepaid items	-	-	-	-
	-	-	-	-
Total Assets	<u>\$ 255,359</u>	<u>\$ 74,595</u>	<u>\$ 161,965</u>	<u>\$ 17,082</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ 43	\$ -	\$ -
Accrued wages	-	4,686	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	-	-	-	-
Total Liabilities	<u>-</u>	<u>4,729</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	255,359	69,866	161,965	17,082
Unassigned	-	-	-	-
	-	-	-	-
Total Fund Balances (Deficits)	<u>255,359</u>	<u>69,866</u>	<u>161,965</u>	<u>17,082</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 255,359</u>	<u>\$ 74,595</u>	<u>\$ 161,965</u>	<u>\$ 17,082</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Citizen Police	CMAQ	Asset Seizure	Highway Safety Improvement
<u>ASSETS</u>				
Cash and investments	\$ 15,088	\$ -	\$ 5,582	\$ -
Accounts receivable	-	-	-	65,072
Interest receivable	6	-	2	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
Prepaid items	-	-	-	-
	-	-	-	-
Total Assets	\$ 15,094	\$ -	\$ 5,584	\$ 65,072
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	65,072
Unearned revenue	-	-	-	-
	-	-	-	-
Total Liabilities	-	-	-	65,072
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	15,094	-	5,584	-
Unassigned	-	-	-	-
	-	-	-	-
Total Fund Balances (Deficits)	15,094	-	5,584	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,094	\$ -	\$ 5,584	\$ 65,072

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

Special Revenue Funds				
	Safe Route to School	95 Impact Signalization	95 Impact PDFC	95 Impact FDFC
<u>ASSETS</u>				
Cash and investments	\$ -	\$ 70,123	\$ 41,573	\$ 16,123
Accounts receivable	28,581	-	-	-
Interest receivable	-	27	16	6
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
Prepaid items	-	-	-	-
	-	-	-	-
Total Assets	\$ 28,581	\$ 70,150	\$ 41,589	\$ 16,129
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	28,581	-	-	-
Unearned revenue	-	-	-	-
	-	-	-	-
Total Liabilities	28,581	-	-	-
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	-	70,150	41,589	16,129
Unassigned	-	-	-	-
	-	-	-	-
Total Fund Balances (Deficits)	-	70,150	41,589	16,129
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,581	\$ 70,150	\$ 41,589	\$ 16,129

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	95 Impact Road	CDBG	Building Safety and Waste Water Services	Local Transportati on
<u>ASSETS</u>				
Cash and investments	\$ 479,944	\$ -	\$ 180,199	\$ 711,674
Accounts receivable	-	46,932	15,301	41,847
Interest receivable	183	-	68	453
Due from other funds	-	-	-	472,237
Advances receivable	-	-	19,535	-
Prepaid items	-	-	29,685	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 480,127</u>	<u>\$ 46,932</u>	<u>\$ 244,788</u>	<u>\$ 1,226,211</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ 1,468	\$ 5,957	\$ 2,118
Accrued wages	-	-	15,469	630
Due to other funds	-	45,481	-	-
Unearned revenue	-	-	29,290	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>46,949</u>	<u>50,716</u>	<u>2,748</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	480,127	-	194,072	1,223,463
Unassigned	<u>-</u>	<u>(17)</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>480,127</u>	<u>(17)</u>	<u>194,072</u>	<u>1,223,463</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 480,127</u>	<u>\$ 46,932</u>	<u>\$ 244,788</u>	<u>\$ 1,226,211</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Paradise Housing Authority	Abandoned Vehicle	95 Impact Drainage	AVOID
<u>ASSETS</u>				
Cash and investments	\$ 17,000	\$ 93,590	\$ 645,955	\$ -
Accounts receivable	-	2,954	-	8,632
Interest receivable	-	36	247	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
Prepaid items	-	-	-	-
	<u>17,000</u>	<u>96,580</u>	<u>646,202</u>	<u>8,632</u>
Total Assets	<u>\$ 17,000</u>	<u>\$ 96,580</u>	<u>\$ 646,202</u>	<u>\$ 8,632</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ 1	\$ -	\$ 1,372
Accrued wages	-	-	-	-
Due to other funds	-	-	-	7,266
Unearned revenue	-	-	-	-
	<u>-</u>	<u>1</u>	<u>-</u>	<u>8,638</u>
Total Liabilities	<u>-</u>	<u>1</u>	<u>-</u>	<u>8,638</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	17,000	96,579	646,202	-
Unassigned	-	-	-	(6)
	<u>17,000</u>	<u>96,579</u>	<u>646,202</u>	<u>(6)</u>
Total Fund Balances (Deficits)	<u>17,000</u>	<u>96,579</u>	<u>646,202</u>	<u>(6)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,000</u>	<u>\$ 96,580</u>	<u>\$ 646,202</u>	<u>\$ 8,632</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Traffic Safety - DUI			
	General Plan Fee Fund	Impound Fees Fund	AB109 State Funds	CalHome Grant
<u>ASSETS</u>				
Cash and investments	\$ 129,231	\$ 42,100	\$ 97,969	\$ 206,500
Accounts receivable	-	-	-	-
Interest receivable	50	16	-	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
Prepaid items	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 129,281</u>	<u>\$ 42,116</u>	<u>\$ 97,969</u>	<u>\$ 206,500</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 13	\$ 975	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	97,857	206,500
	<u>-</u>	<u>-</u>	<u>97,857</u>	<u>206,500</u>
Total Liabilities	<u>13</u>	<u>975</u>	<u>97,857</u>	<u>206,500</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	129,268	41,141	112	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>129,268</u>	<u>41,141</u>	<u>112</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 129,281</u>	<u>\$ 42,116</u>	<u>\$ 97,969</u>	<u>\$ 206,500</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

Special Revenue Funds				
	Clark Road Signal	Improvement Agreements	Tree Replacement in Lieu	Hydrant Maintenance
<u>ASSETS</u>				
Cash and investments	\$ 6,050	\$ 8,000	\$ 2,498	\$ -
Accounts receivable	-	-	-	3,550
Interest receivable	2	-	-	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
Prepaid items	-	-	-	-
	<u>6,052</u>	<u>8,000</u>	<u>2,498</u>	<u>3,550</u>
Total Assets	<u>\$ 6,052</u>	<u>\$ 8,000</u>	<u>\$ 2,498</u>	<u>\$ 3,550</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ 8,000	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	6,052	-	2,498	3,550
Unassigned	-	-	-	-
	<u>6,052</u>	<u>-</u>	<u>2,498</u>	<u>3,550</u>
Total Fund Balances (Deficits)	<u>6,052</u>	<u>-</u>	<u>2,498</u>	<u>3,550</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,052</u>	<u>\$ 8,000</u>	<u>\$ 2,498</u>	<u>\$ 3,550</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Disability Access and Education	Regional Surface Transportati on Program	SMIP Fund	Police Department Seizures Fund
<u>ASSETS</u>				
Cash and investments	\$ 41	\$ -	\$ 1,930	\$ 2,051
Accounts receivable	-	-	-	-
Interest receivable	-	-	1	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
Prepaid items	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 1,931</u>	<u>\$ 2,051</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 4	\$ -	\$ 544	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4</u>	<u>-</u>	<u>544</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	37	-	1,387	2,051
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>37</u>	<u>-</u>	<u>1,387</u>	<u>2,051</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 1,931</u>	<u>\$ 2,051</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Department of Justice Livescan Fees Fund	Police Department Trading Card Fund	Chaplains- Disaster Relief Fund	Canine Protect Fund
<u>ASSETS</u>				
Cash and investments	\$ 722	\$ 1,755	\$ -	\$ 25,602
Accounts receivable	-	-	-	-
Interest receivable	-	1	-	10
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
Prepaid items	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 722</u>	<u>\$ 1,756</u>	<u>\$ -</u>	<u>\$ 25,612</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 722	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>722</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	-	1,756	-	25,612
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>-</u>	<u>1,756</u>	<u>-</u>	<u>25,612</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 722</u>	<u>\$ 1,756</u>	<u>\$ -</u>	<u>\$ 25,612</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Fire Fund	Animal Control Fund	Police Fund	Special Projects Donations Fund
<u>ASSETS</u>				
Cash and investments	\$ 6,202	\$ 58,084	\$ 355	\$ 34
Accounts receivable	-	-	-	-
Interest receivable	2	22	-	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
Prepaid items	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 6,204</u>	<u>\$ 58,106</u>	<u>\$ 355</u>	<u>\$ 34</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	6,204	58,106	355	34
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>6,204</u>	<u>58,106</u>	<u>355</u>	<u>34</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,204</u>	<u>\$ 58,106</u>	<u>\$ 355</u>	<u>\$ 34</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

Capital Projects Funds

	<u>Capital Improvement</u>	<u>Transportati on Capital Projects</u>	<u>Capital Leases</u>
<u>ASSETS</u>			
Cash and investments	\$ 173	\$ -	\$ 4,405
Accounts receivable	-	-	-
Interest receivable	-	6	-
Due from other funds	-	-	-
Advances receivable	-	-	-
Prepaid items	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 173</u>	<u>\$ 6</u>	<u>\$ 4,405</u>
<u>LIABILITIES:</u>			
Accounts payable	\$ 173	\$ -	\$ -
Accrued wages	-	-	-
Due to other funds	-	6	-
Unearned revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>173</u>	<u>6</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS):</u>			
Restricted	-	-	4,405
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>-</u>	<u>-</u>	<u>4,405</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 173</u>	<u>\$ 6</u>	<u>\$ 4,405</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

	Debt Service Fund	
<u>ASSETS</u>	Wastewater Design Assessment District	Total Non- major Governmental Funds
Cash and investments	\$ 6,278	\$ 3,861,494
Accounts receivable	-	322,849
Interest receivable	-	1,428
Due from other funds	-	472,237
Advances receivable	-	19,535
Prepaid items	-	29,685
	-	-
Total Assets	\$ 6,278	\$ 4,707,228
 <u>LIABILITIES:</u>		
Accounts payable	\$ -	\$ 53,039
Accrued wages	-	46,001
Due to other funds	-	151,325
Unearned revenue	-	333,647
	-	-
Total Liabilities	-	584,012
 <u>FUND BALANCES (DEFICITS):</u>		
Restricted	6,278	4,127,578
Unassigned	-	(4,362)
	-	-
Total Fund Balances (Deficits)	6,278	4,123,216
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,278	\$ 4,707,228

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
JUNE 30, 2014

Special Revenue Funds				
	Cluster Septic	Animal Control Shelter	Gas Tax	Traffic Safety
REVENUES				
Taxes and assessments	\$ -	\$ 132,409	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	4,094	-	21,750
Use of money and property	-	-	515	21
Intergovernmental revenues	-	602	859,749	-
Charges for services	-	31,606	172	-
Program Income	-	-	-	-
Other revenues	-	24	42,080	-
Total Revenues	<u>-</u>	<u>168,735</u>	<u>902,516</u>	<u>21,771</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	135,789	-	-
Public works	-	-	-	-
Streets	-	-	944,493	-
Capital Outlay	-	-	12,461	-
Debt service:				
Principal	-	193	29,854	-
Total Expenditures	<u>-</u>	<u>135,982</u>	<u>986,808</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>32,753</u>	<u>(84,292)</u>	<u>21,771</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	393,120	-
Transfers out	<u>-</u>	<u>(34,087)</u>	<u>(198,778)</u>	<u>(30,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(34,087)</u>	<u>194,342</u>	<u>(30,000)</u>
Net Change in Fund Balances	<u>-</u>	<u>(1,334)</u>	<u>110,050</u>	<u>(8,229)</u>
Fund Balances (Deficits) - July 1, 2013	<u>(4,339)</u>	<u>2,838</u>	<u>393,583</u>	<u>31,563</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ (4,339)</u>	<u>\$ 1,504</u>	<u>\$ 503,633</u>	<u>\$ 23,334</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Special Projects	EDBG Repayment	HUD Revolving Loan	SLESF
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	90	186	12
Intergovernmental revenues	-	-	-	100,000
Charges for services	-	-	-	-
Program Income	-	-	9,144	-
Other revenues	-	5,843	-	-
	<u>-</u>	<u>5,843</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>5,933</u>	<u>9,330</u>	<u>100,012</u>
EXPENDITURES				
Current:				
General government	50	-	-	-
Community development	-	144,801	570	-
Public safety	-	-	-	23,800
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	24,064
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,064</u>
Total Expenditures	<u>50</u>	<u>144,801</u>	<u>570</u>	<u>47,864</u>
Excess of revenues over (under) expenditures	<u>(50)</u>	<u>(138,868)</u>	<u>8,760</u>	<u>52,148</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	182,943	-	-
Transfers out	-	(29,621)	-	(50,000)
	<u>-</u>	<u>153,322</u>	<u>-</u>	<u>(50,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>153,322</u>	<u>-</u>	<u>(50,000)</u>
Net Change in Fund Balances	<u>(50)</u>	<u>14,454</u>	<u>8,760</u>	<u>2,148</u>
Fund Balances (Deficits) - July 1, 2013	<u>255,409</u>	<u>55,412</u>	<u>153,205</u>	<u>14,934</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 255,359</u>	<u>\$ 69,866</u>	<u>\$ 161,965</u>	<u>\$ 17,082</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2014

Special Revenue Funds				
	Citizen Police	CMAQ	Asset Seizure	Highway Safety Improvement
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	17	-	6	-
Intergovernmental revenues	-	1,282,632	-	123,662
Charges for services	8	-	-	-
Program Income	-	-	-	-
Other revenues	<u>5,822</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>5,847</u>	<u>1,282,632</u>	<u>6</u>	<u>123,662</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	4,235	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,235</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>1,612</u>	<u>1,282,632</u>	<u>6</u>	<u>123,662</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>(1,282,632)</u>	<u>-</u>	<u>(123,662)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,282,632)</u>	<u>-</u>	<u>(123,662)</u>
Net Change in Fund Balances	<u>1,612</u>	<u>-</u>	<u>6</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2013	<u>13,482</u>	<u>-</u>	<u>5,578</u>	<u>-</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 15,094</u>	<u>\$ -</u>	<u>\$ 5,584</u>	<u>\$ -</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2014

Special Revenue Funds

	Safe Route to School	95 Impact Signalization	95 Impact PDFC	95 Impact FDFC
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	3,057	5,330	4,064
Fines and forfeitures	-	-	-	-
Use of money and property	-	81	47	19
Intergovernmental revenues	19,641	-	-	-
Charges for services	-	-	-	-
Program Income	-	-	-	-
Other revenues	-	-	-	-
	-	-	-	-
Total Revenues	19,641	3,138	5,377	4,083
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	19,641	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	-	-	-	-
Total Expenditures	19,641	-	-	-
Excess of revenues over (under) expenditures	-	3,138	5,377	4,083
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	3,138	5,377	4,083
Fund Balances (Deficits) - July 1, 2013	-	67,012	36,212	12,046
Fund Balances (Deficits) - June 30, 2014	\$ -	\$ 70,150	\$ 41,589	\$ 16,129

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	95 Impact Road	CDBG	Building Safety and Waste Water Services	Local Transportati on
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	39,782	-	804,437	-
Fines and forfeitures	-	-	15,223	-
Use of money and property	552	-	3,359	1,361
Intergovernmental revenues	-	117,897	-	940,007
Charges for services	-	-	15,345	-
Program Income	-	-	-	-
Other revenues	-	-	1,747	27,091
Total Revenues	<u>40,334</u>	<u>117,897</u>	<u>840,111</u>	<u>968,459</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	52,362	-	-
Public safety	-	-	-	-
Public works	-	-	546,792	-
Streets	-	-	-	889,524
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	386	-
Total Expenditures	<u>-</u>	<u>52,362</u>	<u>547,178</u>	<u>889,524</u>
Excess of revenues over (under) expenditures	<u>40,334</u>	<u>65,535</u>	<u>292,933</u>	<u>78,935</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(65,552)	(130,809)	(20,220)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(65,552)</u>	<u>(130,809)</u>	<u>(20,220)</u>
Net Change in Fund Balances	<u>40,334</u>	<u>(17)</u>	<u>162,124</u>	<u>58,715</u>
Fund Balances (Deficits) - July 1, 2013	<u>439,793</u>	<u>-</u>	<u>31,948</u>	<u>1,164,748</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 480,127</u>	<u>\$ (17)</u>	<u>\$ 194,072</u>	<u>\$ 1,223,463</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Town of Paradise Housing Authority	Abandoned Vehicle	95 Impact Drainage	AVOID
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	25,320	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	114	743	-
Intergovernmental revenues	-	38,765	-	53,081
Charges for services	-	-	-	-
Program Income	17,000	-	-	-
Other revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>17,000</u>	<u>38,879</u>	<u>26,063</u>	<u>53,081</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	1,056	-	53,087
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>1,056</u>	<u>-</u>	<u>53,087</u>
Excess of revenues over (under) expenditures	<u>17,000</u>	<u>37,823</u>	<u>26,063</u>	<u>(6)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	(4,444)	-	-
	<u>-</u>	<u>(4,444)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,444)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>17,000</u>	<u>33,379</u>	<u>26,063</u>	<u>(6)</u>
Fund Balances (Deficits) - July 1, 2013	<u>-</u>	<u>63,200</u>	<u>620,139</u>	<u>-</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 17,000</u>	<u>\$ 96,579</u>	<u>\$ 646,202</u>	<u>\$ (6)</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Traffic Safety - DUI			
	General Plan Fee	Impound Fees	AB109 State	CalHome Grant
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	6,250	-
Use of money and property	149	48	112	-
Intergovernmental revenues	-	-	64,555	43,500
Charges for services	36,334	15,120	-	-
Program Income	-	-	-	-
Other revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>36,483</u>	<u>15,168</u>	<u>70,917</u>	<u>43,500</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	40,000
Public safety	-	4,978	63,125	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	7,680	-
Debt service:				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>4,978</u>	<u>70,805</u>	<u>40,000</u>
Excess of revenues over (under) expenditures	<u>36,483</u>	<u>10,190</u>	<u>112</u>	<u>3,500</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(34,395)</u>	<u>-</u>	<u>-</u>	<u>(3,500)</u>
Total Other Financing Sources (Uses)	<u>(34,395)</u>	<u>-</u>	<u>-</u>	<u>(3,500)</u>
Net Change in Fund Balances	<u>2,088</u>	<u>10,190</u>	<u>112</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2013	<u>127,180</u>	<u>30,951</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 129,268</u>	<u>\$ 41,141</u>	<u>\$ 112</u>	<u>\$ -</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Clark Road Signal	Improvement Agreements	Tree Replacement in Lieu	Hydrant Maintenance
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	6,045	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	7	-	3	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	2,658	-
Program Income	-	-	-	-
Other revenues	-	-	-	2,711
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,711</u>
Total Revenues	<u>6,052</u>	<u>-</u>	<u>2,661</u>	<u>2,711</u>
EXPENDITURES				
Current:				
General government	-	-	163	-
Community development	-	-	-	-
Public safety	-	-	-	282
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>163</u>	<u>282</u>
Excess of revenues over (under) expenditures	<u>6,052</u>	<u>-</u>	<u>2,498</u>	<u>2,429</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>6,052</u>	<u>-</u>	<u>2,498</u>	<u>2,429</u>
Fund Balances (Deficits) - July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,121</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 6,052</u>	<u>\$ -</u>	<u>\$ 2,498</u>	<u>\$ 3,550</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Disability Access and Education	Regional Surface Transportati on Program	SMIP Fund	Police Department Seizures Fund
REVENUES				
Taxes and assessments	\$ -	\$ 299,314	\$ -	\$ -
Licenses, permits, and impact fees	-	-	71	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	2	-
Intergovernmental revenues	-	-	-	-
Charges for services	22	-	-	-
Program Income	-	-	-	-
Other revenues	-	-	-	234
Total Revenues	<u>22</u>	<u>299,314</u>	<u>73</u>	<u>234</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>22</u>	<u>299,314</u>	<u>73</u>	<u>234</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(299,314)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(299,314)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>22</u>	<u>-</u>	<u>73</u>	<u>234</u>
Fund Balances (Deficits) - July 1, 2013	<u>15</u>	<u>-</u>	<u>1,314</u>	<u>1,817</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 1,387</u>	<u>\$ 2,051</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Department of Justice Livescan Fees Fund	Police Department Trading Card Fund	Chaplains- Disaster Relief Fund	Canine Protect Fund
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	1	-	29
Intergovernmental revenues	-	-	-	-
Charges for services	8,498	-	-	-
Program Income	-	-	-	-
Other revenues	-	-	-	3,160
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,160</u>
Total Revenues	<u>8,498</u>	<u>1</u>	<u>-</u>	<u>3,189</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	8,498	-	288	3,923
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>8,498</u>	<u>-</u>	<u>288</u>	<u>3,923</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>1</u>	<u>(288)</u>	<u>(734)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>1</u>	<u>(288)</u>	<u>(734)</u>
Fund Balances (Deficits) - July 1, 2013	<u>-</u>	<u>1,755</u>	<u>288</u>	<u>26,346</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ -</u>	<u>\$ 1,756</u>	<u>\$ -</u>	<u>\$ 25,612</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			
	Fire Fund	Animal Control Fund	Police Fund	Special Projects Donations Fund
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	6	66	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Program Income	-	-	-	-
Other revenues	-	7,491	-	-
	<u>6</u>	<u>7,557</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>6</u>	<u>7,557</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	73	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	3,500
Debt service:				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>73</u>	<u>-</u>	<u>3,500</u>
Excess of revenues over (under) expenditures	<u>6</u>	<u>7,484</u>	<u>-</u>	<u>(3,500)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>6</u>	<u>7,484</u>	<u>-</u>	<u>(3,500)</u>
Fund Balances (Deficits) - July 1, 2013	<u>6,198</u>	<u>50,622</u>	<u>355</u>	<u>3,534</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 6,204</u>	<u>\$ 58,106</u>	<u>\$ 355</u>	<u>\$ 34</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2014

Capital Projects Funds

	Capital Improvement	Transportation Capital Projects	Capital Leases
REVENUES			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-
Fines and forfeitures	-	-	-
Use of money and property	-	17	7
Intergovernmental revenues	-	-	-
Charges for services	-	-	-
Program Income	-	-	-
Other revenues	-	-	-
	-	-	-
Total Revenues	-	17	7
EXPENDITURES			
Current:			
General government	-	-	-
Community development	-	-	-
Public safety	-	-	-
Public works	-	-	-
Streets	-	-	-
Capital Outlay	1,624,334	-	47,292
Debt service:			
Principal	-	-	-
	-	-	-
Total Expenditures	1,624,334	-	47,292
Excess of revenues over (under) expenditures	(1,624,334)	17	(47,285)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,624,334	-	-
Transfers out	-	(261,174)	-
Total Other Financing Sources (Uses)	1,624,334	(261,174)	-
Net Change in Fund Balances	-	(261,157)	(47,285)
Fund Balances (Deficits) - July 1, 2013	-	261,157	51,690
Fund Balances (Deficits) - June 30, 2014	\$ -	\$ -	\$ 4,405

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2014

	Debt Service Fund	
	Wastewater Design Assessment District	Total Non- major Governmental Funds
<u>REVENUES</u>		
Taxes and assessments	\$ -	\$ 431,723
Licenses, permits, and impact fees	-	888,106
Fines and forfeitures	-	47,317
Use of money and property	-	7,570
Intergovernmental revenues	-	3,644,091
Charges for services	-	109,763
Program Income	-	26,144
Other revenues	<u>(20)</u>	<u>96,183</u>
Total Revenues	<u>(20)</u>	<u>5,250,897</u>
<u>EXPENDITURES</u>		
Current:		
General government	-	213
Community development	-	237,733
Public safety	-	318,775
Public works	-	546,792
Streets	-	1,834,017
Capital Outlay	-	1,695,267
Debt service:		
Principal	<u>-</u>	<u>54,497</u>
Total Expenditures	<u>-</u>	<u>4,687,294</u>
Excess of revenues over (under) expenditures	<u>(20)</u>	<u>563,603</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers in	-	2,200,397
Transfers out	<u>-</u>	<u>(2,568,188)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(367,791)</u>
Net Change in Fund Balances	<u>(20)</u>	<u>195,812</u>
Fund Balances (Deficits) - July 1, 2013	<u>6,298</u>	<u>3,927,404</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 6,278</u>	<u>\$ 4,123,216</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CLUSTER SEPTIC FUND
JUNE 30, 2014

	Original Budget*	Final Budget*	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>REVENUES:</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
<u>EXPENDITURES:</u>				
Current:				
Public Safety	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2013	-	-	(4,339)	(4,339)
Fund balance (deficit), June 30, 2014	\$ -	\$ -	\$ (4,339)	\$ (4,339)

* The Town did not adopt a budget for the Cluster Septic Fund for the year ended June 30, 2014.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ANIMAL CONTROL SHELTER FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Taxes and assessments	\$ 131,075	\$ 132,409	\$ 132,409	\$ -
Fines and forfeitures	4,000	4,000	4,094	94
Intergovernmental revenues	-	-	602	602
Charges for services	35,028	30,175	31,606	1,431
Other revenues	<u>21,542</u>	<u>-</u>	<u>24</u>	<u>24</u>
Total revenues	<u>191,645</u>	<u>166,584</u>	<u>168,735</u>	<u>2,151</u>
<u>EXPENDITURES:</u>				
Current:				
Public Safety	157,919	135,363	135,789	(426)
Debt service:				
Principal	<u>193</u>	<u>193</u>	<u>193</u>	<u>-</u>
Total expenditures	<u>158,112</u>	<u>135,556</u>	<u>135,982</u>	<u>(426)</u>
Excess of revenues over (under) expenditures	<u>33,533</u>	<u>31,028</u>	<u>32,753</u>	<u>1,725</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(31,260)</u>	<u>(28,455)</u>	<u>(34,087)</u>	<u>(5,632)</u>
Total other financing sources (uses)	<u>(31,260)</u>	<u>(28,455)</u>	<u>(34,087)</u>	<u>(5,632)</u>
Net change in Fund balance	2,273	2,573	(1,334)	(3,907)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>2,838</u>	<u>2,838</u>
Fund balance (deficit), June 30, 2014	<u>\$ 2,273</u>	<u>\$ 2,573</u>	<u>\$ 1,504</u>	<u>\$ (1,069)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GAS TAX FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ -	\$ -	\$ 515	\$ 515
Charges for services	100	100	172	72
Intergovernmental revenues	920,982	1,090,881	859,749	(231,132)
Other revenues	<u>37,500</u>	<u>34,000</u>	<u>42,080</u>	<u>8,080</u>
Total revenues	<u>958,582</u>	<u>1,124,981</u>	<u>902,516</u>	<u>(222,465)</u>
<u>EXPENDITURES:</u>				
Current:				
Streets	1,000,506	987,895	944,493	43,402
Capital outlay	12,400	25,270	12,461	12,809
Principal	<u>29,854</u>	<u>29,854</u>	<u>29,854</u>	<u>-</u>
Total expenditures	<u>1,042,760</u>	<u>1,043,019</u>	<u>986,808</u>	<u>56,211</u>
Excess of revenues over (under) expenditures	<u>(84,178)</u>	<u>81,962</u>	<u>(84,292)</u>	<u>(166,254)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	56,848	64,004	393,120	329,116
Transfers out	<u>(211,546)</u>	<u>(218,154)</u>	<u>(198,778)</u>	<u>19,376</u>
Total other financing sources (uses)	<u>(154,698)</u>	<u>(154,150)</u>	<u>194,342</u>	<u>348,492</u>
Net change in Fund balance	(238,876)	(72,188)	110,050	182,238
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>393,583</u>	<u>393,583</u>
Fund balance (deficit), June 30, 2014	<u>\$ (238,876)</u>	<u>\$ (72,188)</u>	<u>\$ 503,633</u>	<u>\$ 575,821</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 TRAFFIC SAFETY FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 21,750	\$ (3,250)
Use of money and property	<u>50</u>	<u>50</u>	<u>21</u>	<u>(29)</u>
Total revenues	<u>25,050</u>	<u>25,050</u>	<u>21,771</u>	<u>(3,279)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net change in Fund balance	(4,950)	(4,950)	(8,229)	(3,279)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>31,563</u>	<u>31,563</u>
Fund balance (deficit), June 30, 2014	<u>\$ (4,950)</u>	<u>\$ (4,950)</u>	<u>\$ 23,334</u>	<u>\$ 28,284</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 SPECIAL PROJECTS FUND
 JUNE 30, 2014

<u>EXPENDITURES:</u>	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Current:				
General government	\$ _____ -	\$ _____ -	\$ _____ 50	\$ _____ (50)
Total expenditures	_____ -	_____ -	_____ 50	_____ (50)
Net change in Fund balance	-	-	(50)	(50)
Fund balance (deficit), July 1, 2013	_____ -	_____ -	_____ 255,409	_____ 255,409
Fund balance (deficit), June 30, 2014	\$ _____ -	\$ _____ -	\$ _____ 255,359	\$ _____ 255,359

* The Town did not adopt a budget for the Special Projects Fund for the year ended June 30, 2014.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
EDBG REPAYMENT FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 300	\$ 300	\$ 90	\$ (210)
Other revenues	<u>-</u>	<u>3,900</u>	<u>5,843</u>	<u>1,943</u>
Total revenues	<u>300</u>	<u>4,200</u>	<u>5,933</u>	<u>1,733</u>
<u>EXPENDITURES:</u>				
Current:				
Community development	<u>125,561</u>	<u>149,417</u>	<u>144,801</u>	<u>4,616</u>
Total expenditures	<u>125,561</u>	<u>149,417</u>	<u>144,801</u>	<u>4,616</u>
Excess of revenues over (under) expenditures	<u>(125,261)</u>	<u>(145,217)</u>	<u>(138,868)</u>	<u>6,349</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	212,290	221,827	182,943	(38,884)
Transfers out	<u>(29,621)</u>	<u>(29,684)</u>	<u>(29,621)</u>	<u>63</u>
Total other financing sources (uses)	<u>182,669</u>	<u>192,143</u>	<u>153,322</u>	<u>(38,821)</u>
Net change in Fund balance	57,408	46,926	14,454	(32,472)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>55,412</u>	<u>55,412</u>
Fund balance (deficit), June 30, 2014	<u>\$ 57,408</u>	<u>\$ 46,926</u>	<u>\$ 69,866</u>	<u>\$ 22,940</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HUD REVOLVING LOAN FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 500	\$ 500	\$ 186	\$ (314)
Program income	<u>6,000</u>	<u>6,000</u>	<u>9,144</u>	<u>3,144</u>
Total revenues	<u>6,500</u>	<u>6,500</u>	<u>9,330</u>	<u>2,830</u>
<u>EXPENDITURES:</u>				
Current:				
Community development	-	-	<u>570</u>	<u>(570)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>570</u>	<u>(570)</u>
Excess of revenues over (under) expenditures	<u>6,500</u>	<u>6,500</u>	<u>8,760</u>	<u>2,260</u>
Net change in Fund balance	6,500	6,500	8,760	2,260
Fund balance (deficit), July 1, 2013	-	-	<u>153,205</u>	<u>153,205</u>
Fund balance (deficit), June 30, 2014	<u>\$ 6,500</u>	<u>\$ 6,500</u>	<u>\$ 161,965</u>	<u>\$ 155,465</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
SLESF FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of Money and property	\$ 10	\$ 10	\$ 12	\$ 2
Intergovernmental revenues	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total revenues	<u>100,010</u>	<u>100,010</u>	<u>100,012</u>	<u>2</u>
<u>EXPENDITURES:</u>				
Current:				
Public Safety	23,800	23,800	23,800	-
Debt service:				
Principal	<u>35,566</u>	<u>35,566</u>	<u>24,064</u>	<u>11,502</u>
Total expenditures	<u>59,366</u>	<u>59,366</u>	<u>47,864</u>	<u>11,502</u>
Excess of revenues over (under) expenditures	<u>40,644</u>	<u>40,644</u>	<u>52,148</u>	<u>11,504</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in Fund balance	(9,356)	(9,356)	2,148	11,504
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>14,934</u>	<u>14,934</u>
Fund balance (deficit), June 30, 2014	<u>\$ (9,356)</u>	<u>\$ (9,356)</u>	<u>\$ 17,082</u>	<u>\$ 26,438</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CITIZEN POLICE FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Charges for Services	\$ -	\$ -	\$ 8	\$ 8
Use of money and property	35	35	17	(18)
Other revenues	<u>5,500</u>	<u>5,500</u>	<u>5,822</u>	<u>322</u>
Total revenues	<u>5,535</u>	<u>5,535</u>	<u>5,847</u>	<u>312</u>
<u>EXPENDITURES:</u>				
Current:				
Public safety	<u>2,450</u>	<u>2,450</u>	<u>4,235</u>	<u>(1,785)</u>
Total expenditures	<u>2,450</u>	<u>2,450</u>	<u>4,235</u>	<u>(1,785)</u>
Excess of revenues over (under) expenditures	<u>3,085</u>	<u>3,085</u>	<u>1,612</u>	<u>(1,473)</u>
Net change in Fund balance	3,085	3,085	1,612	(1,473)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>13,482</u>	<u>13,482</u>
Fund balance (deficit), June 30, 2014	<u>\$ 3,085</u>	<u>\$ 3,085</u>	<u>\$ 15,094</u>	<u>\$ 12,009</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 CMAQ FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ 1,446,680	\$ 1,446,680	\$ 1,282,632	\$ (164,048)
Total revenues	<u>1,446,680</u>	<u>1,446,680</u>	<u>1,282,632</u>	<u>(164,048)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(1,446,680)</u>	<u>(1,455,058)</u>	<u>(1,282,632)</u>	<u>172,426</u>
Total other financing sources (uses)	<u>(1,446,680)</u>	<u>(1,455,058)</u>	<u>(1,282,632)</u>	<u>172,426</u>
Net change in Fund balance	-	(8,378)	-	8,378
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2014	<u>\$ -</u>	<u>\$ (8,378)</u>	<u>\$ -</u>	<u>\$ 8,378</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 ASSET SEIZURE FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 6	\$ 6	\$ 6	\$ -
Total revenues	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	6	6	6	-
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>5,578</u>	<u>5,578</u>
Fund balance (deficit), June 30, 2014	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 5,584</u>	<u>\$ 5,578</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 HIGHWAY SAFETY IMPROVEMENT FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental revenues	\$ 94,261	\$ 94,261	\$ 123,662	\$ 29,401
Charges for services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>94,261</u>	<u>94,261</u>	<u>123,662</u>	<u>29,401</u>
Excess of revenues over (under) expenditures	94,261	94,261	123,662	29,401
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(94,261)</u>	<u>(93,039)</u>	<u>(123,662)</u>	<u>(30,623)</u>
Total other financing sources (uses)	<u>(94,261)</u>	<u>(93,039)</u>	<u>(123,662)</u>	<u>(30,623)</u>
Net change in Fund balance	-	1,222	-	(1,222)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2014	<u>\$ -</u>	<u>\$ 1,222</u>	<u>\$ -</u>	<u>\$ (1,222)</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 SAFE ROUTE TO SCHOOL
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ 28,050	\$ 20,050	\$ 19,641	\$ (409)
Total revenues	<u>28,050</u>	<u>20,050</u>	<u>19,641</u>	<u>(409)</u>
<u>EXPENDITURES:</u>				
Current:				
Public safety	<u>28,050</u>	<u>20,050</u>	<u>19,641</u>	<u>409</u>
Total expenditures	<u>28,050</u>	<u>20,050</u>	<u>19,641</u>	<u>409</u>
Excess of revenues over (under) expenditures	-	-	-	-
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
95 IMPACT SIGNALIZATION FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Licenses, permits, and impact fees	\$ 900	\$ 900	\$ 3,057	\$ 2,157
Use of money and property	<u>150</u>	<u>150</u>	<u>81</u>	<u>(69)</u>
Total revenues	<u>1,050</u>	<u>1,050</u>	<u>3,138</u>	<u>2,088</u>
<u>EXPENDITURES:</u>				
Current:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>1,050</u>	<u>1,050</u>	<u>3,138</u>	2,088
Net change in Fund balance	1,050	1,050	3,138	2,088
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>67,012</u>	<u>67,012</u>
Fund balance (deficit), June 30, 2014	<u>\$ 1,050</u>	<u>\$ 1,050</u>	<u>\$ 70,150</u>	<u>\$ 69,100</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
95 IMPACT PDFC FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Licenses, permits, and impact fees	\$ 1,800	\$ 1,800	\$ 5,330	\$ 3,530
Use of money and property	<u>75</u>	<u>75</u>	<u>47</u>	<u>(28)</u>
Total revenues	<u>1,875</u>	<u>1,875</u>	<u>5,377</u>	<u>3,502</u>
<u>EXPENDITURES:</u>				
Current:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	1,875	1,875	5,377	3,502
Net change in Fund balance	1,875	1,875	5,377	3,502
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>36,212</u>	<u>36,212</u>
Fund balance (deficit), June 30, 2014	<u>\$ 1,875</u>	<u>\$ 1,875</u>	<u>\$ 41,589</u>	<u>\$ 39,714</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 95 IMPACT FDFC FUND
 JUNE 30, 2014

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Licenses, permits, and impact fees	\$ 1,950	\$ 1,950	\$ 4,064	\$ 2,114
Use of money and property	<u>25</u>	<u>25</u>	<u>19</u>	<u>(6)</u>
Total revenues	<u>1,975</u>	<u>1,975</u>	<u>4,083</u>	<u>2,108</u>
Net change in Fund balance	1,975	1,975	4,083	2,108
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>12,046</u>	<u>12,046</u>
Fund balance (deficit), June 30, 2014	<u>\$ 1,975</u>	<u>\$ 1,975</u>	<u>\$ 16,129</u>	<u>\$ 14,154</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 95 IMPACT ROAD FUND
 JUNE 30, 2014

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Licenses, permits, and impact fees	\$ 14,000	\$ 14,000	\$ 39,782	\$ 25,782
Use of money and property	<u>1,000</u>	<u>1,000</u>	<u>552</u>	<u>(448)</u>
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>40,334</u>	<u>25,334</u>
Net change in Fund balance	15,000	15,000	40,334	25,334
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>439,793</u>	<u>439,793</u>
Fund balance (deficit), June 30, 2014	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 480,127</u>	<u>\$ 465,127</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CDBG FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ 217,314	\$ 228,899	\$ 117,897	\$ (111,002)
Total revenues	<u>217,314</u>	<u>228,899</u>	<u>117,897</u>	<u>(111,002)</u>
<u>EXPENDITURES</u>				
Community Development	<u>27,895</u>	<u>27,013</u>	<u>52,362</u>	<u>(25,349)</u>
Total Expenditures	<u>27,895</u>	<u>27,013</u>	<u>52,362</u>	<u>(25,349)</u>
Excess of revenues over (under) expenditures	<u>189,419</u>	<u>201,886</u>	<u>65,535</u>	<u>(136,351)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	<u>(91,690)</u>	<u>(96,804)</u>	<u>(65,552)</u>	<u>31,252</u>
Total Other Financing Sources (Uses)	<u>(91,690)</u>	<u>(96,804)</u>	<u>(65,552)</u>	<u>31,252</u>
Net change in Fund balance	97,729	105,082	(17)	(105,099)
Fund balance (deficit), July 1, 2013	-	-	-	-
Fund balance (deficit), June 30, 2014	<u>\$ 97,729</u>	<u>\$ 105,082</u>	<u>\$ (17)</u>	<u>\$ (105,099)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
BUILDING SAFETY & WASTE WATER SERVICES FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Licenses, permits, and impact fees	\$ 675,520	\$ 747,030	\$ 804,437	\$ 57,407
Fines and forfeitures	8,000	10,000	15,223	5,223
Use of money and property	3,152	3,152	3,359	207
Charges for services	22,855	10,750	15,345	4,595
Other Revenues	<u>-</u>	<u>1,747</u>	<u>1,747</u>	<u>-</u>
Total revenues	<u>709,527</u>	<u>772,679</u>	<u>840,111</u>	<u>67,432</u>
<u>EXPENDITURES</u>				
Public Works	575,281	575,812	546,792	29,020
Debt Service				
Principal	<u>387</u>	<u>387</u>	<u>386</u>	<u>1</u>
Total expenditures	<u>575,668</u>	<u>576,199</u>	<u>547,178</u>	<u>29,021</u>
Excess of revenues over (under) expenditures	<u>133,859</u>	<u>196,480</u>	<u>292,933</u>	<u>96,453</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(134,422)</u>	<u>(133,789)</u>	<u>(130,809)</u>	<u>2,980</u>
Total Other Financing Sources (Uses)	<u>(134,422)</u>	<u>(133,789)</u>	<u>(130,809)</u>	<u>2,980</u>
Net change in Fund balance	(563)	62,691	162,124	99,433
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>31,948</u>	<u>31,948</u>
Fund balance (deficit), June 30, 2014	<u>\$ (563)</u>	<u>\$ 62,691</u>	<u>\$ 194,072</u>	<u>\$ 131,381</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
LOCAL TRANSPORTATION FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 2,500	\$ 2,500	\$ 1,361	\$ (1,139)
Intergovernmental revenues	875,534	875,534	940,007	64,473
Other revenue	<u>29,000</u>	<u>29,000</u>	<u>27,091</u>	<u>(1,909)</u>
Total revenues	<u>907,034</u>	<u>907,034</u>	<u>968,459</u>	<u>61,425</u>
<u>EXPENDITURES:</u>				
Current:	-	-	-	
Streets	<u>957,202</u>	<u>956,912</u>	<u>889,524</u>	<u>67,388</u>
Total expenditures	<u>957,202</u>	<u>956,912</u>	<u>889,524</u>	<u>67,388</u>
Excess of revenues over (under) expenditures	<u>(50,168)</u>	<u>(49,878)</u>	<u>78,935</u>	<u>128,813</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(12,204)</u>	<u>(12,232)</u>	<u>(20,220)</u>	<u>(7,988)</u>
Total Other Financing Sources (Uses)	<u>(12,204)</u>	<u>(12,232)</u>	<u>(20,220)</u>	<u>(7,988)</u>
Net change in Fund balance	(62,372)	(62,110)	58,715	120,825
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>1,164,748</u>	<u>1,164,748</u>
Fund balance (deficit), June 30, 2014	<u>\$ (62,372)</u>	<u>\$ (62,110)</u>	<u>\$ 1,223,463</u>	<u>\$ 1,285,573</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 TOWN OF PARADISE HOUSING AUTHORITY FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Program Income	\$ _____ -	\$ _____ -	\$ 17,000	\$ 17,000
Total revenues	_____ -	_____ -	17,000	17,000
Net change in Fund balance	-	-	17,000	17,000
Fund balance (deficit), July 1, 2013	_____ -	_____ -	-	-
Fund balance (deficit), June 30, 2014	\$ _____ -	\$ _____ -	\$ 17,000	\$ 17,000

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ABANDONED VEHICLE FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 65	\$ 65	\$ 114	\$ 49
Intergovernmental revenues	<u>24,000</u>	<u>24,000</u>	<u>38,765</u>	<u>14,765</u>
Total revenues	<u>24,065</u>	<u>24,065</u>	<u>38,879</u>	<u>14,814</u>
<u>EXPENDITURES:</u>				
Current:	-	-	-	-
Public Safety	<u>140</u>	<u>140</u>	<u>1,056</u>	<u>(916)</u>
Total expenditures	<u>140</u>	<u>140</u>	<u>1,056</u>	<u>(916)</u>
Excess of revenues over (under) expenditures	<u>23,925</u>	<u>23,925</u>	<u>37,823</u>	<u>13,898</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(7,696)</u>	<u>(5,000)</u>	<u>(4,444)</u>	<u>556</u>
Total other financing sources (uses)	<u>(7,696)</u>	<u>(5,000)</u>	<u>(4,444)</u>	<u>556</u>
Net change in Fund balance	16,229	18,925	33,379	14,454
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>63,200</u>	<u>63,200</u>
Fund balance (deficit), June 30, 2014	<u>\$ 16,229</u>	<u>\$ 18,925</u>	<u>\$ 96,579</u>	<u>\$ 77,654</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
95 IMPACT DRAINAGE FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Licenses, permits, and impact fees	\$ 10,000	\$ 10,000	\$ 25,320	\$ 15,320
Use of money and property	<u>1,200</u>	<u>1,200</u>	<u>743</u>	<u>(457)</u>
Total revenues	<u>11,200</u>	<u>11,200</u>	<u>26,063</u>	<u>14,863</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	11,200	11,200	26,063	14,863
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>620,139</u>	<u>620,139</u>
Fund balance (deficit), June 30, 2014	<u>\$ 11,200</u>	<u>\$ 11,200</u>	<u>\$ 646,202</u>	<u>\$ 635,002</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
AVOID FUND
JUNE 30, 2014

	<u>Final Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental	\$ 65,500	\$ 55,500	\$ 53,081	\$ (2,419)
Total revenues	<u>65,500</u>	<u>55,500</u>	<u>53,081</u>	<u>(2,419)</u>
<u>EXPENDITURES</u>				
Public Safety	<u>65,500</u>	<u>65,500</u>	<u>53,087</u>	<u>12,413</u>
Total expenditures	<u>65,500</u>	<u>65,500</u>	<u>53,087</u>	<u>12,413</u>
Excess revenues over (under) expenditures	<u>-</u>	<u>(10,000)</u>	<u>(6)</u>	<u>9,994</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	-	(10,000)	(6)	9,994
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2014	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>\$ (6)</u>	<u>\$ 9,994</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL PLAN FEE FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 250	\$ 250	\$ 149	\$ (101)
Charges for services	<u>24,000</u>	<u>24,000</u>	<u>36,334</u>	<u>12,334</u>
Total revenues	<u>24,250</u>	<u>24,250</u>	<u>36,483</u>	<u>12,233</u>
<u>EXPENDITURES:</u>				
Current:	-	-	-	-
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>24,250</u>	<u>24,250</u>	<u>36,483</u>	<u>12,233</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(39,447)</u>	<u>(39,447)</u>	<u>(34,395)</u>	<u>5,052</u>
Total Other Financing Sources (Uses)	<u>(39,447)</u>	<u>(39,447)</u>	<u>(34,395)</u>	<u>5,052</u>
Net change in Fund balance	(15,197)	(15,197)	2,088	17,285
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>127,180</u>	<u>127,180</u>
Fund balance (deficit), June 30, 2014	<u>\$ (15,197)</u>	<u>\$ (15,197)</u>	<u>\$ 129,268</u>	<u>\$ 144,465</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
TRAFFIC SAFETY-DUE IMPOUND FEES FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 75	\$ 75	\$ 48	\$ (27)
Charges for services	<u>14,000</u>	<u>14,000</u>	<u>15,120</u>	<u>1,120</u>
Total revenues	<u>14,075</u>	<u>14,075</u>	<u>15,168</u>	<u>1,093</u>
<u>EXPENDITURES</u>				
Public Safety	<u>6,500</u>	<u>6,500</u>	<u>4,978</u>	<u>1,522</u>
Total Expenditures	<u>6,500</u>	<u>6,500</u>	<u>4,978</u>	<u>1,522</u>
Excess of revenue over (under) expenditures	<u>7,575</u>	<u>7,575</u>	<u>10,190</u>	<u>2,615</u>
Net change in Fund balance	7,575	7,575	10,190	2,615
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>30,951</u>	<u>30,951</u>
Fund balance (deficit), June 30, 2014	<u>\$ 7,575</u>	<u>\$ 7,575</u>	<u>\$ 41,141</u>	<u>\$ 33,566</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
AB109 STATE FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Fines and forfeitures	\$ -	\$ -	\$ 6,250	\$ 6,250
Use of money and property	-	-	112	112
Intergovernmental revenues	-	52,930	64,555	11,625
Total revenues	-	52,930	70,917	17,987
<u>EXPENDITURES:</u>				
Public Safety	-	27,725	63,125	(35,400)
Capital Outlay	-	7,680	7,680	-
Total expenditures	-	35,405	70,805	(35,400)
Excess of revenue over (under) expenditures	-	17,525	112	(17,413)
Net change in Fund balance	-	17,525	112	(17,413)
Fund balance (deficit), July 1, 2013	-	-	-	-
Fund balance (deficit), June 30, 2014	\$ -	\$ 17,525	\$ 112	\$ (17,413)

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 CALHOME GRANT FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ -	\$ -	\$ 43,500	\$ 43,500
Total revenues	-	-	43,500	43,500
<u>EXPENDITURES:</u>				
Current:	-	-	-	-
Community development	-	-	40,000	(40,000)
Total expenditures	-	-	40,000	(40,000)
Excess of revenue over (under) expenditures	-	-	3,500	3,500
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	-	-	(3,500)	(3,500)
Total other financing sources (uses)	-	-	(3,500)	(3,500)
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2013	-	-	-	-
Fund balance (deficit), June 30, 2014	\$ -	\$ -	\$ -	\$ -

* The Town did not adopt a budget for the CalHome Grant Fund for the year ended June 30, 2014.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CLARK ROAD SIGNAL FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Licenses, permits, and impact fees	\$ -	\$ -	\$ 6,045	\$ 6,045
Use of money and property	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
Total revenues	<u>-</u>	<u>-</u>	<u>6,052</u>	<u>6,052</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	-	-	6,052	6,052
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,052</u>	<u>\$ 6,052</u>

* The Town did not adopt a budget for the Clark Road Signal Fund for the year ended June 30, 2014.

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 IMPROVEMENT AGREEMENTS FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Total revenues	_____ -	_____ -	_____ -	_____ -
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	_____ -	_____ -	_____ -	_____ -
Total other financing sources (uses)	_____ -	_____ -	_____ -	_____ -
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2013	_____ -	_____ -	_____ -	_____ -
Fund balance (deficit), June 30, 2014	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>

* The Town did not adopt a budget for the Improvement Agreements Fund for the year ended June 30, 2014.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
TREE REPLACEMENT IN LIEU FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ -	\$ -	\$ 3	\$ 3
Charges for Services	<u>-</u>	<u>-</u>	<u>2,658</u>	<u>2,658</u>
Total revenues	<u>-</u>	<u>-</u>	<u>2,661</u>	<u>2,661</u>
<u>EXPENDITURES:</u>				
General government	<u>-</u>	<u>-</u>	<u>163</u>	<u>(163)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>163</u>	<u>(163)</u>
Excess of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>2,498</u>	<u>2,498</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	-	-	2,498	2,498
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,498</u>	<u>\$ 2,498</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HYDRANT MAINTENANCE FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Other revenues	<u>1,000</u>	<u>1,000</u>	<u>2,711</u>	<u>1,711</u>
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>2,711</u>	<u>1,711</u>
<u>EXPENDITURES:</u>				
Public Safety	<u>1,000</u>	<u>1,000</u>	<u>282</u>	<u>718</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>282</u>	<u>718</u>
Excess of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>2,429</u>	<u>2,429</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	-	-	2,429	2,429
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>1,121</u>	<u>1,121</u>
Fund balance (deficit), June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,550</u>	<u>\$ 3,550</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 DISABILITY ACCESS AND EDUCATION FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for Services	<u>34</u>	<u>34</u>	<u>22</u>	<u>(12)</u>
Total revenues	<u>34</u>	<u>34</u>	<u>22</u>	<u>(12)</u>
<u>EXPENDITURES:</u>				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>34</u>	<u>34</u>	<u>22</u>	<u>(12)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	34	34	22	(12)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
Fund balance (deficit), June 30, 2014	<u>\$ 34</u>	<u>\$ 34</u>	<u>\$ 37</u>	<u>\$ 3</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
REGIONAL SURFACE TRANSPORTATION PROGRAM FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Taxes and Assessments	\$ -	\$ -	\$ 299,314	\$ 299,314
Total revenues	<u>-</u>	<u>-</u>	<u>299,314</u>	<u>299,314</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(299,314)</u>	<u>(299,314)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(299,314)</u>	<u>(299,314)</u>
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 SMIP FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ -	\$ -	\$ 2	\$ 2
Licenses and permits	<u>75</u>	<u>75</u>	<u>71</u>	<u>(4)</u>
Total revenues	<u>75</u>	<u>75</u>	<u>73</u>	<u>(2)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	75	75	73	(2)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>1,314</u>	<u>1,314</u>
Fund balance (deficit), June 30, 2014	<u>\$ 75</u>	<u>\$ 75</u>	<u>\$ 1,387</u>	<u>\$ 1,312</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 POLICE DEPARTMENT SEIZURES FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Other revenues	\$ 500	\$ 500	\$ 234	\$ (266)
Total revenues	<u>500</u>	<u>500</u>	<u>234</u>	<u>(266)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	500	500	234	(266)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>1,817</u>	<u>1,817</u>
Fund balance (deficit), June 30, 2014	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 2,051</u>	<u>\$ 1,551</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 DEPARTMENT OF JUSTICE LIVESCAN FEES FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Charges for Services	\$ 12,000	\$ 12,000	\$ 8,498	\$ (3,502)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>8,498</u>	<u>(3,502)</u>
<u>EXPENDITURES:</u>				
Public Safety	<u>12,000</u>	<u>12,000</u>	<u>8,498</u>	<u>3,502</u>
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>8,498</u>	<u>3,502</u>
Excess of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 POLICE TRADING CARDS FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 4	\$ 4	\$ 1	\$ (3)
Total revenues	<u>4</u>	<u>4</u>	<u>1</u>	<u>(3)</u>
Net change in Fund balance	4	4	1	(3)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>1,755</u>	<u>1,755</u>
Fund balance (deficit), June 30, 2014	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 1,756</u>	<u>\$ 1,752</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 CHAPLAINS DISASTER RELIEF FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>EXPENDITURES:</u>				
Public Safety	\$ _____ -	\$ _____ -	\$ _____ 288	\$ _____ (288)
Total Expenditures	_____ -	_____ -	_____ 288	_____ (288)
Net change in Fund balance	-	-	288	288
Fund balance (deficit), July 1, 2013	_____ -	_____ -	_____ 288	_____ 288
Fund balance (deficit), June 30, 2014	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ 576</u>	<u>\$ _____ 576</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CANINE PROTECT FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 60	\$ 60	\$ 29	\$ (31)
Other Revenues	<u>1,000</u>	<u>1,000</u>	<u>3,160</u>	<u>2,160</u>
Total revenues	<u>1,060</u>	<u>1,060</u>	<u>3,189</u>	<u>2,129</u>
<u>EXPENDITURES:</u>				
Public Safety	<u>1,000</u>	<u>1,000</u>	<u>3,923</u>	<u>(2,923)</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>3,923</u>	<u>(2,923)</u>
Excess of revenue over (under) expenditures	<u>60</u>	<u>60</u>	<u>(734)</u>	<u>(794)</u>
Net change in Fund balance	60	60	(734)	(794)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>26,346</u>	<u>26,346</u>
Fund balance (deficit), June 30, 2014	<u>\$ 60</u>	<u>\$ 60</u>	<u>\$ 25,612</u>	<u>\$ 25,552</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 FIRE FUND
 JUNE 30, 2014

<u>REVENUES:</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Use of money and property	\$ 12	\$ 12	\$ 6	\$ (6)
Total revenues	<u>12</u>	<u>12</u>	<u>6</u>	<u>(6)</u>
Net change in Fund balance	12	12	6	(6)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>6,198</u>	<u>6,198</u>
Fund balance (deficit), June 30, 2014	<u>\$ 12</u>	<u>\$ 12</u>	<u>\$ 6,204</u>	<u>\$ 6,192</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ANIMAL CONTROL FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 150	\$ 150	\$ 66	\$ (84)
Other Revenues	<u>5,000</u>	<u>5,000</u>	<u>7,491</u>	<u>2,491</u>
Total revenues	<u>5,150</u>	<u>5,150</u>	<u>7,557</u>	<u>2,407</u>
<u>EXPENDITURES:</u>				
Public Safety	<u>-</u>	<u>-</u>	<u>73</u>	<u>(73)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>73</u>	<u>(73)</u>
Excess of revenue over (under) expenditures	<u>5,150</u>	<u>5,150</u>	<u>7,484</u>	<u>2,334</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(21,542)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(21,542)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	(16,392)	5,150	7,484	2,334
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>50,622</u>	<u>50,622</u>
Fund balance (deficit), June 30, 2014	<u>\$ (16,392)</u>	<u>\$ 5,150</u>	<u>\$ 58,106</u>	<u>\$ 52,956</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 POLICE FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Other Revenues	\$ 100	\$ 100	\$ -	\$ (100)
Total revenues	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
Net change in Fund balance	100	100	-	(100)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>355</u>	<u>355</u>
Fund balance (deficit), June 30, 2014	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 355</u>	<u>\$ 255</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 SPECIAL PROJECTS DONATIONS FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>EXPENDITURES:</u>				
Capital Outlay	\$ _____ -	\$ _____ -	\$ _____ 3,500	\$ _____ (3,500)
Total Expenditures	_____ -	_____ -	_____ 3,500	_____ (3,500)
Net change in Fund balance	-	-	(3,500)	(3,500)
Fund balance (deficit), July 1, 2013	_____ -	_____ -	_____ 3,534	_____ 3,534
Fund balance (deficit), June 30, 2014	\$ _____ -	\$ _____ -	\$ _____ 34	\$ _____ 34

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CAPITAL IMPROVEMENT FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>EXPENDITURES:</u>				
Capital Outlay	\$ 1,819,628	\$ 1,824,371	\$ 1,624,334	\$ 200,037
Total expenditures	<u>1,819,628</u>	<u>1,824,371</u>	<u>1,624,334</u>	<u>200,037</u>
Excess of revenue over (under) expenditures	<u>(1,819,628)</u>	<u>(1,824,371)</u>	<u>(1,624,334)</u>	<u>200,037</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	<u>1,819,628</u>	<u>1,824,371</u>	<u>1,624,334</u>	<u>(200,037)</u>
Total other financing sources (uses)	<u>1,819,628</u>	<u>1,824,371</u>	<u>1,624,334</u>	<u>(200,037)</u>
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 TRANSPORTATION CAPITAL PROJECTS FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ <u>100</u>	\$ <u>100</u>	\$ <u>17</u>	\$ <u>(83)</u>
Total revenues	<u>100</u>	<u>100</u>	<u>17</u>	<u>(83)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(252,971)</u>	<u>(252,971)</u>	<u>(261,174)</u>	<u>(8,203)</u>
Total other financing sources (uses)	<u>(252,971)</u>	<u>(252,971)</u>	<u>(261,174)</u>	<u>(8,203)</u>
Net change in Fund balance	(252,871)	(252,871)	(261,157)	(8,286)
Fund balance (deficit), July 1, 2013	<u>-</u>	<u>-</u>	<u>261,157</u>	<u>261,157</u>
Fund balance (deficit), June 30, 2014	<u>\$ (252,871)</u>	<u>\$ (252,871)</u>	<u>\$ -</u>	<u>\$ 252,871</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CAPITAL LEASES FUND
JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ _____ -	\$ _____ -	\$ _____ 7	\$ _____ 7
Total revenues	_____ -	_____ -	_____ 7	_____ 7
<u>EXPENDITURES:</u>				
Capital outlay	_____ 52,000	_____ 47,292	_____ 47,292	_____ -
Total Expenditures	_____ 52,000	_____ 47,292	_____ 47,292	_____ -
Excess of revenue over (under) expenditures	_____ (52,000)	_____ (47,292)	_____ (47,285)	_____ 7
Net change in Fund balance	(52,000)	(47,292)	(47,285)	7
Fund balance (deficit), July 1, 2013	_____ -	_____ -	_____ 51,690	_____ 51,690
Fund balance (deficit), June 30, 2014	\$ _____ (52,000)	\$ _____ (47,292)	\$ _____ 4,405	\$ _____ 51,697

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 WASTEWATER DESIGN ASSESSMENT DISTRICT FUND
 JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Other revenues	\$ _____ -	\$ _____ -	\$ _____ (20)	\$ _____ (20)
Total revenues	_____ -	_____ -	_____ (20)	_____ (20)
Net change in Fund balance	-	-	(20)	(20)
Fund balance (deficit), July 1, 2013	_____ -	_____ -	_____ 6,298	_____ 6,298
Fund balance (deficit), June 30, 2014	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ 6,278</u>	<u>\$ _____ 6,278</u>

TOWN OF PARADISE
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	Successor RDA Fund	RDA Debt Service Obligation Retirement Fund	Totals
<u>ASSETS</u>			
Cash and investments	\$ 175,027	\$ -	\$ 175,027
Restricted cash and investments with fiscal agents	373,501	-	373,501
Land	294,246	-	294,246
Total assets	842,774	-	842,774
<u>LIABILITIES</u>			
Interest payable	27,211	-	27,211
Long-term debt, due within one year	-	-	-
Long-term debt, due in more than one year	7,770,779	-	7,770,779
Total liabilities	7,797,990	-	7,797,990
<u>NET POSITION</u>			
Unrestricted	(6,955,216)	-	(6,955,216)
Total net position (deficit)	\$ (6,955,216)	\$ -	\$ (6,955,216)

TOWN OF PARADISE
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
JUNE 30, 2014

	Successor RDA Fund	RDA Debt Service Obligation Retirement Fund	Totals
<u>ADDITIONS</u>			
Taxes and assessments	\$ -	\$ 360,800	\$ 360,800
Investment revenue	544	-	544
Interfund transfer in	<u>360,800</u>	<u>-</u>	<u>360,800</u>
Total additions	<u>361,344</u>	<u>360,800</u>	<u>722,144</u>
<u>DEDUCTIONS</u>			
Interest expense	339,931	-	339,931
Interfund transfer out	<u>-</u>	<u>360,800</u>	<u>360,800</u>
Total deductions	<u>339,931</u>	<u>360,800</u>	<u>700,731</u>
Change in Net position	21,413	-	21,413
Net position - July 1, 2013	<u>(6,849,641)</u>	<u>-</u>	<u>(6,849,641)</u>
Prior period adjustments	<u>(126,988)</u>	<u>-</u>	<u>(126,988)</u>
Net position - July 1, 2013, restated	<u>(6,976,629)</u>	<u>-</u>	<u>(6,976,629)</u>
Net position (deficit) - June 30, 2014	<u>\$ (6,955,216)</u>	<u>\$ -</u>	<u>\$ (6,955,216)</u>

TOWN OF PARADISE
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2014

	<u>Employee BankFund</u>	<u>Police Department Found Money Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ <u>340</u>	\$ <u>4,630</u>	\$ <u>4,970</u>
Total assets	\$ <u>340</u>	\$ <u>4,630</u>	\$ <u>4,970</u>
<u>LIABILITIES</u>			
Due to others	\$ <u>340</u>	\$ <u>4,630</u>	\$ <u>4,970</u>
Total liabilities	\$ <u>340</u>	\$ <u>4,630</u>	\$ <u>4,970</u>

TOWN OF PARADISE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
EMPLOYEE BANK FUND				
ASSETS				
Cash and investments	\$ <u>233</u>	\$ <u>107</u>	\$ <u>-</u>	\$ <u>340</u>
Total Assets	\$ <u>233</u>	\$ <u>107</u>	\$ <u>-</u>	\$ <u>340</u>
LIABILITIES				
Due to others	\$ <u>233</u>	\$ <u>107</u>	\$ <u>-</u>	\$ <u>340</u>
Total liabilities	\$ <u>233</u>	\$ <u>107</u>	\$ <u>-</u>	\$ <u>340</u>
POLICE DEPARTMENT FOUND				
MONEY FUND				
ASSETS				
Cash and investments	\$ <u>4,425</u>	\$ <u>205</u>	\$ <u>-</u>	\$ <u>4,630</u>
Total assets	\$ <u>4,425</u>	\$ <u>205</u>	\$ <u>-</u>	\$ <u>4,630</u>
LIABILITIES				
Accounts payable	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Due to others	<u>4,425</u>	<u>205</u>	<u>-</u>	<u>4,630</u>
Total liabilities	\$ <u>4,425</u>	\$ <u>205</u>	\$ <u>-</u>	\$ <u>4,630</u>