
**TOWN OF PARADISE
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2015**

TOWN OF PARADISE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 9
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Governmental Funds:	
Balance Sheet - Governmental Funds	12 - 13
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances	15 - 16
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	17
Proprietary Funds	
Statement of Net Position	18
Statement of Revenues, Expenses and Changes in Net Position	19
Statement of Cash Flows	20
Fiduciary Funds	
Statement of Net Position	21
Statement of Changes in Fiduciary Net Position	22
Notes to Basic Financial Statements	23 - 57
Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	58 - 59
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget and Actual - Home Grant Fund	60
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget and Actual - CAL Home Rehabilitation Fund	61
Schedule of Funding Progress - Other Postemployment Benefits (OPEB)	62
Schedule of Town's Proportionate Share of the Net Pension Liability	
Schedule of Contributions	63

TOWN OF PARADISE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

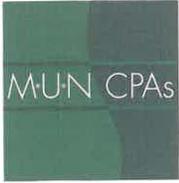
TABLE OF CONTENTS

	Page
Other Supplemental Information	
Non-major Governmental Funds	
Combining Balance Sheet	65 - 77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	78 - 90
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Cluster Septic Fund	91
Animal Control Shelter Fund	92
Gas Tax Fund	93
Traffic Safety Fund	94
Special Projects Fund	95
EDBG Repayment Fund	96
HUD Revolving Loan Fund	97
SLESF Fund	98
Citizen Police Fund	99
First Time Homebuyer Fund	100
Asset Seizure Fund	101
Highway Safety Improvement Fund	102
Active Transportation Program	103
95 Impact Signalization Fund	104
95 Impact PDFC Fund	105
95 Impact FDFC Fund	106
95 Impact Road Fund	107
CDBG Fund	108
Building Safety & Waste Water Services Fund	109
Transit Fund	110
Housing Authority Fund	111
Abandoned Vehicle Fund	112
95 Impact Drainage Fund	113
AVOID Fund	114
General Plan Fee Fund	115
Traffic Safety - DUI Impound Fees Fund	116

TOWN OF PARADISE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

	Page
Other Supplemental Information (continued)	
AB 109 State Fund	117
Cal Home Grant Fund	118
Clark Road Signal Fund	119
Improvement Agreement Fund	120
Tree Replacement In Lieu Fund	121
Hydrant Maintenance Fund	122
Disability Access & Education Fund	123
Regional Surface Transportation Program Fund	124
SMIP Fund	125
Police Department Seizures Fund	126
Department of Justice Livescan Fees Fund	127
Police Trading Cards Fund	128
Grants Miscellaneous One Time	129
Canine Protect Fund	130
Fire Fund	131
Animal Control Fund	132
Police Fund	133
Special Projects Donations Fund	134
Memorial Trailway	135
Capital Improvement Fund	136
Transportation Capital Projects Fund	137
Capital Leases Fund	138
Wastewater Design Assessment District	139
Fiduciary Funds:	
Private Purpose Trust Funds:	
Combining Statement of Net Position	140
Combining Statement of Changes in Net Position	141
Agency Funds	
Combining Statement of Fiduciary Assets and Liabilities	142
Statement of Changes in Assets and Liabilities	143



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, 2015, and the related notes to the financial statements, which collectively comprise the Town of Paradise'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paradise, as of June 30, 2015, 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2015, the Town adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. 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, pension related schedules, and schedules 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2016, 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 the Town of Paradise's internal control over financial reporting and compliance.



Sacramento, California
January 27, 2016

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, 2015. 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.

In its second year of recession recovery, the Town is rebuilding cash reserves and ending fund balances. Cash and investments increase 16.3 percent compared to the prior year. Also, the Town actively sought funding for infrastructure improvement projects and increased capital assets 7.1 percent.

This fiscal year, with the implementation of the Governmental Accounting Standards Board (GASB) statement number 68 the Town reports \$16.24 million of pension liability and pension related net deferred use of resources to its activities. The Town contracts with CalPERS for Pension benefits for its employees. Ahead of this pronouncement, in April 2007, the Town issued a \$10.9 million bond to fund the unfunded pension liability recognized at that time. The Town is making annual bond payments and the obligation will be retired in another sixteen years. Unfortunately, this bond was issued at the height of the recession. Since the time of issuance, CalPERS investment losses eroded roughly 25 percent of the bond investment as well as their other pension assets. Further, the Town cut its workforce over 44 percent, including the outsourcing of fire personnel services, in response to the recession and reduced revenues. In addition, the Town reduced pension benefits for new hires. While these cuts and benefit reductions were financially necessary to lessen budget deficits in the short term, the result is that the Town contributed less normal pension contributions the last several years thereby increasing the growth of long term pension liability. Starting with the 2015/16 fiscal year, and in addition to the normal annual pension contributions for active employees, the Town is making sizeable contributions toward the long term pension obligation just described. This obligation is being amortized over a 25 year period. These annual contributions are currently manageable for the Town.

The other long term liabilities have been reduced 4.7 percent and obligations due within one year have been reduced 2.2 percent compared to the prior year. The Town continues to make a concerted effort to reduce liabilities and not incur new debt.

**Table 1
Net Position**

	Governmental Activities	
	2015	2014
Current and other assets	\$8,278,148	\$7,013,566
Capital assets	14,927,424	13,938,651
Total Assets	<u>23,205,572</u>	<u>20,952,217</u>
Long term liabilities (due in more than one year)	(16,730,439)	(17,554,355)
Net pension liability	(12,901,028)	(0)
Other liabilities	(1,900,395)	(1,942,535)
Total Liabilities	<u>(31,531,862)</u>	<u>(19,496,890)</u>
Deferred outflow of resources	1,064,115	0
Deferred inflow of resources	(4,400,210)	(0)
Net Deferred Use of Resources	<u>(3,336,095)</u>	<u>0</u>
Net Position:		
Invested in capital assets, net of debt	8,744,000	5,694,753
Restricted	4,526,512	3,462,591
Unrestricted	(24,932,897)	(7,702,017)
Total Net Position	<u>\$(11,662,385)</u>	<u>\$1,455,327</u>

Table 2 below shows another perspective of the net assets of the Town. The Town's revenues, exclusive of grants and contributions for operations and capital projects, grew from \$10.6 million to \$11.5 million an 8.3 percent increase. Total revenues have decreased \$961,018 or 5.5 percent because operating and capital contributions and grants have decreased 7.3 percent. Contributions and grant revenues fund special programs and capital improvement projects, so the service functions of public safety, public works and general government were not impacted.

Total expenses were reduced \$2.13 million or 12.7 percent. This is a reflection of both fewer contribution and grant revenues to spend and tight fiscal controls over department spending. Before prior period adjustments, net position grows \$1.9 million leaving many operating funds with improved ending fund balances and reserves. A prior period adjustment of \$15.1 million related to GASB 68 and the Town's Pension obligation results in a decrease in the Town's net assets of \$13.1 million. It is important to note that the Pension obligation is not a new liability to the Town, but is reported in a different manner this fiscal year. Further, it is an obligation the Town is funding and is manageable.

Table 2
Changes in Net Assets

	Governmental Activities	
	2015	2014
Revenues		
Program Revenues:		
Charges for Services	\$1,286,525	\$1,207,712
Operating Contributions & Grants	4,804,507	6,682,096
Capital Contributions & Grants	275,063	238,579
General Revenues:		
Property Taxes	4,438,783	4,310,387
Other Taxes	3,252,208	2,886,018
Motor vehicle in-lieu	2,294,567	1,922,350
Other general revenues	246,756	312,285
Total Revenues	16,598,409	17,559,427
Program expenses		
General Government	1,869,009	2,485,765
Community Development	891,308	3,007,043
Public Safety	7,668,210	7,289,415
Public Works	612,395	504,073
Parks & Recreation	485,616	525,625
Streets	2,367,176	2,204,063
Interest on Long Term Debt	771,182	779,682
Total Expenses	14,664,896	16,795,666
Change in Net Position before prior period adjustments & extraordinary items	1,933,513	763,761
Prior period adjustments	(15,051,225)	(8,674,591)
Net asset transfer	0	88,014
Change in net assets	(\$13,117,712)	(\$7,822,816)

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 \$7.52 million. It reflects a 22 percent or \$1,372,216 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 10 percent growth or \$992,063; the second year of growth after many years of decline. All major revenue categories have increased while three minor categories decreased. Taxes and assessments which provide 72 percent of the general fund revenues grew 6.9 percent. Measure C a 0.50 percent transaction and use tax measure approved by the voters in November 2014, provided additional revenues of \$291,666.

With the increased revenues, the Town was able to restore some critical operating expenses to the general fund increasing expenditures \$482,408 or 5 percent. The general fund maintains historically low full time equivalency employees of 43.70 employees for the fiscal year a 3.6 increase from the prior year, but well below its prerecession levels of 81.32.

As would be expected in the general fund, public safety represents 70 percent of general fund expenditures. Public safety expenditures increased 5.6 percent in order to maintain appropriate services for the community. Debt service principal and interest reflect an increase of \$6,568 and this is after including the \$25,000 scheduled increase for the Pension Obligation Bond. This shows that other general fund obligations have been paid down.

Revenues exceeded expenses by \$564,957 before transfers are reported. After transfers, the net change in general fund balance is a positive \$1,064,370. The ending general fund balance for June 30, 2015 is \$2,998,777 a 55 percent increase compared to the prior year. Of this, \$707,270 is unassigned reserves that reduce the amount of cash needed to be borrowed annually to fund operations. This is a significant improvement compared to the prior year when there were no unassigned reserves available.

Other Key Governmental Funds

The animal control fund saw an increase in revenues of \$29,265 or 17 percent. The nonprofit organization, Paradise Animal Shelter Helpers, for the first time reimbursed the fund \$9,754 to fund the costs of certain shelter specific expenses. Increases were also seen in citation fees and impound fees. Expenditures and transfers out increased \$22,839 or 13 percent. The increase was mainly a result of increased staffing levels which were needed to maintain existing services. This resulted in an ending fund balance of \$6,596. As the Town begins to restore staffing levels to maintain services, the fund is not self-sustaining and will require transfers in from the animal control donation fund to balance. Within the next three years, a decision will need to be made to either increase fees to a point that fully funds the services provided or to decrease services.

The building safety and waste water services fund had revenues of \$935,539; an increase of \$95,428 or 11 percent. Expenses and transfers out also increased but to a lesser extent \$60,505 to \$738,488 which is an increase of 9 percent. The fund now has an ending fund balance of \$391,125. This fund is vulnerable to economic downturns and must maintain sufficient reserves to maintain adequate staffing and for equipment replacement. This fund accounts for the services provided to monitor building and onsite development.

Reduced gasoline prices reduced the revenues of the gas tax fund \$101,932, and decreased staff participation in capital improvement projects reduced transfers in \$29,901. Expenses and transfers out also decreased \$40,417, so revenues still exceeded expenses by \$18,634. This results in an ending fund balance of \$438,273. Revenues will again decrease in 2015/16, so a portion of the ending fund balance will be used to maintain services and contribute to capital improvement projects.

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 increased \$26,772 for the year compared to the prior year. These numbers are a direct reflection of what the insurance JPA is able to offer the Town in terms of dividends or return of equity. Little in the way of 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 2015, the Town had \$14,927,424, 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 \$988,774 after depreciation or 7.1 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. Also, three properties owned by the former Paradise Redevelopment Agency were transferred to the Town of Paradise because they serve a governmental purpose.

The Town's fiscal year 2015 capital budget included \$1.8 million in street maintenance, rehabilitation, and new construction and design. Both the Downtown Paradise Safety Project and the Paradise Signal Upgrade Project were completed during the year. Some preliminary engineering and design work was completed on a number of other

capital improvement projects slated to be completed in the next few years. These projects are primarily funded through federal and state grants. This year's major additions included:

- Former RDA properties 294,246
- Construction in Process:
 - Clark Road Safety Enhancements 19,217
 - Cypress Curve Realignment 98,475
 - Maxwell School Connectivity 5,640
 - Paradise Signal Upgrades 301,240
 - Pearson Road School Connectivity 6,416
 - Pearson Road Shoulder Widening 37,635
 - Skyway Highway Safety Plan 1,163,790
- New Roof for Fire Station 81 90,487
- Two IT Servers 20,313
- Snow Plow and Sanding Unit 12,092

Table 3
Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities	
	2015	2014
Land	\$1,359,482	\$1,065,236
Construction in progress	472,508	468,480
Buildings and improvements	341,007	274,045
Infrastructure	12,321,168	11,526,779
Machinery and equipment	270,955	335,201
Vehicles	162,304	268,910
Totals	\$14,927,424	\$13,938,651

Debt

At year end, the Town had \$30.8 million in notes, bonds, capital leases, other post-employment benefits (OPEB), CalPERS pension liability, and compensated absences. After the inclusion of the GASB 68 related pension liability, the total liabilities decrease compared to the prior year 12.7 percent. \$1.2 million of the obligations shown in table 4 are due within one year.

Table 4
Outstanding Debt at Year-end

	Governmental Activities	
	2015	2014
Bonds payable & accreted interest	\$11,371,292	\$11,607,515
Loans payable	58,717	0
Capital leases	344,708	440,971
OPEB	5,139,610	4,619,105
CAL FIRE OPEB Note	540,568	606,987
CalPERS side fund	0	919,951
Net pension liability	12,901,028	16,653,800
Compensated absences	444,820	436,836
Total Liabilities	\$30,800,743	\$35,285,165

No additional bonds or notes were issued in 2014/15, but one of the three former Paradise Redevelopment Agency properties that the Town received included an outstanding loan. That loan was assumed by the Town at the time of the transfer. As indicated in the capital assets section, only minimal equipment purchases were made during 2014/15 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 is containing the OPEB GASB 45 obligation; however, the Town was unable to contribute any monies to the

trust and an unexpected retirement increased the obligation in 2014/15. As described before, implementation of GASB 68 includes reporting of the net pension liability of the Town. The Town has taken measures to mitigate these benefits in the future and the obligation is being amortized over a period of 25 years.

Please refer to Notes 7 and 8 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 \$5,948 and the private-purpose trust funds net position is negative \$7.16 million as of June 30, 2015.

NEXT YEAR'S BUDGET AND ASSUMPTIONS

At the issuance of these financial statements, six of the twelve months has been completed of the 2015/16 fiscal year. The Town has also just completed its comprehensive mid-year budget report which confirms that the local economy is continuing to show modest growth. Property taxes and motor vehicle in lieu is projected to grow 3.82 percent and 4.13 percent respectively. Because of declining gasoline prices, sales taxes are expected to remain at prior year levels. However, other consumer spending driven revenues like franchise fees and transient occupancy taxes project growth. In addition, the community approved a 0.50 percent general transaction and use tax measure which took effect in April 2015. Based on receipts to date, the Town will receive additional revenues of about \$1.0 million a year for a total of six 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 2015/16 currently has \$11.7 million available for appropriations including transfers in. This is a 6.5 percent increase in revenues compared to the audit year being reported.

The Town will maintain a balanced general fund budget for 2015/16 and will add about \$41,000 to its unassigned reserves bringing the total unassigned reserves to about \$748,000. These unassigned reserves are 6.4 percent of the total projected 2015/16 appropriations. These reserves lessen the size of the Tax Revenue Anticipation Note the Town will obtain in 2016/17 thereby reducing interest expenses. Highlights of the measures in place in 2015/16 to maintain financial stability:

- ✓ 0.50 percent general transaction and use tax to generate additional revenues of \$1,000,000 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 \$17.5 million which is a 61.8 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 and expenditure growth of about 1.9 percent for the next five years. 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, 2015

	Governmental Activities
<u>ASSETS</u>	
Cash and investments (Note 3)	\$ 4,595,594
Restricted cash and investments with fiscal agents (Note 3)	1,609
Accounts receivable	1,670,232
Interest receivable	2,480
Prepaid items	593
Advances to the Successor Agency Trust Funds	2,006,769
Loans receivable, net of allowance of \$11,415,820 (Note 4)	871
Capital assets (Note 5):	
Nondepreciable:	
Land and construction in progress	1,831,990
Depreciable:	
Infrastructure, buildings, vehicles, and equipment	23,943,377
Accumulated depreciation	<u>(10,847,943)</u>
Total capital assets	<u>14,927,424</u>
Total Assets	<u>23,205,572</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>	
2015 Pension contributions (Note 8)	576,856
Changes in the net pension liability (Note 8)	<u>487,259</u>
Total Deferred Outflows of Resources	<u>1,064,115</u>
<u>LIABILITIES</u>	
Accounts payable	383,184
Accrued wages	201,968
Unearned revenue	145,967
Noncurrent liabilities (Note 7):	
Due within one year	1,169,276
Due in more than one year	16,730,439
Net pension liability (Note 8)	<u>12,901,028</u>
Total Liabilities	<u>31,531,862</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	
Changes in the net pension liability (Note 8)	<u>4,400,210</u>
<u>NET POSITION</u>	
Net investment in capital assets	8,744,000
Restricted for:	
Public safety	773,197
Streets and roads	1,809,554
Community development	855,276
Wastewater and drainage	1,088,485
Unrestricted	<u>(24,932,897)</u>
Total Net Position	<u>\$ (11,662,385)</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 1,869,009	\$ 118,752	\$ 1,185,727	\$ -	\$ (564,530)
Community development	891,308	703,920	747,407	-	560,019
Public safety	7,668,210	278,726	868,632	-	(6,520,852)
Public works	612,395	128,915	1,099,897	-	616,417
Parks and recreation	485,616	56,212	-	-	(429,404)
Streets	2,367,176	-	902,844	275,063	(1,189,269)
Interest on long term debt	771,182	-	-	-	(771,182)
Total Governmental Activities	<u>\$ 14,664,896</u>	<u>\$ 1,286,525</u>	<u>\$ 4,804,507</u>	<u>\$ 275,063</u>	<u>\$ (8,298,801)</u>

General Revenues:

Taxes:	
Secured and unsecured property taxes	\$ 4,438,783
Sales and usage taxes	2,097,519
Transient lodging tax	197,509
Franchise taxes	893,478
Real property transfer taxes	63,702
Other taxes	5,154
Motor vehicle in-lieu, unrestricted	2,294,567
Homeowners property tax relief, unrestricted	67,508
Investment income	12,656
Other	<u>161,438</u>
Total General Revenues and Transfers	<u>10,232,314</u>
Change in Net Position	1,933,513
Net Position - July 1, 2014	<u>1,455,327</u>
Prior period adjustments (Note 15)	(15,051,225)
Net Position - July 1, 2014, restated	<u>(13,595,898)</u>
Net Position - June 30, 2015	<u>\$ (11,662,385)</u>

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General Fund	Home Grant Fund	Cal Home Rehabilitation Fund
<u>ASSETS</u>			
Cash and investments	\$ 499,547	\$ 37	\$ 156,018
Restricted cash and investments with fiscal agents			
	1,609	-	-
Accounts receivable	965,717	-	-
Interest receivable	552	-	154
Prepaid items	593	-	-
Due from other funds	15,631	-	-
Advances receivable	-	-	-
Advances receivable from the Successor Agency			
Trust Funds	2,006,769	-	-
Loans receivable, net of allowance of \$11,415,820	871	-	-
 Total Assets	 \$ 3,491,289	 \$ 37	 \$ 156,172
 <u>LIABILITIES</u>			
Accounts payable	\$ 337,881	\$ 36	\$ -
Accrued wages	147,056	-	-
Due to other funds	-	-	-
Advances payable	7,575	-	-
Unearned revenue	-	-	-
 Total Liabilities	 492,512	 36	 -
 <u>FUND BALANCES</u>			
Nonspendable	2,008,233	-	-
Restricted	-	1	156,172
Assigned	283,274	-	-
Unassigned	707,270	-	-
 Total Fund Balances	 2,998,777	 1	 156,172
 Total Liabilities and Fund Balances	 \$ 3,491,289	 \$ 37	 \$ 156,172

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2015

	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>		
Cash and investments	\$ 3,913,186	\$ 4,568,788
Restricted cash and investments with fiscal agents	-	1,609
Accounts receivable	704,515	1,670,232
Interest receivable	1,774	2,480
Prepaid items	-	593
Due from other funds	627,936	643,567
Advances receivable	7,575	7,575
Advances receivable from the Successor Agency		
Trust Funds	-	2,006,769
Loans receivable, net of allowance of \$11,415,820	-	871
 Total Assets	 \$ 5,254,986	 \$ 8,902,484
 <u>LIABILITIES</u>		
Accounts payable	\$ 45,267	\$ 383,184
Accrued wages	54,912	201,968
Due to other funds	643,567	643,567
Advances payable	-	7,575
Unearned revenue	145,967	145,967
 Total Liabilities	 889,713	 1,382,261
 <u>FUND BALANCES</u>		
Nonspendable	-	2,008,233
Restricted	4,370,339	4,526,512
Assigned	-	283,274
Unassigned	(5,066)	702,204
 Total Fund Balances	 4,365,273	 7,520,223
 Total Liabilities and Fund Balances	 \$ 5,254,986	 \$ 8,902,484

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, 2015

Total fund balances of governmental funds	\$	7,520,223
<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 \$10,847,943 have not been included as financial resources in the governmental funds</p>		14,927,424
<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		(7,222,380)
Loans payable		(58,717)
Accrued interest payable		(4,148,912)
Capital leases payable		(344,708)
Other post-employment benefits		(5,139,610)
CDF retiree health vesting		(540,568)
Deferred inflows related to changes in the net pension liability		(4,400,210)
Net pension liability		(12,901,028)
Compensated absences		(444,820)
<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>		26,806
<p>Deferred outflows of resources related to charges in the net pension liability are not applicable to the current period.</p>		487,259
<p>Deferred outflows of resources related to 2015 pension contributions were made subsequent to the measurement date.</p>		<u>576,856</u>
Net position of governmental activities	\$	<u>(11,662,385)</u>

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, 2015

	General Fund	Home Grant Fund	Cal Home Rehabilitation Fund
<u>REVENUES</u>			
Taxes and assessments	\$ 7,690,991	\$ -	\$ -
Licenses, permits, and impact fees	5,154	-	-
Fines and forfeitures	47,651	-	-
Use of money and property	9,584	-	457
Intergovernmental revenues	2,671,246	-	-
Charges for services	204,482	-	-
Program income	-	173,535	74,505
Other revenues	47,149	-	-
	<u>10,676,257</u>	<u>173,535</u>	<u>74,962</u>
Total Revenues			
<u>EXPENDITURES</u>			
Current:			
General government	1,572,040	-	-
Community development	164,319	171,025	-
Public safety	7,087,839	-	-
Public works	24,294	-	-
Parks and recreation	10,503	-	-
Streets	-	-	-
Capital Outlay	121,984	-	-
Debt service:			
Principal	772,967	-	-
Interest and fiscal charges	357,354	-	-
	<u>10,111,300</u>	<u>171,025</u>	<u>-</u>
Total Expenditures			
Excess of revenues over (under) expenditures	<u>564,957</u>	<u>2,510</u>	<u>74,962</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from the issuance of debt	-	-	-
Transfers in	502,780	-	-
Transfers out	(3,367)	(7,874)	(3,720)
	<u>499,413</u>	<u>(7,874)</u>	<u>(3,720)</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	1,064,370	(5,364)	71,242
Fund Balances - July 1, 2014	<u>1,934,407</u>	<u>5,365</u>	<u>84,930</u>
Prior Period Adjustment (Note 15)	-	-	-
Fund Balance Restated - July 1, 2014	<u>1,934,407</u>	<u>5,365</u>	<u>84,930</u>
Fund Balances - June 30, 2015	<u>\$ 2,998,777</u>	<u>\$ 1</u>	<u>\$ 156,172</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, 2015

	<u>Other Governmental Funds</u>	<u>Totals</u>
<u>REVENUES</u>		
Taxes and assessments	\$ 430,543	\$ 8,121,534
Licenses, permits, and impact fees	959,720	964,874
Fines and forfeitures	77,963	125,614
Use of money and property	6,563	16,604
Intergovernmental revenues	3,716,156	6,387,402
Charges for services	146,837	351,319
Program income	5,652	253,692
Other revenues	<u>303,414</u>	<u>350,563</u>
Total Revenues	<u>5,646,848</u>	<u>16,571,602</u>
<u>EXPENDITURES</u>		
Current:		
General government	180	1,572,220
Community development	529,661	865,005
Public safety	244,465	7,332,304
Public works	600,193	624,487
Parks and recreation	-	10,503
Streets	1,847,331	1,847,331
Capital Outlay	1,637,811	1,759,795
Debt service:		
Principal	57,684	830,651
Interest and fiscal charges	<u>-</u>	<u>357,354</u>
Total Expenditures	<u>4,917,325</u>	<u>15,199,650</u>
Excess of revenues over (under) expenditures	<u>729,523</u>	<u>1,371,952</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Proceeds from the issuance of debt	84,337	84,337
Transfers in	2,038,132	2,540,912
Transfers out	<u>(2,525,951)</u>	<u>(2,540,912)</u>
Total Other Financing Sources (Uses)	<u>(403,482)</u>	<u>84,337</u>
Net Change in Fund Balances	326,041	1,456,289
Fund Balances - July 1, 2014	<u>4,123,225</u>	<u>6,147,927</u>
Prior Period Adjustment (Note 15)	(83,993)	(83,993)
Fund Balance Restated - July 1, 2014	<u>4,039,232</u>	<u>6,063,934</u>
Fund Balances - June 30, 2015	<u>\$ 4,365,273</u>	<u>\$ 7,520,223</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, 2015

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	\$	1,456,289
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		1,755,304
Depreciation expense		(1,060,776)
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		180,600
Bond principal payments		580,547
Notes payable payments		3,085
Accreted interest, net change		(344,322)
Issuance of debt issues are an other financing source in governmental funds, but an increase in long-term liabilities in the Statement of Net Position		
Proceeds from capital lease		(84,337)
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		7,984
Pension expense related to deferred outflows and inflows of resources		(133,581)
Other post-employment benefits		(520,505)
CDF retiree health vesting		66,419
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.		26,806
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>1,933,513</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Governmental Activities - Internal Service Fund
	<u> </u>
<u>ASSETS</u>	
Current Assets	
Cash and investments	\$ <u> 26,806</u>
Total Current Assets	<u> 26,806</u>
Total Assets	<u> 26,806</u>
<u>NET POSITION</u>	
Unrestricted	<u> 26,806</u>
Total Net Position	<u>\$ <u> 26,806</u></u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
 STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities - Internal Service Fund
<u>OPERATING REVENUES</u>	Fund
Other revenue	\$ <u>26,772</u>
Total Operating Revenues	<u>26,772</u>
Operating Income (Loss)	<u>26,772</u>
Change in Net Position	<u>26,772</u>
Net Position - July 1, 2014	<u>34</u>
Net Position - June 30, 2015	\$ <u><u>26,806</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, 2015

	Governmental Activities - Internal Service Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash received from users/ departments	\$ <u>26,772</u>
Net cash provided by operating activities	<u>26,772</u>
Net increase (decrease) in cash and cash equivalents	<u>26,772</u>
Cash and Cash Equivalents - July 1, 2014	<u>34</u>
Cash and Cash Equivalents - June 30, 2015	\$ <u><u>26,806</u></u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:	
Cash and investments	\$ <u>26,806</u>
Total cash and investments	\$ <u><u>26,806</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ <u>26,772</u>
Net cash provided (used) by operating activities	\$ <u><u>26,772</u></u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

<u>ASSETS</u>	<u>Private- Purpose Trust Funds</u>	<u>Agency Funds</u>
Cash and investments	\$ 190,519	\$ 5,948
Restricted cash and investments with fiscal agents	<u>372,976</u>	<u>-</u>
Total Assets	<u>563,495</u>	<u>5,948</u>
<u>LIABILITIES</u>		
Accounts payable	2,350	-
Accrued payroll payable	406	-
Interest payable	27,211	-
Due to others	-	5,948
Long-term debt, due in more than one year	<u>7,695,797</u>	<u>-</u>
Total Liabilities	<u>7,725,764</u>	<u>\$ 5,948</u>
<u>NET POSITION</u>		
Unrestricted	<u>(7,162,269)</u>	
Total net deficit	<u>\$ (7,162,269)</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, 2015

	Private- Purpose Trust Funds
<u>ADDITIONS</u>	
Taxes and assessments	\$ 362,586
Investment revenue	383
Interfund transfer in	362,586
Total Additions	725,555
<u>DEDUCTIONS</u>	
Administrative expenses	11,627
Interest expense	339,438
Interfund transfer out	362,586
Total Deductions	713,651
Changes in net position	11,904
Net deficit - July 1, 2014	(7,174,173)
Net deficit - June 30, 2015	\$ (7,162,269)

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015

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.

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:

- 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

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 internal service fund are received from the Town in order to pay for administrative expenses. 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.

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, 2015. The amount of accrued sick pay is not due upon termination and therefore is not recorded as a liability for the Town.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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>Valuation/Lien Date(s)</u>	<u>Secured</u>	<u>Unsecured</u>
Levy Date(s)	January 1 July 1	January 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, 2015

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, 2014, the Town implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statements No. 68 and 71

In June 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. This statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. 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. In November 2013, GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. This statement requires that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. See note for information on implementation.

J. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2015 or later. The Town has not determined the effects on the financial statements.

Government Accounting Standards Board Statement No. 72

In February 2015, GASB issued Statement No. 72, Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2016.

Government Accounting Standards Board Statement No. 73

In June 2015, GASB issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2016.

Government Accounting Standards Board Statement No. 74

In June 2015, GASB issued Statement No. 74, Financial Reporting for Postemployment Benefits other than Pension Plans. This statement replaces Statement No. 43 and 57 and improves the usefulness of information about postemployment benefits other than pensions. The Town has not determined what impact, if any, this pronouncement will have on the financial statements.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Application of this statement is effective for the Town's fiscal year ending June 30, 2017.

Government Accounting Standards Board Statement No. 75

In June 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB, and replaces Statements No. 45 and 57. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2018.

Government Accounting Standards Board Statement No. 76

In June 2015, GASB issued Statement No. 76, the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2016,

Government Accounting Standards Board Statement No. 77

In August 2015, GASB issued Statement No. 77, Tax Abatement Disclosures. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2017.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, Active Transportation Program Fund, Police Trading Cards Fund, Special Projects Donations Fund, Grants Miscellaneous One Time Fund, Police Fund, Clark Road Signal Fund, Memorial Trailway Fund, Tree Replacement In Lieu Fund, Transportation Capital Projects Fund, Town of Paradise Housing Authority Fund, Home Grant Fund, Cal Home Rehab Fund, and the Wastewater Design Assessment District Debt Service Fund.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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:			
EDBG Repayment Fund	\$ 196,283	\$ 200,310	\$ 4,027
Citizen Police Fund	\$ 3,455	\$ 5,985	\$ 2,530
Asset Seizure Fund	\$ -	\$ 180	\$ 180
Active Transportation Fund	\$ -	\$ 12,055	\$ 12,055
AVOID Fund	\$ 56,600	\$ 56,643	\$ 43
Hydrant Maintenance Fund	\$ 1,000	\$ 5,558	\$ 4,558
Police Department Seizures Fund	\$ -	\$ 1,095	\$ 1,095
Canine Protect Fund	\$ 3,300	\$ 24,519	\$ 21,219
HUD Revolving Loan Fund	\$ -	\$ 6,363	\$ 6,363
Special Projects Donations Fund	\$ -	\$ 28,354	\$ 28,354

C. Fund Deficits

The Cluster Septic Fund and Special Projects Donation Fund had fund balance deficits of \$4,339 and \$727 respectively at June 30, 2015. 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.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3: CASH AND INVESTMENTS

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

Governmental activities:	
Cash and investments	\$ 4,595,594
Restricted cash and investments with fiscal agents	1,609
Fiduciary Funds:	
Cash and investments	196,467
Restricted cash and investments with fiscal agents	<u>372,976</u>
Total cash and investments	<u>\$ 5,166,646</u>

Cash and investments were carried at fair value as of June 30, 2015 and consisted of the following:

Petty cash	\$ 1,950
Deposits with financial institutions	1,557,635
Investments	<u>3,607,061</u>
Total cash and investments	<u>\$ 5,166,646</u>

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

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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

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, 2015:

Investment Type	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
State Investment Pool (LAIF)	\$ 3,412,686	\$ -	\$ 3,412,686
Held by bond trustee:			
Money market funds	<u>194,375</u>	<u>-</u>	<u>194,375</u>
	<u>\$ 3,607,061</u>	<u>\$ -</u>	<u>\$ 3,607,061</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, 2015.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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)	\$ 3,412,686	N/A			Not rated
Held by bond trustee:					
Money market funds	<u>194,375</u>	N/A	AAAm	Aaa	
	<u>\$ 3,607,061</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, 2015.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code 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, 2015, the carrying amount of the Town's deposits was \$1,557,635 and bank balances were \$1,682,539 of which \$541,810 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.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015, was \$11,416,691, which included loans to homeowners totaling \$6,187,233, and loans to the developer (Paradise Community Village) totaling \$5,228,587.

The general fund has loans receivable at June 30, 2015, of \$871 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 Town'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, 2015. At June 30, 2015 the allowance for doubtful notes totaled \$11,415,820.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2015</u>
Capital assets not being depreciated					
Land	\$ 1,065,236	\$ 294,246	\$ -	\$ -	\$ 1,359,482
Construction in progress	<u>468,480</u>	<u>1,632,412</u>	<u>-</u>	<u>(1,628,384)</u>	<u>472,508</u>
Total capital assets not being depreciated	<u>1,533,716</u>	<u>1,926,658</u>	<u>-</u>	<u>(1,628,384)</u>	<u>1,831,990</u>
Capital assets being depreciated					
Buildings and improvements	1,738,388	90,487	-	-	1,828,875
Infrastructure	16,020,942	-	-	1,628,384	17,649,326
Machinery and equipment	1,623,751	32,405	(135,648)	-	1,520,508
Vehicles	<u>2,973,818</u>	<u>-</u>	<u>(29,150)</u>	<u>-</u>	<u>2,944,668</u>
Total capital assets being depreciated	<u>22,356,899</u>	<u>122,892</u>	<u>(164,798)</u>	<u>1,628,384</u>	<u>23,943,377</u>
Less: accumulated depreciation for:					
Buildings and improvements	(1,464,344)	(23,524)	-	-	(1,487,868)
Infrastructure	(4,494,164)	(833,994)	-	-	(5,328,158)
Machinery and equipment	(1,288,549)	(96,651)	135,647	-	(1,249,553)
Vehicles	<u>(2,704,908)</u>	<u>(106,607)</u>	<u>29,151</u>	<u>-</u>	<u>(2,782,364)</u>
Total accumulated depreciation	<u>(9,951,965)</u>	<u>(1,060,776)</u>	<u>164,798</u>	<u>-</u>	<u>(10,847,943)</u>
Capital assets, net	<u>\$ 13,938,650</u>	<u>\$ 988,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,927,424</u>

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

General government	\$ 32,596
Public safety	153,087
Parks and recreation	697,788
Streets	<u>177,305</u>
Total governmental activities depreciation expense	<u>\$ 1,060,776</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances

The composition of interfund balances at June 30, 2015, 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>Major Funds:</u>			
General Fund	<u>Non-major Funds</u> AVOID	Deficit cash balance	\$ 9,802
General Fund	Animal Control	Deficit cash balance	1,490
General Fund	Clustered Septic System Fund	Deficit cash balance	4,339
		Total Major Fund Receivables	15,631
<u>Non-major Fund</u>			
Gas Tax Fund	<u>Non-major Funds</u> Regional Surface Transportation Project	Deficit cash balance	\$ 298,181
Local Transportation Fund	Highway Safety Improvement Project	Deficit cash balance	274,386
Local Transportation Fund	Active Transportation Project	Deficit cash balance	12,055
HUD Revolving Loan Fund	CDBG Fund	Deficit cash balance	43,314
		Total Nonmajor Fund Receivables	627,936
		Total Interfund Payables	\$ 643,567

Long-term Advances

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<u>Non-major Fund:</u>		
Building Safety and Waste Water Services	<u>Major Fund:</u> General Fund	\$ 7,575

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, 2015, the balance of the advance was \$7,575. 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, 2015, the balance of the advance was \$7,575.

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, 2015

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

Transfer between funds during the fiscal year ended June 30, 2015 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>Major Governmental Funds</u>			
Building Safety & Waste Water	General Fund	Internal Services/ POB	\$ 137,713
Animal Control	General Fund	Internal Services/ POB	29,199
State Gas Tax	General Fund	Internal Services/ POB	166,681
Traffic Safety	General Fund	Operating Costs	30,000
Business and Housing Services	General Fund	Internal Services/ POB	31,397
State SLESF Grant	General Fund	CSO Support	50,000
AVA	General Fund	Code Enforcement	3,269
Local Transportation	General Fund	Internal Services/ POB	4,708
General Fund	State Gas Tax	Payroll Transfer	3,367
AB109	General Fund	Payroll Transfer	3,957
AVOID- Police Grant	General Fund	Payroll Transfer	19,921
State SLESF Grant	General Fund	Payroll Transfer	<u>25,935</u>
		Total Major Governmental Funds Transfers	\$ <u>506,147</u>
<u>Non-Major Governmental Funds</u>			
State Gas Tax	CIP Fund	Capital Improvement Projects	\$ 40,135
RSTP Fund	State Gas Tax	Operating Expense	298,181
HSIP Highway Safety	CIP Fund	Capital Improvement Project	1,129,252
HSIP Highway Safety	State Gas Tax	Capital Improvement Project	52,194
Active Transportation System	State Gas Tax	Capital Improvement Project	11,710
Active Transportation System	CIP Fund	Capital Improvement Project	345
HUD Loan Fund	Business and Housing Services	Activity Delivery	6,363
HOME Grant Fund	Business and Housing Services	Activity Delivery	7,874
Cal Home Rehabilitation	Business and Housing Services	Activity Delivery	3,720
Cal HOME Grant	Business and Housing Services	Activity Delivery	28,000
Impact Fees Signal Improvement	CIP Fund	Capital Improvement Project	8,359
HOME Grant	Business and Housing Services	Activity Delivery	1,660
Transit	CIP Fund	Capital Improvement Project	346,207
CDBG Com Dev Block Grant	Business and Housing Services	Payroll Transfers	100,765
		Total Non-Major Governmental Funds Transfers	<u>2,034,765</u>
		Total Governmental Interfund Transfers	\$ <u>2,540,912</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

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, 2015:

Receivable Fund	Payable Fund	Amount
Major Fund:	Private-Purpose Trust Fund:	
General Fund	Successor Redevelopment Agency Fund	\$ 2,006,769

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 \$2,006,769 as of June 30, 2015.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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 \$19,749. 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, 2015, total \$425,071 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, 2015 was \$7,222,380. The accreted interest on the capital appreciation bonds balance as of June 30, 2014 was \$4,148,912.

For the Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	507,371	542,630	1,050,001
2021 - 2025	2,356,796	3,438,204	5,795,000
2026 - 2030	1,934,543	4,325,457	6,260,000
2031 - 2035	<u>238,761</u>	<u>686,239</u>	<u>925,000</u>
Total	<u>\$ 7,222,380</u>	<u>\$ 10,692,621</u>	<u>\$ 17,915,001</u>

* The amount includes accreted interest.

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.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7: LONG TERM DEBT (CONTINUED)

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, 2015 were as follows:

For the Year Ending June 30	Payment
2016	\$ 45,527
2017	45,527
Total minimum lease payments	91,054
Less: amount representing interest	(6,076)
Present value of minimum lease payments	\$ 84,978

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, 2015 were as follows:

Fiscal Year Ending June 30	Payment
2016	\$ 59,167
2017	59,166
Total minimum lease payments	118,333
Less: amount representing interest	(6,389)
Present value of minimum lease payments	\$ 111,944

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 lease obligation was paid off during the fiscal year 2014-2015 with the final payment of \$4,180.

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, 2015 were as follows:

Fiscal Year Ending June 30	Payment
2016	\$ 14,497
2017	14,497
Total minimum lease payments	28,994
Less: amount representing interest	(2,589)
Present value of minimum lease payments	\$ 26,405

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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 lease obligation was paid off during the fiscal year 2014-2015 with the final payment of \$27,921.

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, 2015 were as follows:

Fiscal Year Ending June 30	Payment
2016	\$ <u>5,134</u>
Total minimum lease payments	<u>5,134</u>
Present value of minimum lease payments	\$ <u><u>5,134</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, 2015 were as follows:

Fiscal Year Ending June 30	Payment
2016	\$ 9,249
2017	<u>6,934</u>
Total minimum lease payments	16,183
Less: amount representing interest	<u>(731)</u>
Present value of minimum lease payments	\$ <u><u>15,452</u></u>

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, 2015 were as follows:

Fiscal Year Ending June 30	Payment
2016	\$ 11,307
2017	11,307
2018	<u>8,480</u>
Total minimum lease payments	31,094
Less: amount representing interest	<u>(1,716)</u>
Present value of minimum lease payments	\$ <u><u>29,378</u></u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7: LONG TERM DEBT (CONTINUED)

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 lease obligation was paid off during the fiscal year 2014-2015 with the final payment of \$10,000.

West American Equipment Lease #1

During the fiscal year 2014-2015, the Town entered into an agreement to lease several pieces of equipment for the Town. The lease requires 20 quarterly installments of \$3,084.03. The total lease payment of the lease was for \$56,200. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Fiscal Year Ending June 30	Payment
2016	\$ 12,338
2017	12,338
2018	12,338
2019	12,338
2020	3,084
Total minimum lease payments	52,436
Less: amount representing interest	(4,028)
Present value of minimum lease payments	\$ 48,408

West American Equipment Lease #2

During the fiscal year 2014-2015, the Town entered into an agreement to lease several pieces of equipment for the Town. The lease requires 16 quarterly installments of \$1,903. The total lease payment of the lease was for \$30,449. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Fiscal Year Ending June 30	Payment
2016	\$ 7,612
2017	7,612
2018	7,612
2019	1,903
Total minimum lease payments	24,739
Less: amount representing interest	(1,562)
Present value of minimum lease payments	\$ <u>23,177</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7: LONG TERM DEBT (CONTINUED)

D. Loans payable

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.

For the Year Ending	Jefford's Notes Payable	
	June 30	Principal
2016	12,973	4,228
2017	14,050	3,152
2018	15,216	1,985
2019	<u>16,479</u>	<u>723</u>
Total	<u>58,718</u>	<u>10,088</u>

E. Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015 was as follows:

	July 1, 2014			June 30, 2015	Due within
	Balance	Additions	Reductions	Balance	One Year
Government Activities:					
Bonds payable	\$ 7,802,927	\$ -	\$ (580,547)	\$ 7,222,380	\$ 570,929
Loans payable	-	61,802	(3,085)	58,717	12,973
Accreted interest payable	3,804,588	344,324	-	4,148,912	354,071
Capital leases	440,971	84,337	(180,600)	344,708	144,881
Other post-employment benefits	4,619,105	520,505	-	5,139,610	-
CDF Retiree Health Vesting	606,987	-	(66,419)	540,568	66,673
PERS side fund	919,951	-	(919,951)	-	-
Net pension liability	16,653,800	6,091,961	(9,844,733)	12,901,028	-
Compensated absences	<u>436,836</u>	<u>373,308</u>	<u>(365,324)</u>	<u>444,820</u>	<u>19,749</u>
Governmental activities long-term liabilities	<u>\$ 35,285,165</u>	<u>\$ 7,476,237</u>	<u>\$ (11,960,659)</u>	<u>\$ 30,800,743</u>	<u>\$ 1,169,276</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN

A. General Information about the Pensions Plans

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.

Benefits Provided

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

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire Date	<u>Miscellaneous</u>		<u>Safety</u>	
	<u>Tier I</u>	<u>Tier II</u>	<u>Tier I</u>	<u>Tier II</u>
Benefit Formula	2% @ 55	2% @ 60	3% @ 50	3% @ 55
Benefit Vesting Schedule				
Benefit Payments	Monthly	Monthly	Monthly	Monthly
Retirement Age	55	60	50	55
Monthly Benefits, as a % of Eligible Compensation	2%	2%	3%	3%
Required Employee Contribution Rates	7.000%	7.000%	9.000%	9.000%
Required Employer Contribution Rates	12.591%	8.050%	29.766%	21.367%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN (CONTINUED)

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>		<u>Safety</u>	
	<u>Tier I</u>	<u>Tier II</u>	<u>Tier I</u>	<u>Tier II</u>
Contributions - employer	\$ 198,053	\$ 7,079	\$ 290,161	\$ 54,965
Contributions - employee	<u>120,084</u>	<u>6,158</u>	<u>93,927</u>	<u>23,813</u>
Total	<u>\$ 318,137</u>	<u>\$ 13,237</u>	<u>\$ 384,088</u>	<u>\$ 78,778</u>

B. Net Pension Liability

The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. In addition, the total pension liability for each Plan used to calculate the net pension liability for the Safety plan was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures.

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

	<u>Proportionate Share of Net Pension Liability</u>
<u>Miscellaneous Plan</u>	
Tier I	\$ 3,569,584
Tier II	<u>2,436</u>
<u>Safety Plan</u>	
Tier I	9,308,181
Tier II	<u>20,827</u>
Total Net Pension Liability	<u>\$ 12,901,028</u>

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

	<u>Miscellaneous</u>		<u>Safety</u>	
	<u>Tier I</u>	<u>Tier II</u>	<u>Tier I</u>	<u>Tier II</u>
Proportion - June 30, 2013	0.05898 %	0.00004 %	0.14724 %	0.00034 %
Proportion - June 30, 2014	<u>0.05735 %</u>	<u>0.00004 %</u>	<u>0.14714 %</u>	<u>0.00033 %</u>
Change - Increase (Decrease)	(0.00163)%	0.00000 %	(0.00010)%	(0.00001)%

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous & Safety Plans</u>
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% net of pension plan investment and administrative expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 201 Experience Study Report.

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

Discount Rate

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

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN (CONTINUED)

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

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

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

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

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

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

<u>Net Pension Liability (Asset)</u>	<u>Discount Rate -1% (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>Discount Rate +1% (8.50%)</u>
Safety Tier I	\$ 6,171,114	\$ 3,568,607	\$ 1,408,773
Safety - Tier I	\$ 15,352,461	\$ 9,155,976	\$ 4,050,340
Miscellaneous - Tier I	\$ 4,213	\$ 2,365	\$ 831
Miscellaneous - Tier II	\$ 35,294	\$ 20,509	\$ 8,327

Pension Plan Fiduciary Net Position

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

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN (CONTINUED)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the Town recognized pension expense of \$133,581. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 576,856	\$ -
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	-	734,078
Adjustment due to differences in proportions	487,259	-
Net differences between projected and actual earnings on plan investments	-	3,666,132
Total	\$ 1,064,115	\$ 4,400,210

\$876,856 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30,	
2015	\$ (1,030,755)
2016	(1,030,755)
2017	(1,030,755)
2018	(913,436)

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:

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

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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 2014/2015, the Town contributed \$705,131, which consisted of current premiums. As of June 30, 2015, 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.

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	\$	1,332,147
Interest on net OPEB obligation		198,622
Adjustment to annual required contribution		(305,133)
Annual OPEB cost (expense)		1,225,636
Contributions made		<u>(730,096)</u>
Increase in net OPEB obligations		520,505
Net OPEB obligation at July 1, 2014		<u>4,619,105</u>
Net OPEB obligation at June 30, 2015	\$	<u>5,139,610</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 2015 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, 2013	\$ 862,647	77.1 %	\$ 4,471,556
June 30, 2014	\$ 875,420	83.1 %	\$ 4,619,105
June 30, 2015	\$ 886,430	82.4 %	\$ 5,139,610

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

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress

As of July 1, 2015 the most recent actuarial valuation date, the plan was 0.44% percent funded. The actuarial accrued liability for benefits was \$13,561,013, and the actuarial value of assets was \$65,993, resulting in an unfunded actuarial accrued liability (UAAL) of \$13,495,020. The covered payroll (annual payroll of active employees covered by the plan) was \$3,359,897 and the ratio of the UAAL to the covered payroll was 402.5%.

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.

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, 2015 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 2016): 2017 (6.1%), 2018 (5.8%), 2019 (5.5%), 2020 (5.2%), and 2021 and thereafter (5.0%). 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 \$65,993. 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, 2015 was twenty five years.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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.)

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.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10: NET POSITION AND FUND BALANCES (CONTINUED)

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.

As of June 30, 2015, fund balances consisted of the following:

	<u>General Fund</u>	<u>Home Grant Fund</u>	<u>Cal Home Rehabilitation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Loans receivable	\$ 871	\$ -	\$ -	\$ -	\$ 871
Other receivable	39,135	-	-	-	39,135
Prepaid	593	-	-	-	593
Advances	<u>1,967,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,967,634</u>
Total nonspendable fund balances	<u>2,008,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,008,233</u>
Restricted for:					
Special projects	-	-	-	255,359	255,359
Debt service	-	-	-	6,278	6,278
Community development	-	1	156,172	200,296	356,469
General plan	-	-	-	169,107	169,107
Public safety	-	-	-	773,197	773,197
Streets and roads	-	-	-	1,809,554	1,809,554
Wastewater and drainage	-	-	-	1,088,485	1,088,485
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,063</u>	<u>68,063</u>
Total restricted fund balances	<u>-</u>	<u>1</u>	<u>156,172</u>	<u>4,370,339</u>	<u>4,526,512</u>
Assigned	<u>283,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>283,274</u>
Unassigned	<u>707,270</u>	<u>-</u>	<u>-</u>	<u>(5,066)</u>	<u>702,204</u>
Total unassigned fund balances	<u>707,270</u>	<u>-</u>	<u>-</u>	<u>(5,066)</u>	<u>702,204</u>
Total fund balances	<u>\$2,998,777</u>	<u>\$ 1</u>	<u>\$ 156,172</u>	<u>\$ 4,365,273</u>	<u>\$ 7,520,223</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015

NOTE 13: RISK MANAGEMENT (CONTINUED)

The participants as of June 30, 2015 were as follows:

Anderson	Auburn	Colusa	Corning	Dixon	Elk Grove	Folsom
Galt	Gridley	Jackson	Lincoln	Marysville	Nevada City	Oroville
Paradise	Placerville	Red Bluff	Rio Vista	Rocklin	Willows	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, 2015:

	<u>Workers' Compensation</u>	<u>General Liability</u>
Total assets	\$ 39,104,262	\$ 11,922,766
Total liabilities	<u>31,239,731</u>	<u>10,407,172</u>
Net position	<u>\$ 7,864,531</u>	<u>\$ 1,515,594</u>
Operating income	\$ 9,736,313	\$ 6,066,240
Operating expenses	<u>10,750,354</u>	<u>6,380,479</u>
Net Operating income (loss)	(1,014,041)	(314,239)
Non-Operating income (loss)	<u>477,888</u>	<u>166,585</u>
Net income (loss)	(536,153)	(147,654)
Net position, beginning of fiscal year	<u>8,400,684</u>	<u>1,663,248</u>
Net position, end of fiscal year	<u>\$ 7,864,531</u>	<u>\$ 1,515,594</u>

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, 2015

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, 2015 was as follows:

	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015
Land	\$ <u>294,246</u>	\$ -	\$ (294,246)	\$ -
Successor Agency capital assets	\$ <u>294,246</u>	\$ -	\$ (294,246)	\$ -

The long-term liabilities consisted of the following components for the fiscal year ended June 30, 2015:

Advance payable consisted of the advance of \$1,375,055 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 \$631,714 was due to the cash shortage of the Successor Agency. Both of the advances in total were \$2,006,769 as of June 30, 2015.

Notes payable consisted of the following as of June 30, 2015:

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>
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TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015 were as follows:

For the Year Ending June 30	2006 Tax Allocation Notes	
	Principal	Interest
2015	\$ -	\$ 63,675
2016	-	63,675
2017	1,300,000	63,675
2018	-	-
2019	-	-
	<u>\$ 1,300,000</u>	<u>\$ 191,025</u>

Bonds payable consisted of the following as of June 30, 2015:

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 \$90,972 of unamortized original bond discount, as of June 30, 2015 was \$4,389,028.

The future principal and interest payments for the bonds payable as of June 30, 2015 were as follows:

Fiscal Year Ended June 30,	Bonds Payable		
	Principal	Interest	Total
2016	\$ -	\$ 262,855	\$ 262,855
2017	75,000	262,855	337,855
2018	75,000	259,255	334,255
2019	85,000	255,505	340,505
2020	85,000	251,128	336,128
2021-2025	505,000	1,179,853	1,684,853
2026-2030	675,000	1,016,913	1,691,913
2031-2035	895,000	792,000	1,687,000
2036-2040	1,190,000	491,400	1,681,400
2041-2043	<u>895,000</u>	<u>109,500</u>	<u>1,004,500</u>
	<u>\$ 4,480,000</u>	<u>\$ 4,881,264</u>	<u>\$ 9,361,264</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015 was as follows:

	July 1, 2014 Balance	Additions	Reductions	June 30, 2015 Balance	Due within One Year
Advance Payable	\$ 2,014,313	\$ -	\$ (7,544)	\$ 2,006,769	\$ -
Notes payable	1,370,697	-	(70,697)	1,300,000	-
Bonds payable	4,480,000	-	-	4,480,000	-
Original issue discount	<u>(94,231)</u>	<u>-</u>	<u>3,259</u>	<u>(90,972)</u>	<u>(3,259)</u>
Total	<u>\$ 7,770,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,695,797</u>	<u>\$ (3,259)</u>

NOTE 15: PRIOR PERIOD ADJUSTMENT

As a result of implementing GASB 68 Statement Nos. 68 and 71, the City has restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of July 1, 2013 by \$15,186,191. The decrease resulted from the following:

Recording of net pension liability	\$ (16,241,108)
To properly remove the side fund liability	919,951
Governmental Fund restatement noted below	(83,993)
To record transfer of assets and liabilities from successor agency in prior year	<u>218,959</u>
	\$ (15,186,191)

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>		
Gas Tax	To correct revenue improperly recorded in prior year	\$ <u>(83,993)</u>
	Total Fund Balance Restatement	\$ <u>(83,993)</u>

NOTE 16: MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

The Town has evaluated subsequent events through the date of this report, which is January 27, 2016, 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, 2015

	<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	\$ 4,389,999	\$ 4,414,567	\$ 4,438,783	\$ 24,216
Sales and use taxes	1,814,118	1,987,591	2,097,519	109,928
Transient lodging taxes	173,125	181,716	197,509	15,793
Franchise taxes	879,331	889,790	893,478	3,688
Real property transfer taxes	<u>61,974</u>	<u>55,851</u>	<u>63,702</u>	<u>7,851</u>
Total taxes and assessments	<u>7,318,547</u>	<u>7,529,515</u>	<u>7,690,991</u>	<u>161,476</u>
Licenses, permits, and impact fees	3,132	3,632	5,154	1,522
Fines and forfeitures	49,500	51,000	47,651	(3,349)
Interest earned	4,500	4,500	9,584	5,084
Intergovernmental revenues:				
Motor vehicle in-lieu tax	1,970,371	2,217,930	2,300,394	82,464
Homeowners property tax relief	69,109	69,109	67,508	(1,601)
Federal-other	500	500	4,281	3,781
State-other	<u>70,000</u>	<u>133,533</u>	<u>299,063</u>	<u>165,530</u>
Total intergovernmental revenues	<u>2,109,980</u>	<u>2,421,072</u>	<u>2,671,246</u>	<u>250,174</u>
Charges for services:				
Police	28,030	24,204	28,196	3,992
Fire	9,157	7,637	7,170	(467)
Community development	32,340	30,894	37,559	6,665
Parks and recreation	-	-	2,670	2,670
Public works	37,000	36,609	42,264	5,655
Administration	<u>59,505</u>	<u>69,564</u>	<u>86,623</u>	<u>17,059</u>
Total charges for services	<u>166,032</u>	<u>168,908</u>	<u>204,482</u>	<u>35,574</u>
Other revenues	<u>8,250</u>	<u>7,920</u>	<u>47,149</u>	<u>39,229</u>
Total Revenues	<u>9,659,941</u>	<u>10,186,547</u>	<u>10,676,257</u>	<u>489,710</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Town council	36,524	36,341	35,387	954
Town manager	166,697	169,654	166,298	3,356
Town attorney	180,610	180,620	194,878	(14,258)
Central service	523,795	521,225	519,253	1,972
Financial services	264,555	264,555	221,503	43,052
Town clerk	283,685	286,034	287,046	(1,012)
Risk management	80,030	79,953	80,211	(258)
Non-departmental	<u>72,000</u>	<u>69,750</u>	<u>67,464</u>	<u>2,286</u>
Total general government	<u>1,607,896</u>	<u>1,608,132</u>	<u>1,572,040</u>	<u>36,092</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
BUDGET TO ACTUAL
GENERAL FUND
JUNE 30, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Community development				
Planning	123,732	117,368	118,383	(1,015)
Solid waste	<u>44,833</u>	<u>44,836</u>	<u>45,936</u>	<u>(1,100)</u>
Total community development	<u>168,565</u>	<u>162,204</u>	<u>164,319</u>	<u>(2,115)</u>
Public safety:				
Police				
Administration	720,398	746,590	704,420	42,170
Operations	2,375,539	2,315,947	2,260,230	55,717
Communications	762,209	720,857	650,774	70,083
Motor pool operations	183,073	209,541	218,199	(8,658)
Fire"				
Administration	172,665	187,247	175,784	11,463
Emergency operations center	9,467	9,536	4,618	4,918
Suppression	3,092,146	3,093,024	3,060,032	32,992
Volunteers	<u>30,241</u>	<u>18,892</u>	<u>13,782</u>	<u>5,110</u>
Total public safety	<u>7,345,738</u>	<u>7,301,634</u>	<u>7,087,839</u>	<u>213,795</u>
Public works:				
Engineering	18,556	20,936	19,606	1,330
Parks and recreation	11,380	12,590	10,503	-
Public facilities	<u>4,652</u>	<u>5,352</u>	<u>4,688</u>	<u>664</u>
Total public works	<u>34,588</u>	<u>38,878</u>	<u>34,797</u>	<u>4,081</u>
Capital outlay	<u>79,106</u>	<u>148,402</u>	<u>121,984</u>	<u>26,418</u>
Debt service:				
Principal	784,954	787,582	790,278	(2,696)
Interest and fiscal charges	<u>346,387</u>	<u>344,074</u>	<u>340,043</u>	<u>4,031</u>
Total debt service	<u>1,131,341</u>	<u>1,131,656</u>	<u>1,130,321</u>	<u>1,335</u>
Total expenditures	<u>10,367,234</u>	<u>10,390,906</u>	<u>10,111,300</u>	<u>279,606</u>
Excess of revenues over (under) expenditures	<u>(707,293)</u>	<u>(204,359)</u>	<u>564,957</u>	<u>769,316</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	613,207	530,154	502,780	(27,374)
Transfers out	<u>-</u>	<u>-</u>	<u>(3,367)</u>	<u>(3,367)</u>
Total Other Financing Sources (Uses)	<u>613,207</u>	<u>530,154</u>	<u>499,413</u>	<u>(390,377)</u>
Net Change in Fund Balance	<u>(94,086)</u>	<u>325,795</u>	<u>1,064,370</u>	<u>738,575</u>
Fund Balance July 1, 2014	1,934,407	1,934,407	1,934,407	-
Fund Balance - June 30, 2015	<u>\$ 1,840,321</u>	<u>\$ 2,260,202</u>	<u>\$ 2,998,777</u>	<u>\$ 738,575</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HOME GRANT FUND
JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Program income	\$ -	\$ -	\$ 173,535	\$ 173,535
Total Revenues	-	-	173,535	173,535
<u>EXPENDITURES</u>				
Current:				
Community development	-	-	171,025	(171,025)
Total Expenditures	-	-	171,025	(171,025)
Excess of revenues over (under) expenditures	-	-	2,510	2,510
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(7,874)	(7,874)
Total Other Financing Sources (Uses)	-	-	(7,874)	(7,874)
Net Change in Fund Balance	-	-	(5,364)	(5,364)
Fund Balance - July 1, 2014	-	-	5,365	5,365
Fund Balance - June 30, 2015	\$ -	\$ -	\$ 1	\$ 1

* The Town did not adopt a budget for the Home Grant Fund for the year ended June 30, 2015.

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 CAL HOME REHABILITATION FUND
 JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 457	\$ 457
Program Income	<u>-</u>	<u>-</u>	<u>74,505</u>	<u>74,505</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>74,962</u>	<u>74,962</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(3,720)</u>	<u>(3,720)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,720)</u>	<u>(3,720)</u>
Net Change in Fund Balance	-	-	71,242	71,242
Fund Balance - July 1, 2014	<u>84,930</u>	<u>84,930</u>	<u>84,930</u>	<u>-</u>
Fund Balance - June 30, 2015	<u>\$ 84,930</u>	<u>\$ 84,930</u>	<u>\$ 156,172</u>	<u>\$ 71,242</u>

* The Town did not adopt a budget for the Cal Home Rehabilitation Fund for the year ended June 30, 2015.

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, 2013	\$ 12,879,056	\$ 56,110	\$ 12,822,946	0.4 %	\$ 4,848,063	264.5 %
July 1, 2014	\$ 12,890,590	\$ 65,993	\$ 12,824,597	0.5 %	\$ 4,848,063	264.5 %
July 1, 2015	\$ 13,561,013	\$ 65,993	\$ 13,495,020	0.5 %	\$ 3,359,897	401.6 %

**TOWN OF PARADISE
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Prepared for the Town's Miscellaneous and Safety Plans, Cost Sharing Defined Benefit Pension Plans
As of June 30, 2015
Last 10 Years ***

	2015			
	Miscellaneous		Safety	
	Tier I	Tier II	Tier I	Tier II
Proportion of the net pension liability	0.05735 %	0.00004 %	0.14714 %	0.00033 %
Proportionate share of the net pension liability	\$ 3,569,584	\$ 2,436	\$ 9,308,181	\$ 20,827
Covered - employee payroll	\$ 1,894,744	\$ 107,265	\$ 1,206,760	\$ 265,890
Proportionate share of the net pension liability as a percentage of covered - employee payroll	188.39 %	2.27 %	771.34 %	7.83 %
Plan's fiduciary net position	\$ 16,048,863	\$ 11,569	\$ 37,104,566	\$ 89,868
Plan fiduciary net position as a percentage of the total pension liability	449.60 %	474.92 %	398.62 %	431.50 %

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**TOWN OF PARADISE
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS
Prepared for the Town's Miscellaneous and Cost Sharing Plans,
Cost Sharing Defined Benefit Pension Plans
As of June 30, 2015
Last 10 Years ***

	2015			
	Miscellaneous		Safety	
	Tier I	Tier II	Tier I	Tier II
Contractually required contribution (actuarially determined)	\$ 198,066	\$ 7,105	\$ 303,753	\$ 54,965
Contributions in relation to the actuarially determined contributions	<u>198,053</u>	<u>7,079</u>	<u>290,161</u>	<u>54,965</u>
Contribution deficiency (excess)	<u>\$ 13</u>	<u>\$ 26</u>	<u>\$ 13,592</u>	<u>\$ -</u>
Covered - employee payroll	\$ 1,894,744	\$ 107,265	\$ 1,206,760	\$ 265,890
Contributions as a percentage of covered - employee payroll	10.45 %	6.60 %	24.04 %	20.67 %

Notes to Schedule:

Valuation Date: June 30, 2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level of percentage payroll
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by entry age and service
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, includes inflation
Post retirement benefit increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies; 2.75% thereafter
Mortality rate table	Derived using CalPERS' membership data for all funds

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

SUPPLEMENTARY INFORMATION

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

Special Revenue Funds

	<u>Cluster Septic</u>	<u>Animal Control Shelter</u>	<u>Gas Tax</u>	<u>Traffic Safety</u>
<u>ASSETS</u>				
Cash and investments	\$ -	\$ -	\$ 185,527	\$ 13,684
Accounts receivable	-	15,135	6,415	3,501
Interest receivable	-	8	97	7
Due from other funds	-	-	298,181	-
Advances receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 15,143</u>	<u>\$ 490,220</u>	<u>\$ 17,192</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ 2,827	\$ 27,857	\$ -
Accrued wages	-	4,232	24,089	-
Due to other funds	4,339	1,490	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,339</u>	<u>8,549</u>	<u>51,946</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	-	6,594	438,274	17,192
Unassigned	<u>(4,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>(4,339)</u>	<u>6,594</u>	<u>438,274</u>	<u>17,192</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 15,143</u>	<u>\$ 490,220</u>	<u>\$ 17,192</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	Special Projects	EDBG Repayment	HUD Revolving Loan	SLESF
<u>ASSETS</u>				
Cash and investments	\$ 255,359	\$ 26,074	\$ 118,113	\$ 7,475
Accounts receivable	-	-	-	10,039
Interest receivable	-	-	88	4
Due from other funds	-	-	43,314	-
Advances receivable	-	-	-	-
	-	-	-	-
Total Assets	\$ 255,359	\$ 26,074	\$ 161,515	\$ 17,518
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ 953	\$ -	\$ -
Accrued wages	-	6,696	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	-	-	-	-
Total Liabilities	-	7,649	-	-
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	255,359	18,425	161,515	17,518
Unassigned	-	-	-	-
	-	-	-	-
Total Fund Balances (Deficits)	255,359	18,425	161,515	17,518
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 255,359	\$ 26,074	\$ 161,515	\$ 17,518

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015

Special Revenue Funds				
	Citizen Police	Home Grant	Asset Seizure	Highway Safety Improvement
<u>ASSETS</u>				
Cash and investments	\$ 23,043	\$ 2,771	\$ 5,410	\$ -
Accounts receivable	-	1,600	-	274,386
Interest receivable	12	-	3	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
	-	-	-	-
Total Assets	\$ 23,055	\$ 4,371	\$ 5,413	\$ 274,386
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ 4,371	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	274,386
Unearned revenue	-	-	-	-
	-	-	-	-
Total Liabilities	-	4,371	-	274,386
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	23,055	-	5,413	-
Unassigned	-	-	-	-
	-	-	-	-
Total Fund Balances (Deficits)	23,055	-	5,413	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 23,055	\$ 4,371	\$ 5,413	\$ 274,386

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015

Special Revenue Funds

	Active Transportation Program	95 Impact Signalization	95 Impact PDFC	95 Impact FDFC
<u>ASSETS</u>				
Cash and investments	\$ -	\$ 63,994	\$ 45,447	\$ 19,147
Accounts receivable	12,055	-	-	-
Interest receivable	-	38	24	10
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
	-	-	-	-
Total Assets	\$ 12,055	\$ 64,032	\$ 45,471	\$ 19,157
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	12,055	-	-	-
Unearned revenue	-	-	-	-
	-	-	-	-
Total Liabilities	12,055	-	-	-
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	-	64,032	45,471	19,157
Unassigned	-	-	-	-
	-	-	-	-
Total Fund Balances (Deficits)	-	64,032	45,471	19,157
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,055	\$ 64,032	\$ 45,471	\$ 19,157

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	95 Impact Road	CDBG	Building Safety and Waste Water Services	Local Transportation
ASSETS				
Cash and investments	\$ 508,292	\$ -	\$ 369,104	\$ 508,633
Accounts receivable	-	50,536	16,542	-
Interest receivable	266	-	193	416
Due from other funds	-	-	-	286,441
Advances receivable	-	-	7,575	-
	<u>-</u>	<u>-</u>	<u>7,575</u>	<u>-</u>
Total Assets	<u>\$ 508,558</u>	<u>\$ 50,536</u>	<u>\$ 393,414</u>	<u>\$ 795,490</u>
LIABILITIES:				
Accounts payable	\$ -	\$ 7,221	\$ (28,703)	\$ 2,140
Accrued wages	-	-	19,174	721
Due to other funds	-	43,314	-	-
Unearned revenue	-	-	11,817	-
	<u>-</u>	<u>-</u>	<u>11,817</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>50,535</u>	<u>2,288</u>	<u>2,861</u>
FUND BALANCES (DEFICITS):				
Restricted	508,558	1	391,126	792,629
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>508,558</u>	<u>1</u>	<u>391,126</u>	<u>792,629</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 508,558</u>	<u>\$ 50,536</u>	<u>\$ 393,414</u>	<u>\$ 795,490</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	Town of Paradise Housing Authority	Abandoned Vehicle	95 Impact Drainage	AVOID
<u>ASSETS</u>				
Cash and investments	\$ 17,000	\$ 98,544	\$ 696,995	\$ -
Accounts receivable	-	-	-	9,802
Interest receivable	-	52	364	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 17,000</u>	<u>\$ 98,596</u>	<u>\$ 697,359</u>	<u>\$ 9,802</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	9,802
Unearned revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,802</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	17,000	98,596	697,359	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>17,000</u>	<u>98,596</u>	<u>697,359</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,000</u>	<u>\$ 98,596</u>	<u>\$ 697,359</u>	<u>\$ 9,802</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	Traffic Safety - DUI			
	General Plan Fee	Impound Fees Fund	AB109 State Funds	CalHome Grant
<u>ASSETS</u>				
Cash and investments	\$ 169,019	\$ 56,515	\$ 179,369	\$ 134,150
Accounts receivable	-	-	173	-
Interest receivable	88	30	-	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 169,107</u>	<u>\$ 56,545</u>	<u>\$ 179,542</u>	<u>\$ 134,150</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	134,150
	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,150</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,150</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	169,107	56,545	179,542	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>169,107</u>	<u>56,545</u>	<u>179,542</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 169,107</u>	<u>\$ 56,545</u>	<u>\$ 179,542</u>	<u>\$ 134,150</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	<u>Clark Road Signal</u>	<u>Improvement Agreements</u>	<u>Tree Replacement in Lieu</u>	<u>Hydrant Maintenance</u>
ASSETS				
Cash and investments	\$ 6,058	\$ 8,000	\$ 2,501	\$ 845
Accounts receivable	-	-	-	6,150
Interest receivable	3	-	-	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 6,061</u>	<u>\$ 8,000</u>	<u>\$ 2,501</u>	<u>\$ 6,995</u>
LIABILITIES:				
Accounts payable	\$ -	\$ 8,000	\$ -	\$ 845
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>845</u>
FUND BALANCES (DEFICITS):				
Restricted	6,061	-	2,501	6,150
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances (Deficits)	<u>6,061</u>	<u>-</u>	<u>2,501</u>	<u>6,150</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,061</u>	<u>\$ 8,000</u>	<u>\$ 2,501</u>	<u>\$ 6,995</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	Disability Access and Education	Regional Surface Transportati on Program	SMIP Fund	Police Department Seizures Fund
ASSETS				
Cash and investments	\$ 54	\$ -	\$ 2,348	\$ 1,317
Accounts receivable	-	298,181	-	-
Interest receivable	-	-	1	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 54</u>	<u>\$ 298,181</u>	<u>\$ 2,349</u>	<u>\$ 1,317</u>
LIABILITIES:				
Accounts payable	\$ 4	\$ -	\$ 446	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	298,181	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4</u>	<u>298,181</u>	<u>446</u>	<u>-</u>
FUND BALANCES (DEFICITS):				
Restricted	50	-	1,903	1,317
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>50</u>	<u>-</u>	<u>1,903</u>	<u>1,317</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 54</u>	<u>\$ 298,181</u>	<u>\$ 2,349</u>	<u>\$ 1,317</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	Department of Justice Livescan Fees Fund	Police Department Trading Card Fund	Grants Miscellaneous One Time	Canine Protect Fund
<u>ASSETS</u>				
Cash and investments	\$ -	\$ 1,758	\$ 218,000	\$ 6,677
Accounts receivable	-	-	-	-
Interest receivable	-	1	-	3
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 1,759</u>	<u>\$ 218,000</u>	<u>\$ 6,680</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,084
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>1,084</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	-	1,759	218,000	5,596
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>-</u>	<u>1,759</u>	<u>218,000</u>	<u>5,596</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 1,759</u>	<u>\$ 218,000</u>	<u>\$ 6,680</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	Fire Fund	Animal Control Fund	Police Fund	Special Projects Donations Fund
ASSETS				
Cash and investments	\$ 6,211	\$ 60,549	\$ 381	\$ 501
Accounts receivable	-	-	-	-
Interest receivable	3	31	-	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 6,214</u>	<u>\$ 60,580</u>	<u>\$ 381</u>	<u>\$ 501</u>
LIABILITIES:				
Accounts payable	\$ -	\$ 337	\$ -	\$ 1,228
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>337</u>	<u>-</u>	<u>1,228</u>
FUND BALANCES (DEFICITS):				
Restricted	6,214	60,243	381	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(727)</u>
Total Fund Balances (Deficits)	<u>6,214</u>	<u>60,243</u>	<u>381</u>	<u>(727)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,214</u>	<u>\$ 60,580</u>	<u>\$ 381</u>	<u>\$ 501</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds		
	Memorial Trailway	Capital Improvement	Transportati on Capital Projects	Capital Leases
<u>ASSETS</u>				
Cash and investments	\$ 3,353	\$ 12,907	\$ 57,413	\$ 14,370
Accounts receivable	-	-	-	-
Interest receivable	2	-	30	-
Due from other funds	-	-	-	-
Advances receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 3,355</u>	<u>\$ 12,907</u>	<u>\$ 57,443</u>	<u>\$ 14,370</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ 12,907	\$ -	\$ 3,750
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>12,907</u>	<u>-</u>	<u>3,750</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	3,355	-	57,443	10,620
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>3,355</u>	<u>-</u>	<u>57,443</u>	<u>10,620</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,355</u>	<u>\$ 12,907</u>	<u>\$ 57,443</u>	<u>\$ 14,370</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015

	Debt Service Fund	
<u>ASSETS</u>	<u>Wastewater Design Assessment District</u>	<u>Total Non- major Governmental Funds</u>
Cash and investments	\$ 6,278	\$ 3,913,186
Accounts receivable	-	704,515
Interest receivable	-	1,774
Due from other funds	-	627,936
Advances receivable	-	7,575
	-	7,575
Total Assets	\$ 6,278	\$ 5,254,986
 <u>LIABILITIES:</u>		
Accounts payable	\$ -	\$ 45,267
Accrued wages	-	54,912
Due to other funds	-	643,567
Unearned revenue	-	145,967
	-	145,967
Total Liabilities	-	889,713
 <u>FUND BALANCES (DEFICITS):</u>		
Restricted	6,278	4,370,339
Unassigned	-	(5,066)
	-	(5,066)
Total Fund Balances (Deficits)	6,278	4,365,273
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,278	\$ 5,254,986

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
JUNE 30, 2015

Special Revenue Funds

	<u>Cluster Septic</u>	<u>Animal Control Shelter</u>	<u>Gas Tax</u>	<u>Traffic Safety</u>
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ 132,362	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	13,563	-	23,836
Use of money and property	-	25	289	22
Intergovernmental revenues	-	-	793,022	-
Charges for services	-	42,297	246	-
Program Income	-	-	-	-
Other revenues	-	9,754	8,159	-
	<u>-</u>	<u>198,001</u>	<u>801,716</u>	<u>23,858</u>
Total Revenues	<u>-</u>	<u>198,001</u>	<u>801,716</u>	<u>23,858</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	163,712	-	-
Public works	-	-	-	-
Streets	-	-	903,983	-
Capital Outlay	-	-	4,940	-
Debt service:				
Principal	-	-	32,795	-
	<u>-</u>	<u>-</u>	<u>32,795</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>163,712</u>	<u>941,718</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>34,289</u>	<u>(140,002)</u>	<u>23,858</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	365,452	-
Transfers out	-	(29,199)	(206,816)	(30,000)
	<u>-</u>	<u>(29,199)</u>	<u>(206,816)</u>	<u>(30,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(29,199)</u>	<u>158,636</u>	<u>(30,000)</u>
Net Change in Fund Balances	<u>-</u>	<u>5,090</u>	<u>18,634</u>	<u>(6,142)</u>
Fund Balances (Deficits) - July 1, 2014	<u>(4,339)</u>	<u>1,504</u>	<u>503,633</u>	<u>23,334</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>(83,993)</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2014, restated	<u>(4,339)</u>	<u>1,504</u>	<u>419,640</u>	<u>23,334</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ (4,339)</u>	<u>\$ 6,594</u>	<u>\$ 438,274</u>	<u>\$ 17,192</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2015

Special Revenue Funds

	<u>Special Projects</u>	<u>EDBG Repayment</u>	<u>HUD Revolving Loan</u>	<u>SLESF</u>
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	261	12
Intergovernmental revenues	-	-	-	100,422
Charges for services	-	-	-	-
Program Income	-	-	5,652	-
Other revenues	-	486	-	-
	<u>-</u>	<u>486</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>486</u>	<u>5,913</u>	<u>100,434</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community development	-	168,913	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	24,064
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,064</u>
Total Expenditures	<u>-</u>	<u>168,913</u>	<u>-</u>	<u>24,064</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(168,427)</u>	<u>5,913</u>	<u>76,370</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	148,382	-	-
Transfers out	-	(31,397)	(6,363)	(75,935)
	<u>-</u>	<u>116,985</u>	<u>(6,363)</u>	<u>(75,935)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>116,985</u>	<u>(6,363)</u>	<u>(75,935)</u>
Net Change in Fund Balances	<u>-</u>	<u>(51,442)</u>	<u>(450)</u>	<u>435</u>
Fund Balances (Deficits) - July 1, 2014	<u>255,359</u>	<u>69,867</u>	<u>161,965</u>	<u>17,083</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2014, restated	<u>255,359</u>	<u>69,867</u>	<u>161,965</u>	<u>17,083</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ 255,359</u>	<u>\$ 18,425</u>	<u>\$ 161,515</u>	<u>\$ 17,518</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2015

Special Revenue Funds

	Citizen Police	Home Grant	Asset Seizure	Highway Safety Improvement
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	36	-	8	-
Intergovernmental revenues	-	10,007	-	1,181,446
Charges for services	11	-	-	-
Program Income	-	-	-	-
Other revenues	<u>13,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>13,947</u>	<u>10,007</u>	<u>8</u>	<u>1,181,446</u>
EXPENDITURES				
Current:				
General government	-	-	180	-
Community development	-	8,347	-	-
Public safety	5,985	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>5,985</u>	<u>8,347</u>	<u>180</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>7,962</u>	<u>1,660</u>	<u>(172)</u>	<u>1,181,446</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>(1,660)</u>	<u>-</u>	<u>(1,181,446)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,660)</u>	<u>-</u>	<u>(1,181,446)</u>
Net Change in Fund Balances	<u>7,962</u>	<u>-</u>	<u>(172)</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2014	<u>15,093</u>	<u>-</u>	<u>5,585</u>	<u>-</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2014, restated	<u>15,093</u>	<u>-</u>	<u>5,585</u>	<u>-</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ 23,055</u>	<u>\$ -</u>	<u>\$ 5,413</u>	<u>\$ -</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2015

Special Revenue Funds

	Active Transportation Program	95 Impact Signalization	95 Impact PDFC	95 Impact FDFC
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	2,129	3,811	2,998
Fines and forfeitures	-	-	-	-
Use of money and property	-	113	71	30
Intergovernmental revenues	12,055	-	-	-
Charges for services	-	-	-	-
Program Income	-	-	-	-
Other revenues	-	-	-	-
	<u>12,055</u>	<u>2,242</u>	<u>3,882</u>	<u>3,028</u>
Total Revenues	<u>12,055</u>	<u>2,242</u>	<u>3,882</u>	<u>3,028</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	<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>12,055</u>	<u>2,242</u>	<u>3,882</u>	<u>3,028</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(12,055)	(8,359)	-	-
	<u>(12,055)</u>	<u>(8,359)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(12,055)</u>	<u>(8,359)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(6,117)</u>	<u>3,882</u>	<u>3,028</u>
Fund Balances (Deficits) - July 1, 2014	<u>-</u>	<u>70,149</u>	<u>41,589</u>	<u>16,129</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2014, restated	<u>-</u>	<u>70,149</u>	<u>41,589</u>	<u>16,129</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ -</u>	<u>\$ 64,032</u>	<u>\$ 45,471</u>	<u>\$ 19,157</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2015

	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	27,640	-	872,557	-
Fines and forfeitures	-	-	40,564	-
Use of money and property	791	-	1,545	1,237
Intergovernmental revenues	-	160,901	-	890,789
Charges for services	-	-	15,930	-
Program Income	-	-	-	-
Other revenues	-	-	4,944	28,756
	<u>28,431</u>	<u>160,901</u>	<u>935,540</u>	<u>920,782</u>
Total Revenues	<u>28,431</u>	<u>160,901</u>	<u>935,540</u>	<u>920,782</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	58,051	-	-
Public safety	-	-	-	-
Public works	-	-	600,193	-
Streets	-	-	-	943,348
Capital Outlay	-	2,067	-	-
Debt service:				
Principal	-	-	583	-
	<u>-</u>	<u>-</u>	<u>583</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>60,118</u>	<u>600,776</u>	<u>943,348</u>
Excess of revenues over (under) expenditures	<u>28,431</u>	<u>100,783</u>	<u>334,764</u>	<u>(22,566)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(100,765)	(137,713)	(350,915)
	<u>-</u>	<u>(100,765)</u>	<u>(137,713)</u>	<u>(350,915)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(100,765)</u>	<u>(137,713)</u>	<u>(350,915)</u>
Net Change in Fund Balances	<u>28,431</u>	<u>18</u>	<u>197,051</u>	<u>(373,481)</u>
Fund Balances (Deficits) - July 1, 2014	<u>480,127</u>	<u>(17)</u>	<u>194,075</u>	<u>1,223,464</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,354)</u>
Fund Balances (Deficits) - July 1, 2014, restated	<u>480,127</u>	<u>(17)</u>	<u>194,075</u>	<u>1,166,110</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ 508,558</u>	<u>\$ 1</u>	<u>\$ 391,126</u>	<u>\$ 792,629</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	Town of Paradise Housing Authority	Abandoned Vehicle	95 Impact Drainage	AVOID
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	50,073	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	155	1,084	-
Intergovernmental revenues	-	5,408	-	56,649
Charges for services	-	-	-	-
Program Income	-	-	-	-
Other revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>5,563</u>	<u>51,157</u>	<u>56,649</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	36	-	36,722
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	242	-	-
	<u>-</u>	<u>242</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>278</u>	<u>-</u>	<u>36,722</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>5,285</u>	<u>51,157</u>	<u>19,927</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(3,269)	-	(19,921)
	<u>-</u>	<u>(3,269)</u>	<u>-</u>	<u>(19,921)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,269)</u>	<u>-</u>	<u>(19,921)</u>
Net Change in Fund Balances	<u>-</u>	<u>2,016</u>	<u>51,157</u>	<u>6</u>
Fund Balances (Deficits) - July 1, 2014	<u>17,000</u>	<u>96,580</u>	<u>646,202</u>	<u>(6)</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2014, restated	<u>17,000</u>	<u>96,580</u>	<u>646,202</u>	<u>(6)</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ 17,000</u>	<u>\$ 98,596</u>	<u>\$ 697,359</u>	<u>\$ -</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	Traffic Safety			
	General Plan Fee	Traffic Safety - DUI Impound Fees	AB109 State Funds	CalHome Grant
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	263	88	279	-
Intergovernmental revenues	-	-	183,107	322,350
Charges for services	39,576	19,040	-	-
Program Income	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>39,839</u>	<u>19,128</u>	<u>183,386</u>	<u>322,350</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	294,350
Public safety	-	3,725	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Total Expenditures	<u>-</u>	<u>3,725</u>	<u>-</u>	<u>294,350</u>
Excess of revenues over (under) expenditures	<u>39,839</u>	<u>15,403</u>	<u>183,386</u>	<u>28,000</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(3,957)	(28,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,957)</u>	<u>(28,000)</u>
Net Change in Fund Balances	<u>39,839</u>	<u>15,403</u>	<u>179,429</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2014	<u>129,268</u>	<u>41,142</u>	<u>113</u>	<u>-</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2014, restated	<u>129,268</u>	<u>41,142</u>	<u>113</u>	<u>-</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ 169,107</u>	<u>\$ 56,545</u>	<u>\$ 179,542</u>	<u>\$ -</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2015

Special Revenue Funds

	Clark Road Signal	Improvement Agreements	Tree Replacement in Lieu	Hydrant Maintenance
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	9	-	3	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Program Income	-	-	-	-
Other revenues	-	-	-	8,158
	9	-	3	8,158
Total Revenues	9	-	3	8,158
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	5,558
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	-	-	-	-
Total Expenditures	-	-	-	5,558
Excess of revenues over (under) expenditures	9	-	3	2,600
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	9	-	3	2,600
Fund Balances (Deficits) - July 1, 2014	6,052	-	2,498	3,550
Prior period adjustments	-	-	-	-
Fund Balances (Deficits) - July 1, 2014, restated	6,052	-	2,498	3,550
Fund Balances (Deficits) - June 30, 2015	\$ 6,061	\$ -	\$ 2,501	\$ 6,150

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	Disability Access and Education	Regional Surface Transportati on Program	SMIP Fund	Police Department Seizures Fund
REVENUES				
Taxes and assessments	\$ -	\$ 298,181	\$ -	\$ -
Licenses, permits, and impact fees	-	-	512	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	4	-
Intergovernmental revenues	-	-	-	-
Charges for services	13	-	-	-
Program Income	-	-	-	-
Other revenues	-	-	-	361
	<u>13</u>	<u>298,181</u>	<u>516</u>	<u>361</u>
Total Revenues	<u>13</u>	<u>298,181</u>	<u>516</u>	<u>361</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	1,095
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,095</u>
Excess of revenues over (under) expenditures	<u>13</u>	<u>298,181</u>	<u>516</u>	<u>(734)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(298,181)	-	-
	<u>-</u>	<u>(298,181)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(298,181)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>13</u>	<u>-</u>	<u>516</u>	<u>(734)</u>
Fund Balances (Deficits) - July 1, 2014	<u>37</u>	<u>-</u>	<u>1,387</u>	<u>2,051</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2014, restated	<u>37</u>	<u>-</u>	<u>1,387</u>	<u>2,051</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 1,903</u>	<u>\$ 1,317</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	Department of Justice Livescan Fees Fund	Police Department Trading Card Fund	Grants Miscellaneous One Time	Canine Protect Fund
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	3	-	10
Intergovernmental revenues	-	-	-	-
Charges for services	2,131	-	-	-
Program Income	-	-	-	-
Other revenues	-	-	218,000	4,494
	<u>2,131</u>	<u>3</u>	<u>218,000</u>	<u>4,504</u>
Total Revenues	<u>2,131</u>	<u>3</u>	<u>218,000</u>	<u>4,504</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	2,131	-	-	24,519
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	<u>2,131</u>	<u>-</u>	<u>-</u>	<u>24,519</u>
Total Expenditures	<u>2,131</u>	<u>-</u>	<u>-</u>	<u>24,519</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>3</u>	<u>218,000</u>	<u>(20,015)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	-
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>3</u>	<u>218,000</u>	<u>(20,015)</u>
Fund Balances (Deficits) - July 1, 2014	<u>-</u>	<u>1,756</u>	<u>-</u>	<u>25,611</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2014, restated	<u>-</u>	<u>1,756</u>	<u>-</u>	<u>25,611</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ -</u>	<u>\$ 1,759</u>	<u>\$ 218,000</u>	<u>\$ 5,596</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			
	Fire Fund	Animal Control Fund	Police Fund	Special Projects Donations Fund
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	9	92	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	27,593
Program Income	-	-	-	-
Other revenues	-	3,027	25	-
	<u>9</u>	<u>3,119</u>	<u>25</u>	<u>27,593</u>
Total Revenues	<u>9</u>	<u>3,119</u>	<u>25</u>	<u>27,593</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	982	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	28,354
Debt service:				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>982</u>	<u>-</u>	<u>28,354</u>
Excess of revenues over (under) expenditures	<u>9</u>	<u>2,137</u>	<u>25</u>	<u>(761)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	-
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>9</u>	<u>2,137</u>	<u>25</u>	<u>(761)</u>
Fund Balances (Deficits) - July 1, 2014	<u>6,205</u>	<u>58,106</u>	<u>356</u>	<u>34</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2014, restated	<u>6,205</u>	<u>58,106</u>	<u>356</u>	<u>34</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ 6,214</u>	<u>\$ 60,243</u>	<u>\$ 381</u>	<u>\$ (727)</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds		
	Memorial Trailway	Capital Improvement	Transportation Capital Projects	Capital Leases
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	5	-	89	30
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Program Income	-	-	-	-
Other revenues	<u>3,350</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>3,355</u>	<u>-</u>	<u>89</u>	<u>30</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	1,524,298	-	78,152
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>1,524,298</u>	<u>-</u>	<u>78,152</u>
Excess of revenues over (under) expenditures	<u>3,355</u>	<u>(1,524,298)</u>	<u>89</u>	<u>(78,122)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	84,337
Transfers in	-	1,524,298	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,524,298</u>	<u>-</u>	<u>84,337</u>
Net Change in Fund Balances	<u>3,355</u>	<u>-</u>	<u>89</u>	<u>6,215</u>
Fund Balances (Deficits) - July 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,405</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>57,354</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2014, restated	<u>-</u>	<u>-</u>	<u>57,354</u>	<u>4,405</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ 3,355</u>	<u>\$ -</u>	<u>\$ 57,443</u>	<u>\$ 10,620</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
JUNE 30, 2015

	Debt Service Fund		
	Wastewater Design Assessment District	Total Non- major Governmental Funds	
<u>REVENUES</u>			
Taxes and assessments	\$ -	\$ 430,543	
Licenses, permits, and impact fees	-	959,720	
Fines and forfeitures	-	77,963	
Use of money and property	-	6,563	
Intergovernmental revenues	-	3,716,156	
Charges for services	-	146,837	
Program Income	-	5,652	
Other revenues	-	303,414	
	-	5,646,848	
Total Revenues	-	5,646,848	
<u>EXPENDITURES</u>			
Current:			
General government	-	180	
Community development	-	529,661	
Public safety	-	244,465	
Public works	-	600,193	
Streets	-	1,847,331	
Capital Outlay	-	1,637,811	
Debt service:			
Principal	-	57,684	
	-	4,917,325	
Total Expenditures	-	4,917,325	
Excess of revenues over (under) expenditures	-	729,523	
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from the issuance of debt	-	84,337	
Transfers in	-	2,038,132	
Transfers out	-	(2,525,951)	
	-	(403,482)	
Total Other Financing Sources (Uses)	-	(403,482)	
Net Change in Fund Balances	-	326,041	
Fund Balances (Deficits) - July 1, 2014	6,278	4,123,225	
Prior period adjustments	-	(83,993)	
Fund Balances (Deficits) - July 1, 2014, restated	6,278	4,039,232	
Fund Balances (Deficits) - June 30, 2015	\$ 6,278	\$ 4,365,273	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CLUSTER SEPTIC FUND
JUNE 30, 2015

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Total revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
<u>EXPENDITURES:</u>				
Total expenditures	_____ -	_____ -	_____ -	_____ -
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2014	_____ (4,339)	_____ (4,339)	_____ (4,339)	_____ -
Fund balance (deficit), June 30, 2015	<u>\$ _____ (4,339)</u>	<u>\$ _____ (4,339)</u>	<u>\$ _____ (4,339)</u>	<u>\$ _____ -</u>

* The Town did not adopt a budget for the Cluster Septic Fund for the year ended June 30, 2015.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ANIMAL CONTROL SHELTER FUND
JUNE 30, 2015

	<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	\$ 132,409	\$ 132,362	\$ 132,362	\$ -
Fines and forfeitures	4,000	5,000	13,563	8,563
Use of money and property	-	-	25	25
Charges for services	33,192	33,866	42,297	8,431
Other revenues	<u>28,281</u>	<u>29,523</u>	<u>9,754</u>	<u>(19,769)</u>
Total revenues	<u>197,882</u>	<u>200,751</u>	<u>198,001</u>	<u>(2,750)</u>
<u>EXPENDITURES:</u>				
Current:				
Public Safety	<u>169,156</u>	<u>173,357</u>	<u>163,712</u>	<u>9,645</u>
Total expenditures	<u>169,156</u>	<u>173,357</u>	<u>163,712</u>	<u>9,645</u>
Excess of revenues over (under) expenditures	<u>28,726</u>	<u>27,394</u>	<u>34,289</u>	<u>6,895</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(28,726)</u>	<u>(28,897)</u>	<u>(29,199)</u>	<u>(302)</u>
Total other financing sources (uses)	<u>(28,726)</u>	<u>(28,897)</u>	<u>(29,199)</u>	<u>(302)</u>
Net change in Fund balance	-	(1,503)	5,090	6,593
Fund balance (deficit), July 1, 2014	<u>1,504</u>	<u>1,504</u>	<u>1,504</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 1,504</u>	<u>\$ 1</u>	<u>\$ 6,594</u>	<u>\$ 6,593</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GAS TAX FUND
JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 289	\$ 289
Charges for services	150	150	246	96
Intergovernmental revenues	1,047,118	841,944	793,022	(48,922)
Other revenues	<u>5,500</u>	<u>3,000</u>	<u>8,159</u>	<u>5,159</u>
Total revenues	<u>1,052,768</u>	<u>845,094</u>	<u>801,716</u>	<u>(43,378)</u>
EXPENDITURES:				
Current:				
Streets	1,001,514	927,726	903,983	23,743
Capital outlay	7,000	11,940	4,940	7,000
Debt service:				
Principal	<u>33,665</u>	<u>32,322</u>	<u>32,795</u>	<u>(473)</u>
Total expenditures	<u>1,042,179</u>	<u>971,988</u>	<u>941,718</u>	<u>30,270</u>
Excess of revenues over (under) expenditures	<u>10,589</u>	<u>(126,894)</u>	<u>(140,002)</u>	<u>(13,108)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	76,050	376,050	365,452	(10,598)
Transfers out	<u>(206,487)</u>	<u>(207,147)</u>	<u>(206,816)</u>	<u>331</u>
Total other financing sources (uses)	<u>(130,437)</u>	<u>168,903</u>	<u>158,636</u>	<u>(10,267)</u>
Net change in Fund balance	(119,848)	42,009	18,634	(23,375)
Fund balance (deficit), July 1, 2014	<u>503,633</u>	<u>503,633</u>	<u>503,633</u>	<u>-</u>
Prior period adjustment	-	-	(83,993)	-
Fund balance (deficit), July 1, 2014 restated	<u>503,633</u>	<u>503,633</u>	<u>419,640</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 383,785</u>	<u>\$ 545,642</u>	<u>\$ 438,274</u>	<u>\$ (107,368)</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 TRAFFIC SAFETY FUND
 JUNE 30, 2015

	<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	\$ 21,000	\$ 21,000	\$ 23,836	\$ 2,836
Use of money and property	<u>-</u>	<u>-</u>	<u>22</u>	<u>22</u>
Total revenues	<u>21,000</u>	<u>21,000</u>	<u>23,858</u>	<u>2,858</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	(9,000)	(9,000)	(6,142)	2,858
Fund balance (deficit), July 1, 2014	<u>23,334</u>	<u>23,334</u>	<u>23,334</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 14,334</u>	<u>\$ 14,334</u>	<u>\$ 17,192</u>	<u>\$ 2,858</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 SPECIAL PROJECTS FUND
 JUNE 30, 2015

<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	\$ 20,000	\$ 20,000	\$ -	\$ 20,000
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Net change in Fund balance	(20,000)	(20,000)	-	20,000
Fund balance (deficit), July 1, 2014	<u>255,359</u>	<u>255,359</u>	<u>255,359</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 235,359</u>	<u>\$ 235,359</u>	<u>\$ 255,359</u>	<u>\$ 20,000</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
EDBG REPAYMENT FUND
JUNE 30, 2015

	<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	\$ 200	\$ 200	\$ -	\$ (200)
Other revenues	<u>-</u>	<u>-</u>	<u>486</u>	<u>486</u>
Total revenues	<u>200</u>	<u>200</u>	<u>486</u>	<u>286</u>
<u>EXPENDITURES:</u>				
Current:				
Community development	<u>164,852</u>	<u>164,852</u>	<u>168,913</u>	<u>(4,061)</u>
Total expenditures	<u>164,852</u>	<u>164,852</u>	<u>168,913</u>	<u>(4,061)</u>
Excess of revenues over (under) expenditures	<u>(164,652)</u>	<u>(164,652)</u>	<u>(168,427)</u>	<u>(3,775)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	9,450	197,582	148,382	(49,200)
Transfers out	<u>(31,403)</u>	<u>(31,431)</u>	<u>(31,397)</u>	<u>34</u>
Total other financing sources (uses)	<u>(21,953)</u>	<u>166,151</u>	<u>116,985</u>	<u>(49,166)</u>
Net change in Fund balance	(186,605)	1,499	(51,442)	(52,941)
Fund balance (deficit), July 1, 2014	<u>69,867</u>	<u>69,867</u>	<u>69,867</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ (116,738)</u>	<u>\$ 71,366</u>	<u>\$ 18,425</u>	<u>\$ (52,941)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HUD REVOLVING LOAN FUND
JUNE 30, 2015

	<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	\$ 261	\$ (39)
Program income	<u>6,000</u>	<u>6,000</u>	<u>5,652</u>	<u>(348)</u>
Total revenues	<u>6,300</u>	<u>6,300</u>	<u>5,913</u>	<u>(387)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(6,363)</u>	<u>(6,363)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(6,363)</u>	<u>(6,363)</u>
Net change in Fund balance	6,300	6,300	(450)	(6,750)
Fund balance (deficit), July 1, 2014	<u>161,965</u>	<u>161,965</u>	<u>161,965</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 168,265</u>	<u>\$ 168,265</u>	<u>\$ 161,515</u>	<u>\$ (6,750)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
SLESF FUND
JUNE 30, 2015

	<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>100,422</u>	<u>422</u>
Total revenues	<u>100,010</u>	<u>100,010</u>	<u>100,434</u>	<u>424</u>
<u>EXPENDITURES:</u>				
Current:				
Public Safety	-	-	-	-
Debt service:				
Principal	<u>24,064</u>	<u>24,064</u>	<u>24,064</u>	<u>-</u>
Total expenditures	<u>24,064</u>	<u>24,064</u>	<u>24,064</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>75,946</u>	<u>75,946</u>	<u>76,370</u>	<u>424</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(75,935)</u>	<u>(75,935)</u>	<u>(75,935)</u>	<u>-</u>
Total other financing sources (uses)	<u>(75,935)</u>	<u>(75,935)</u>	<u>(75,935)</u>	<u>-</u>
Net change in Fund balance	11	11	435	424
Fund balance (deficit), July 1, 2014	<u>17,083</u>	<u>17,083</u>	<u>17,083</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 17,094</u>	<u>\$ 17,094</u>	<u>\$ 17,518</u>	<u>\$ 424</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CITIZEN POLICE FUND
JUNE 30, 2015

	<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	\$ 4	\$ 4	\$ 11	\$ 7
Use of money and property	35	35	36	1
Other revenues	<u>5,500</u>	<u>5,500</u>	<u>13,900</u>	<u>8,400</u>
Total revenues	<u>5,539</u>	<u>5,539</u>	<u>13,947</u>	<u>8,408</u>
<u>EXPENDITURES:</u>				
Current:				
Public safety	<u>3,455</u>	<u>3,455</u>	<u>5,985</u>	<u>(2,530)</u>
Total expenditures	<u>3,455</u>	<u>3,455</u>	<u>5,985</u>	<u>(2,530)</u>
Excess of revenues over (under) expenditures	<u>2,084</u>	<u>2,084</u>	<u>7,962</u>	<u>5,878</u>
Net change in Fund balance	2,084	2,084	7,962	5,878
Fund balance (deficit), July 1, 2014	<u>15,093</u>	<u>15,093</u>	<u>15,093</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 17,177</u>	<u>\$ 17,177</u>	<u>\$ 23,055</u>	<u>\$ 5,878</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
 First Time Homebuyer Fund
 JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ 236,942	\$ 239,802	\$ 10,007	\$ (229,795)
Total revenues	<u>236,942</u>	<u>239,802</u>	<u>10,007</u>	<u>(229,795)</u>
<u>EXPENDITURES:</u>				
Current:				
Community development	<u>191,082</u>	<u>193,942</u>	<u>8,347</u>	<u>185,595</u>
Total expenditures	<u>191,082</u>	<u>193,942</u>	<u>8,347</u>	<u>185,595</u>
Excess of revenues over (under) expenditures	<u>45,860</u>	<u>45,860</u>	<u>1,660</u>	<u>(44,200)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(45,860)</u>	<u>(45,860)</u>	<u>(1,660)</u>	<u>44,200</u>
Total other financing sources (uses)	<u>(45,860)</u>	<u>(45,860)</u>	<u>(1,660)</u>	<u>44,200</u>
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ASSET SEIZURE FUND
JUNE 30, 2015

	<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>(5)</u>	\$ <u>5</u>	\$ <u>8</u>	\$ <u>3</u>
Total revenues	<u>(5)</u>	<u>5</u>	<u>8</u>	<u>3</u>
<u>EXPENDITURES:</u>				
Current:				
General government	<u>-</u>	<u>-</u>	<u>180</u>	<u>180</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>180</u>	<u>180</u>
Excess of revenues over (under) expenditures	<u>(5)</u>	<u>5</u>	<u>(172)</u>	<u>(177)</u>
Net change in Fund balance	(5)	5	(172)	(177)
Fund balance (deficit), July 1, 2014	<u>5,585</u>	<u>5,585</u>	<u>5,585</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 5,580</u>	<u>\$ 5,590</u>	<u>\$ 5,413</u>	<u>\$ (177)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HIGHWAY SAFETY IMPROVEMENT FUND
JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental revenues	\$ 1,192,014	\$ 1,192,014	\$ 1,181,446	\$ (10,568)
Total revenues	<u>1,192,014</u>	<u>1,192,014</u>	<u>1,181,446</u>	<u>(10,568)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,192,014)</u>	<u>(1,192,014)</u>	<u>(1,181,446)</u>	<u>10,568</u>
Total other financing sources (uses)	<u>(1,192,014)</u>	<u>(1,192,014)</u>	<u>(1,181,446)</u>	<u>10,568</u>
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 ACTIVE TRANSPORTATION PROGRAM
 JUNE 30, 2015

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental revenues	\$ _____ -	\$ _____ -	\$ 12,055	\$ 12,055
Total revenues	_____ -	_____ -	12,055	12,055
OTHER FINANCING SOURCES (USES)				
Transfers out	_____ -	_____ -	(12,055)	(12,055)
Total other financing sources (uses)	_____ -	_____ -	(12,055)	(12,055)
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2014	_____ -	_____ -	_____ -	_____ -
Fund balance (deficit), June 30, 2015	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>

* The Town did not adopt a budget for the Active Transportation Program for the year ended June 30, 2015.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
95 IMPACT SIGNALIZATION FUND
JUNE 30, 2015

<u>REVENUES:</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Licenses, permits, and impact fees	\$ 1,000	\$ 1,000	\$ 2,129	\$ 1,129
Use of money and property	<u>100</u>	<u>100</u>	<u>113</u>	<u>13</u>
Total revenues	<u>1,100</u>	<u>1,100</u>	<u>2,242</u>	<u>1,142</u>
Net change in Fund balance	1,100	1,100	(6,117)	(7,217)
Fund balance (deficit), July 1, 2014	<u>70,149</u>	<u>70,149</u>	<u>70,149</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 71,249</u>	<u>\$ 71,249</u>	<u>\$ 64,032</u>	<u>\$ (7,217)</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 95 IMPACT PDFC FUND
 JUNE 30, 2015

	<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	\$ 2,000	\$ 2,000	\$ 3,811	\$ 1,811
Use of money and property	<u>60</u>	<u>60</u>	<u>71</u>	<u>11</u>
Total revenues	<u>2,060</u>	<u>2,060</u>	<u>3,882</u>	<u>1,822</u>
<u>EXPENDITURES:</u>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	2,060	2,060	3,882	1,822
Fund balance (deficit), July 1, 2014	<u>41,589</u>	<u>41,589</u>	<u>41,589</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 43,649</u>	<u>\$ 43,649</u>	<u>\$ 45,471</u>	<u>\$ 1,822</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 95 IMPACT FDFC FUND
 JUNE 30, 2015

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	\$ 2,998	\$ 1,048
Use of money and property	<u>20</u>	<u>20</u>	<u>30</u>	<u>10</u>
Total revenues	<u>1,970</u>	<u>1,970</u>	<u>3,028</u>	<u>1,058</u>
Net change in Fund balance	1,970	1,970	3,028	1,058
Fund balance (deficit), July 1, 2014	<u>16,129</u>	<u>16,129</u>	<u>16,129</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 18,099</u>	<u>\$ 18,099</u>	<u>\$ 19,157</u>	<u>\$ 1,058</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 95 IMPACT ROAD FUND
 JUNE 30, 2015

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	\$ 16,000	\$ 16,000	\$ 27,640	\$ 11,640
Use of money and property	<u>1,000</u>	<u>1,000</u>	<u>791</u>	<u>(209)</u>
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>28,431</u>	<u>11,431</u>
Net change in Fund balance	17,000	17,000	28,431	11,431
Fund balance (deficit), July 1, 2014	<u>480,127</u>	<u>480,127</u>	<u>480,127</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 497,127</u>	<u>\$ 497,127</u>	<u>\$ 508,558</u>	<u>\$ 11,431</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 CDBG FUND
 JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ 256,013	\$ 284,626	\$ 160,901	\$ (123,725)
Total revenues	<u>256,013</u>	<u>284,626</u>	<u>160,901</u>	<u>(123,725)</u>
<u>EXPENDITURES</u>				
Community development	141,891	170,504	58,051	112,453
Capital outlay	<u>900</u>	<u>900</u>	<u>2,067</u>	<u>(1,167)</u>
Total Expenditures	<u>142,791</u>	<u>171,404</u>	<u>60,118</u>	<u>111,286</u>
Excess of revenues over (under) expenditures	<u>113,222</u>	<u>113,222</u>	<u>100,783</u>	<u>(12,439)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	<u>(113,222)</u>	<u>(113,222)</u>	<u>(100,765)</u>	<u>12,457</u>
Total Other Financing Sources (Uses)	<u>(113,222)</u>	<u>(113,222)</u>	<u>(100,765)</u>	<u>12,457</u>
Net change in Fund balance	-	-	18	18
Fund balance (deficit), July 1, 2014	<u>(17)</u>	<u>(17)</u>	<u>(17)</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ (17)</u>	<u>\$ (17)</u>	<u>\$ 1</u>	<u>\$ 18</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
BUILDING SAFETY & WASTE WATER SERVICES FUND
JUNE 30, 2015

	<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	\$ 715,807	\$ 764,073	\$ 872,557	\$ 108,484
Fines and forfeitures	12,000	25,900	40,564	14,664
Use of money and property	971	971	1,545	574
Charges for services	10,750	8,500	15,930	7,430
Other Revenues	<u>-</u>	<u>150</u>	<u>4,944</u>	<u>4,794</u>
Total revenues	<u>739,528</u>	<u>799,594</u>	<u>935,540</u>	<u>135,946</u>
<u>EXPENDITURES</u>				
Public Works	611,574	605,620	600,193	5,427
Debt Service				
Principal	<u>771</u>	<u>477</u>	<u>583</u>	<u>(106)</u>
Total expenditures	<u>612,345</u>	<u>606,097</u>	<u>600,776</u>	<u>5,321</u>
Excess of revenues over (under) expenditures	<u>127,183</u>	<u>193,497</u>	<u>334,764</u>	<u>141,267</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(144,351)</u>	<u>(142,128)</u>	<u>(137,713)</u>	<u>4,415</u>
Total Other Financing Sources (Uses)	<u>(144,351)</u>	<u>(142,128)</u>	<u>(137,713)</u>	<u>4,415</u>
Net change in Fund balance	(17,168)	51,369	197,051	145,682
Fund balance (deficit), July 1, 2014	<u>194,075</u>	<u>194,075</u>	<u>194,075</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 176,907</u>	<u>\$ 245,444</u>	<u>\$ 391,126</u>	<u>\$ 145,682</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
LOCAL TRANSPORTATION FUND
JUNE 30, 2015

	<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	\$ 1,237	\$ (1,263)
Intergovernmental revenues	890,789	890,789	890,789	-
Other revenue	<u>29,000</u>	<u>29,000</u>	<u>28,756</u>	<u>(244)</u>
Total revenues	<u>922,289</u>	<u>922,289</u>	<u>920,782</u>	<u>(1,507)</u>
<u>EXPENDITURES:</u>				
Current:				
Streets	<u>983,353</u>	<u>983,353</u>	<u>943,348</u>	<u>40,005</u>
Total expenditures	<u>983,353</u>	<u>983,353</u>	<u>943,348</u>	<u>40,005</u>
Excess of revenues over (under) expenditures	<u>(61,064)</u>	<u>(61,064)</u>	<u>(22,566)</u>	<u>38,498</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(429,910)</u>	<u>(429,820)</u>	<u>(350,915)</u>	<u>78,905</u>
Total Other Financing Sources (Uses)	<u>(429,910)</u>	<u>(429,820)</u>	<u>(350,915)</u>	<u>78,905</u>
Net change in Fund balance	(490,974)	(490,884)	(373,481)	117,403
Fund balance (deficit), July 1, 2014	<u>1,223,464</u>	<u>1,223,464</u>	<u>1,223,464</u>	<u>-</u>
Prior period adjustment	-	-	(57,354)	-
Fund balance (deficit), July 1, 2014 restated	1,223,464	1,223,464	1,166,110	-
Fund balance (deficit), June 30, 2015	<u>\$ 732,490</u>	<u>\$ 732,580</u>	<u>\$ 792,629</u>	<u>\$ 60,049</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 TOWN OF PARADISE HOUSING AUTHORITY FUND
 JUNE 30, 2015

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Program Income	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Total revenues	_____ -	_____ -	_____ -	_____ -
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2014	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	_____ -
Fund balance (deficit), June 30, 2015	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ _____ -</u>

* The Town did not adopt a budget for the Town of Paradise Housing Authority Fund for the year ended June 30, 2015.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ABANDONED VEHICLE FUND
JUNE 30, 2015

	<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	\$ 110	\$ 110	\$ 155	\$ 45
Intergovernmental revenues	<u>24,000</u>	<u>24,000</u>	<u>5,408</u>	<u>(18,592)</u>
Total revenues	<u>24,110</u>	<u>24,110</u>	<u>5,563</u>	<u>(18,547)</u>
<u>EXPENDITURES:</u>				
Current:				
Public Safety	191	191	36	155
Debt service:				
Principal	<u>257</u>	<u>257</u>	<u>242</u>	<u>15</u>
Total expenditures	<u>448</u>	<u>448</u>	<u>278</u>	<u>170</u>
Excess of revenues over (under) expenditures	<u>23,662</u>	<u>23,662</u>	<u>5,285</u>	<u>(18,377)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(6,500)</u>	<u>(6,500)</u>	<u>(3,269)</u>	<u>3,231</u>
Total other financing sources (uses)	<u>(6,500)</u>	<u>(6,500)</u>	<u>(3,269)</u>	<u>3,231</u>
Net change in Fund balance	17,162	17,162	2,016	(15,146)
Fund balance (deficit), July 1, 2014	<u>96,580</u>	<u>96,580</u>	<u>96,580</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 113,742</u>	<u>\$ 113,742</u>	<u>\$ 98,596</u>	<u>\$ (15,146)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
95 IMPACT DRAINAGE FUND
JUNE 30, 2015

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	\$ 10,000	\$ 10,000	\$ 50,073	\$ 40,073
Use of money and property	<u>1,000</u>	<u>1,000</u>	<u>1,084</u>	<u>84</u>
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>51,157</u>	<u>40,157</u>
Net change in Fund balance	11,000	11,000	51,157	40,157
Fund balance (deficit), July 1, 2014	<u>646,202</u>	<u>646,202</u>	<u>646,202</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 657,202</u>	<u>\$ 657,202</u>	<u>\$ 697,359</u>	<u>\$ 40,157</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
AVOID FUND
JUNE 30, 2015

	<u>Final Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental	\$ 56,600	\$ 56,600	\$ 56,649	\$ 49
Total revenues	<u>56,600</u>	<u>56,600</u>	<u>56,649</u>	<u>49</u>
<u>EXPENDITURES</u>				
Public Safety	<u>35,600</u>	<u>35,600</u>	<u>36,722</u>	<u>(1,122)</u>
Total expenditures	<u>35,600</u>	<u>35,600</u>	<u>36,722</u>	<u>(1,122)</u>
Excess revenues over (under) expenditures	<u>21,000</u>	<u>21,000</u>	<u>19,927</u>	<u>(1,073)</u>
Transfers out	<u>-</u>	<u>-</u>	<u>(19,921)</u>	<u>(19,921)</u>
Net change in Fund balance	21,000	21,000	6	(20,994)
Fund balance (deficit), July 1, 2014	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 20,994</u>	<u>\$ 20,994</u>	<u>\$ -</u>	<u>\$ (20,994)</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 GENERAL PLAN FEE FUND
 JUNE 30, 2015

	<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	\$ 200	\$ 200	\$ 263	\$ 63
Charges for services	<u>25,000</u>	<u>25,000</u>	<u>39,576</u>	<u>14,576</u>
Total revenues	<u>25,200</u>	<u>25,200</u>	<u>39,839</u>	<u>14,639</u>
<u>EXPENDITURES:</u>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	25,200	25,200	39,839	14,639
Fund balance (deficit), July 1, 2014	<u>129,268</u>	<u>129,268</u>	<u>129,268</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 154,468</u>	<u>\$ 154,468</u>	<u>\$ 169,107</u>	<u>\$ 14,639</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
TRAFFIC SAFETY-DUI IMPOUND FEES FUND
JUNE 30, 2015

	<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	\$ 50	\$ 50	\$ 88	\$ 38
Charges for services	<u>14,000</u>	<u>14,000</u>	<u>19,040</u>	<u>5,040</u>
Total revenues	<u>14,050</u>	<u>14,050</u>	<u>19,128</u>	<u>5,078</u>
<u>EXPENDITURES</u>				
Public Safety	<u>5,000</u>	<u>5,000</u>	<u>3,725</u>	<u>1,275</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,725</u>	<u>1,275</u>
Excess of revenue over (under) expenditures	<u>9,050</u>	<u>9,050</u>	<u>15,403</u>	<u>6,353</u>
Net change in Fund balance	9,050	9,050	15,403	6,353
Fund balance (deficit), July 1, 2014	<u>41,142</u>	<u>41,142</u>	<u>41,142</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 50,192</u>	<u>\$ 50,192</u>	<u>\$ 56,545</u>	<u>\$ 6,353</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
AB109 STATE FUND
JUNE 30, 2015

	<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	\$ -	\$ -	\$ 279	\$ 279
Intergovernmental revenues	<u>50,000</u>	<u>50,000</u>	<u>183,107</u>	<u>133,107</u>
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>183,386</u>	<u>133,386</u>
<u>EXPENDITURES:</u>				
Public Safety	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Excess of revenue over (under) expenditures	<u>49,000</u>	<u>49,000</u>	<u>183,386</u>	<u>134,386</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	<u>(78,379)</u>	<u>(13,790)</u>	<u>(3,957)</u>	<u>(9,833)</u>
Total other financing sources (uses)	<u>(78,379)</u>	<u>(13,790)</u>	<u>(3,957)</u>	<u>(9,833)</u>
Net change in Fund balance	(29,379)	35,210	179,429	144,219
Fund balance (deficit), July 1, 2014	<u>113</u>	<u>113</u>	<u>113</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ (29,266)</u>	<u>\$ 35,323</u>	<u>\$ 179,542</u>	<u>\$ 144,219</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CAL HOME GRANT FUND
JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ 250,000	\$ 250,000	\$ 322,350	\$ 72,350
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>322,350</u>	<u>72,350</u>
<u>EXPENDITURES:</u>				
Current:				
Community development	<u>418,000</u>	<u>418,000</u>	<u>294,350</u>	<u>123,650</u>
Total expenditures	<u>418,000</u>	<u>843,071</u>	<u>294,350</u>	<u>548,721</u>
Excess of revenue over (under) expenditures	<u>(168,000)</u>	<u>(593,071)</u>	<u>28,000</u>	<u>621,071</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	<u>(38,500)</u>	<u>(38,500)</u>	<u>(28,000)</u>	<u>10,500</u>
Total other financing sources (uses)	<u>(38,500)</u>	<u>(38,500)</u>	<u>(28,000)</u>	<u>10,500</u>
Net change in Fund balance	(206,500)	(631,571)	-	631,571
Fund balance (deficit), July 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ (206,500)</u>	<u>\$ (631,571)</u>	<u>\$ -</u>	<u>\$ 631,571</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CLARK ROAD SIGNAL FUND
JUNE 30, 2015

<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	-	-	9	9
Total revenues	-	-	9	9
Net change in Fund balance	-	-	9	9
Fund balance (deficit), July 1, 2014	6,052	6,052	6,052	-
Fund balance (deficit), June 30, 2015	<u>\$ 6,052</u>	<u>\$ 6,052</u>	<u>\$ 6,061</u>	<u>\$ 9</u>

* The Town did not adopt a budget for the Clark Road Signal Fund for the year ended June 30, 2015.

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 IMPROVEMENT AGREEMENTS FUND
 JUNE 30, 2015

	<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	_____ -	_____ -	_____ -	_____ -
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 Improvement Agreements Fund for the year ended June 30, 2015.

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 TREE REPLACEMENT IN LIEU FUND
 JUNE 30, 2015

	<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
Total revenues	_____ -	_____ -	_____ 3	_____ 3
<u>EXPENDITURES:</u>				
Total Expenditures	_____ -	_____ -	_____ -	_____ -
Net change in Fund balance	-	-	3	3
Fund balance (deficit), July 1, 2014	<u>2,498</u>	<u>2,498</u>	<u>2,498</u>	-
Fund balance (deficit), June 30, 2015	<u>\$ 2,498</u>	<u>\$ 2,498</u>	<u>\$ 2,501</u>	<u>\$ 3</u>

* The Town did not adopt a budget for the CalHome Grant Fund for the year ended June 30, 2015.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HYDRANT MAINTENANCE FUND
JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Other revenues	\$ 1,000	\$ 1,000	\$ 8,158	\$ 7,158
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>8,158</u>	<u>7,158</u>
<u>EXPENDITURES:</u>				
Public Safety	<u>1,000</u>	<u>1,000</u>	<u>5,558</u>	<u>(4,558)</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>5,558</u>	<u>(4,558)</u>
Excess of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>2,600</u>	<u>2,600</u>
Net change in Fund balance	-	-	2,600	2,600
Fund balance (deficit), July 1, 2014	<u>3,550</u>	<u>3,550</u>	<u>3,550</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 3,550</u>	<u>\$ 3,550</u>	<u>\$ 6,150</u>	<u>\$ 2,600</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 DISABILITY ACCESS AND EDUCATION FUND
 JUNE 30, 2015

	<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	\$ <u>25</u>	\$ <u>25</u>	\$ <u>13</u>	\$ <u>(12)</u>
Total revenues	<u>25</u>	<u>25</u>	<u>13</u>	<u>(12)</u>
Net change in Fund balance	25	25	13	(12)
Fund balance (deficit), July 1, 2014	<u>37</u>	<u>37</u>	<u>37</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 62</u>	<u>\$ 62</u>	<u>\$ 50</u>	<u>\$ (12)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
REGIONAL SURFACE TRANSPORTATION PROGRAM FUND
JUNE 30, 2015

	<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	\$ -	\$ -	\$ 298,181	\$ 298,181
Total revenues	<u>-</u>	<u>-</u>	<u>298,181</u>	<u>298,181</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>-</u>	<u>(300,000)</u>	<u>(298,181)</u>	<u>1,819</u>
Total other financing sources (uses)	<u>-</u>	<u>(300,000)</u>	<u>(298,181)</u>	<u>1,819</u>
Net change in Fund balance	-	(300,000)	-	300,000
Fund balance (deficit), July 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ -</u>	<u>\$ (300,000)</u>	<u>\$ -</u>	<u>\$ 300,000</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
SMIP FUND
JUNE 30, 2015

<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	\$ -	\$ -	\$ 4	\$ 4
Licenses and permits	<u>250</u>	<u>250</u>	<u>512</u>	<u>262</u>
Total revenues	<u>250</u>	<u>250</u>	<u>516</u>	<u>266</u>
Net change in Fund balance	250	250	516	266
Fund balance (deficit), July 1, 2014	<u>1,387</u>	<u>1,387</u>	<u>1,387</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 1,637</u>	<u>\$ 1,637</u>	<u>\$ 1,903</u>	<u>\$ 266</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 POLICE DEPARTMENT SEIZURES FUND
 JUNE 30, 2015

	<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	\$ 361	\$ (139)
Total revenues	<u>500</u>	<u>500</u>	<u>361</u>	<u>(139)</u>
<u>EXPENDITURES:</u>				
Public Safety	-	-	1,095	(1,095)
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,095</u>	<u>(1,095)</u>
Excess of revenue over (under) expenditures	<u>500</u>	<u>500</u>	<u>(734)</u>	<u>(1,234)</u>
Net change in Fund balance	500	500	(734)	(1,234)
Fund balance (deficit), July 1, 2014	<u>2,051</u>	<u>2,051</u>	<u>2,051</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 2,551</u>	<u>\$ 2,551</u>	<u>\$ 1,317</u>	<u>\$ (1,234)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
DEPARTMENT OF JUSTICE LIVESCAN FEES FUND
JUNE 30, 2015

	<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	\$ 10,000	\$ 10,000	\$ 2,131	\$ (7,869)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>2,131</u>	<u>(7,869)</u>
<u>EXPENDITURES:</u>				
Public Safety	<u>10,000</u>	<u>10,000</u>	<u>2,131</u>	<u>7,869</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>2,131</u>	<u>7,869</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, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<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, 2015

REVENUES:	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Use of money and property	\$ _____ -	\$ _____ -	\$ _____ 3	\$ _____ 3
Total revenues	_____ -	_____ -	_____ 3	_____ 3
Net change in Fund balance	-	-	3	3
Fund balance (deficit), July 1, 2014	_____ -	_____ -	_____ 1,756	_____ 1,756
Fund balance (deficit), June 30, 2015	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ 1,759</u>	<u>\$ _____ 1,759</u>

* The Town did not adopt a budget for the Police Trading Cards Fund for the year ended June 30, 2015.

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 GRANTS MISCELLANEOUS ONE TIME
 JUNE 30, 2015

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Other revenues	\$ _____ -	\$ _____ -	\$ 218,000	\$ (218,000)
Net change in Fund balance	-	-	218,000	(218,000)
Fund balance (deficit), July 1, 2014	_____ -	_____ -	_____ -	_____ -
Fund balance (deficit), June 30, 2015	\$ _____ -	\$ _____ -	\$ 218,000	\$ 218,000

* The Town did not adopt a budget for the Grants Miscellaneous One Time Fund for the year ended June 30, 2015.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CANINE PROTECT FUND
JUNE 30, 2015

	<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	\$ 40	\$ 40	\$ 10	\$ (30)
Other Revenues	<u>2,500</u>	<u>2,500</u>	<u>4,494</u>	<u>1,994</u>
Total revenues	<u>2,540</u>	<u>2,540</u>	<u>4,504</u>	<u>1,964</u>
<u>EXPENDITURES:</u>				
Public Safety	<u>3,300</u>	<u>3,300</u>	<u>24,519</u>	<u>(21,219)</u>
Total Expenditures	<u>3,300</u>	<u>3,300</u>	<u>24,519</u>	<u>(21,219)</u>
Excess of revenue over (under) expenditures	<u>(760)</u>	<u>(760)</u>	<u>(20,015)</u>	<u>(19,255)</u>
Net change in Fund balance	(760)	(760)	(20,015)	(19,255)
Fund balance (deficit), July 1, 2014	<u>25,611</u>	<u>25,611</u>	<u>25,611</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 24,851</u>	<u>\$ 24,851</u>	<u>\$ 5,596</u>	<u>\$ (19,255)</u>

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 FIRE FUND
 JUNE 30, 2015

	<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	\$ 9	\$ (1)
Total revenues	<u>10</u>	<u>11,416,701</u>	<u>9</u>	<u>(11,416,692)</u>
Net change in Fund balance	10	11,416,701	9	(11,416,692)
Fund balance (deficit), July 1, 2014	<u>6,205</u>	<u>6,205</u>	<u>6,205</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 6,215</u>	<u>\$ 11,422,906</u>	<u>\$ 6,214</u>	<u>\$ (11,416,692)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ANIMAL CONTROL FUND
JUNE 30, 2015

	<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	\$ 92	\$ 17
Other Revenues	<u>5,000</u>	<u>5,000</u>	<u>3,027</u>	<u>(1,973)</u>
Total revenues	<u>5,075</u>	<u>5,075</u>	<u>3,119</u>	<u>(1,956)</u>
<u>EXPENDITURES:</u>				
Public Safety	<u>-</u>	<u>-</u>	<u>982</u>	<u>(982)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>982</u>	<u>(982)</u>
Excess of revenue over (under) expenditures	<u>5,075</u>	<u>5,075</u>	<u>2,137</u>	<u>(2,938)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(16,381)</u>	<u>(17,623)</u>	<u>-</u>	<u>17,623</u>
Total other financing sources (uses)	<u>(16,381)</u>	<u>(17,623)</u>	<u>-</u>	<u>17,623</u>
Net change in Fund balance	(11,306)	(12,548)	2,137	14,685
Fund balance (deficit), July 1, 2014	<u>58,106</u>	<u>58,106</u>	<u>58,106</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ 46,800</u>	<u>\$ 45,558</u>	<u>\$ 60,243</u>	<u>\$ 14,685</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
POLICE FUND
JUNE 30, 2015

<u>REVENUES:</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Other Revenues	\$ _____ -	\$ _____ -	\$ _____ 25	\$ _____ 25
Total revenues	_____ -	_____ -	_____ 25	_____ 25
Net change in Fund balance	-	-	25	25
Fund balance (deficit), July 1, 2014	_____ 356	_____ 356	_____ 356	_____ -
Fund balance (deficit), June 30, 2015	\$ _____ 356	\$ _____ 356	\$ _____ 381	\$ _____ 25

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 SPECIAL PROJECTS DONATIONS FUND
 JUNE 30, 2015

	<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	\$ _____ -	\$ _____ -	\$ _____ 27,593	\$ _____ 27,593
Total revenues	_____ -	_____ -	_____ 27,593	_____ 27,593
<u>EXPENDITURES:</u>				
Capital Outlay	_____ -	_____ -	_____ 28,354	_____ (28,354)
Total Expenditures	_____ -	_____ -	_____ 28,354	_____ (28,354)
Excess of revenue over (under) expenditures	_____ -	_____ -	_____ (761)	_____ (761)
Net change in Fund balance	-	-	(761)	(761)
Fund balance (deficit), July 1, 2014	_____ 34	_____ 34	_____ 34	_____ -
Fund balance (deficit), June 30, 2015	\$ _____ 34	\$ _____ 34	\$ _____ (727)	\$ _____ (761)

* The Town did not adopt a budget for the Special Projects Donation Fund for the year ended June 30, 2015.

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 MEMORIAL TRAILWAY
 JUNE 30, 2015

REVENUES:	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Use of money and property	\$ -	\$ -	\$ 5	\$ (5)
Other revenues	<u>-</u>	<u>-</u>	<u>3,350</u>	<u>(3,350)</u>
Total revenues	<u>-</u>	<u>-</u>	<u>3,355</u>	<u>(3,355)</u>
Net change in Fund balance	-	-	3,355	3,355
Fund balance (deficit), July 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,355</u>	<u>\$ 3,355</u>

* The Town did not adopt a budget for the Memorial Trailway Fund for the year ended June 30, 2015.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CAPITAL IMPROVEMENT FUND
JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>EXPENDITURES:</u>				
Capital Outlay	\$ 1,579,058	\$ 1,579,058	\$ 1,524,298	\$ 54,760
Total expenditures	<u>1,579,058</u>	<u>1,579,058</u>	<u>1,524,298</u>	<u>54,760</u>
Excess of revenue over (under) expenditures	<u>(1,579,058)</u>	<u>(1,579,058)</u>	<u>(1,524,298)</u>	<u>54,760</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	<u>1,579,058</u>	<u>1,579,058</u>	<u>1,524,298</u>	<u>(54,760)</u>
Total other financing sources (uses)	<u>1,579,058</u>	<u>1,579,058</u>	<u>1,524,298</u>	<u>(54,760)</u>
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2015	<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, 2015

	<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	\$ -	\$ -	\$ 89	\$ 89
Total revenues	-	-	89	89
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in Fund balance	-	-	89	89
Fund balance (deficit), July 1, 2014	-	-	-	-
Prior period adjustmet	-	-	57,354	57,354
Fund balance (deficit), July 1, 2014 restated	-	-	57,354	57,354
Fund balance (deficit), June 30, 2015	\$ -	\$ -	\$ 57,443	\$ 57,443

* The Town did not adopt a budget for the Transportation Capital Projects Fund for the year ended June 30, 2015.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CAPITAL LEASES FUND
JUNE 30, 2015

	<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	\$ _____ -	\$ _____ -	\$ _____ 30	\$ _____ 30
Total revenues	_____ -	_____ -	_____ 30	_____ 30
<u>EXPENDITURES:</u>				
Capital outlay	_____ 90,476	_____ 78,152	_____ 78,152	_____ -
Total Expenditures	_____ 90,476	_____ 78,152	_____ 78,152	_____ -
Excess of revenue over (under) expenditures	_____ (90,476)	_____ (78,152)	_____ (78,122)	_____ 30
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from the issuance of debt	_____ 90,476	_____ 90,476	_____ 84,337	_____ (6,139)
Total other financing sources (uses)	_____ 90,476	_____ 90,476	_____ 84,337	_____ (6,139)
Net change in Fund balance	-	12,324	6,215	(6,109)
Fund balance (deficit), July 1, 2014	_____ -	_____ -	_____ 4,405	_____ 4,405
Fund balance (deficit), June 30, 2015	\$ _____ -	\$ _____ 12,324	\$ _____ 10,620	\$ _____ (1,704)

TOWN OF PARADISE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 WASTEWATER DESIGN ASSESSMENT DISTRICT FUND
 JUNE 30, 2015

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Other revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Total revenues	_____ -	_____ -	_____ -	_____ -
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2014	_____ 6,278	_____ 6,278	_____ 6,278	_____ -
Fund balance (deficit), June 30, 2015	<u>\$ _____ 6,278</u>	<u>\$ _____ 6,278</u>	<u>\$ _____ 6,278</u>	<u>\$ _____ -</u>

* The Town did not adopt a budget for the Wastewater Design Assessment District Fund for the year ended June 30, 2015.

TOWN OF PARADISE
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>General Trust</u>	<u>Successor RDA Fund</u>	<u>RDA Debt Service Obligation Retirement Fund</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and investments	\$ 2,350	\$ 188,169	\$ -	\$ 190,519
Restricted cash and investments with fiscal agents	<u>-</u>	<u>372,976</u>	<u>-</u>	<u>372,976</u>
Total assets	<u>2,350</u>	<u>561,145</u>	<u>-</u>	<u>563,495</u>
<u>LIABILITIES</u>				
Accounts payable	2,350	-	-	2,350
Accrued payroll payable	-	406	-	406
Interest payable	-	27,211	-	27,211
Long-term debt, due within one year	-	-	-	-
Long-term debt, due in more than one year	<u>-</u>	<u>7,695,797</u>	<u>-</u>	<u>7,695,797</u>
Total liabilities	<u>2,350</u>	<u>7,723,414</u>	<u>-</u>	<u>7,725,764</u>
<u>NET POSITION</u>				
Unrestricted	<u>-</u>	<u>(7,162,269)</u>	<u>-</u>	<u>(7,162,269)</u>
Total net position (deficit)	<u>\$ -</u>	<u>\$ (7,162,269)</u>	<u>\$ -</u>	<u>\$ (7,162,269)</u>

TOWN OF PARADISE
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
JUNE 30, 2015

	<u>General Trust</u>	<u>Successor RDA Fund</u>	<u>RDA Debt Service Obligation Retirement Fund</u>	<u>Totals</u>
<u>ADDITIONS</u>				
Taxes and assessments	\$ -	\$ -	\$ 362,586	\$ 362,586
Investment revenue	-	383	-	383
Interfund transfer in	-	<u>362,586</u>	-	<u>362,586</u>
Total additions	<u>-</u>	<u>362,969</u>	<u>362,586</u>	<u>725,555</u>
<u>DEDUCTIONS</u>				
Administrative expenses	-	11,627	-	11,627
Interest expense	-	339,438	-	339,438
Interfund transfer out	-	-	<u>362,586</u>	<u>362,586</u>
Total deductions	<u>-</u>	<u>351,065</u>	<u>362,586</u>	<u>713,651</u>
Change in Net position	-	11,904	-	11,904
Net position - July 1, 2014	<u>-</u>	<u>(7,174,173)</u>	<u>-</u>	<u>(7,174,173)</u>
Net position (deficit) - June 30, 2015	<u>\$ -</u>	<u>\$ (7,162,269)</u>	<u>\$ -</u>	<u>\$ (7,162,269)</u>

TOWN OF PARADISE
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2015

	<u>Employee BankFund</u>	<u>Police Department Found Money Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ <u>435</u>	\$ <u>5,513</u>	\$ <u>5,948</u>
Total assets	\$ <u>435</u>	\$ <u>5,513</u>	\$ <u>5,948</u>
<u>LIABILITIES</u>			
Due to others	\$ <u>435</u>	\$ <u>5,513</u>	\$ <u>5,948</u>
Total liabilities	\$ <u>435</u>	\$ <u>5,513</u>	\$ <u>5,948</u>

TOWN OF PARADISE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
EMPLOYEE BANK FUND				
ASSETS				
Cash and investments	\$ 340	\$ 95	\$ -	\$ 435
Total Assets	<u>\$ 340</u>	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 435</u>
LIABILITIES				
Due to others	\$ 340	\$ 95	\$ -	\$ 435
Total liabilities	<u>\$ 340</u>	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 435</u>
POLICE DEPARTMENT FOUND				
MONEY FUND				
ASSETS				
Cash and investments	\$ 4,630	\$ 889	\$ (6)	\$ 5,513
Total assets	<u>\$ 4,630</u>	<u>\$ 889</u>	<u>\$ (6)</u>	<u>\$ 5,513</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to others	<u>4,630</u>	<u>883</u>	<u>-</u>	<u>5,513</u>
Total liabilities	<u>\$ 4,630</u>	<u>\$ 883</u>	<u>\$ -</u>	<u>\$ 5,513</u>