

TOWN OF PARADISE
ANNUAL FINANCIAL REPORT
June 30, 2012

TOWN OF PARADISE
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June 30, 2012

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Town Council
Paradise, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Paradise (Town) California, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Town's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Town's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

The Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), effective July 1, 2011.

The accompanying financial statements have been prepared assuming that the Town of Paradise, California, will continue as a going concern. As discussed in Note 15 of the notes to the financial statements, the Town's general fund cash balance is \$45,392 and there was no unassigned fund balance amount remaining to fund the ongoing activities of the Town (with a majority of the fund balance being categorized as nonspendable for advances due from the RDA Successor Agency Trust Fund) as of the fiscal year ended June 30, 2012. Additionally, the Town had net assets of \$7,389,682 in governmental activities, an annual OPEB cost for the fiscal year ended June 30, 2012 of \$1,603,952 and a UAAL amount of \$18,331,623 (per information provided in the GASB 45 Actuarial Valuation Report). The annual OPEB cost for the fiscal year ended June 30, 2013 is \$932,556 (per information provided in the GASB 45 Actuarial Valuation Report). These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are described in Note 15 on page 57. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 6, 2013, on our consideration of the Town'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 3 through 11, the Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-General Fund, CAL Home Rehabilitation Fund, and the Schedule of Funding Progress-Other Post-employment Benefits on pages 60 through 64 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 them 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements as a whole. The Combining Non-major Governmental Funds Financial Statements, Non-major Funds Budgetary Comparison Schedules, and Fiduciary Funds financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The Combining Non-major Governmental Funds Financial Statements, Non-major Funds Budgetary Comparison Schedules, and Fiduciary Funds Financial Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, CA
May 6, 2013

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, 2012. Please read it in conjunction with the Town's financial statements.

FINANCIAL HIGHLIGHTS

- Net assets increased over 529 percent by \$6.2 million or to \$7.39 million from a year ago.
- The ending general fund balance for June 30, 2012 is \$1,336,887 a 21% decrease.
- Capital assets decrease \$688,396 after depreciation or 4.7 percent compared to the prior year.
- The Town had \$17.71 million in outstanding debt, a decrease of 14 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets 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 Assets 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 Assets 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.

As part of the 2011 Budget Act, the California State Legislature approved the dissolution of the state's 400 plus Redevelopment Agencies (RDAs). After a period of litigation, RDAs were officially dissolved as of February 1, 2012. The Town of Paradise is serving as Successor Agency to the former Paradise Redevelopment Agency. Because the Town's role is now one of trustee or fiduciary, the accounting for the transactions related to the former RDA were shifted from Governmental Activities to Fiduciary Funds. This accounting change removes over \$5.8 million dollars of Liability from Governmental Activities or specifically \$1.4 million from Notes Payable and \$4.4 million from Bonds Payable.

The Town's assets increased 3.2 percent or \$807,575 to \$25.6 million and, the Town's liabilities decreased nearly 23 percent, \$5.4 million to \$18.3 million. Thus net assets increased over 529 percent by \$6.2 million or to \$7.39 million from a year ago. Table 1 below shows a summary of the Net Assets.

Table 1
Net Assets

	Governmental Activities	
	2012	2011
Current and other assets	\$11,823,214	\$10,327,243
Capital assets	<u>13,831,229</u>	<u>14,519,625</u>
Total Assets	<u>25,654,443</u>	<u>24,846,868</u>
Long term liabilities (due in more than one year)	(16,358,836)	(19,446,072)
Other liabilities	<u>(1,905,925)</u>	<u>(4,225,825)</u>
Total liabilities	<u>(18,264,761)</u>	<u>(23,671,897)</u>
Net Assets:		
Invested in capital assets, net of debt	4,420,805	8,511,315
Restricted	9,561,949	6,838,732
Unrestricted	<u>(6,593,072)</u>	<u>(14,175,076)</u>
Total Net Assets	<u>\$7,389,682</u>	<u>\$1,174,971</u>

The current actuarial study indicates that the net OPEB obligation at the end of the fiscal year ended June 30, 2012 is \$4,274,192. Because of the tremendous reduction in future OPEB obligations obtained through employee agreement, \$1,603,952 was a required addition to liabilities for 2011/12. Please refer to the section on "Next Year's Budget and Assumptions" for additional information on how the Town further reduced this obligation.

2010/11 reflects the final business-type activities transactions. Onsite and building type activities are now accounted for as Governmental Activities. As those divisions were not self sustaining as previously designed, those divisions were combined and restructured in order to more efficiently share personnel resources of other governmental activity funds.

Table 2 below shows another perspective of the net assets of the Town. This year's Town revenues decreased by \$671,404 or 4.3 percent. As has been seen nationwide, recession recovery is slow. Property taxes, motor vehicle in-lieu, and other taxes all decreased. Charges for services increased with the reclassification of business-type activities now included. Operating contributions and grants also reflect an increase. The total cost of programs and services increased by \$74,852 or 0.5 percent. While significant concessions were made by employees to reduce the salary and benefit expenses of the Town and departments cut operating expenses by as much as possible, the reporting of the GASB 45 OPEB liability resulted in the majority of the increased expense that is reported.

Table 2
Changes in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges for Services	\$1,382,411	\$1,135,641			\$1,382,411	\$1,135,641
Operating Contributions & Grants	3,789,395	3,063,234			3,789,395	3,063,234
Capital Contributions & Grants	308,293	754,047		335,242	308,293	1,089,289
General Revenues:						
Property Taxes	4,230,292	4,748,170			4,230,292	4,748,170
Other Taxes	2,666,656	2,812,393			2,666,656	2,812,393
Motor vehicle in-lieu	1,962,653	2,127,665			1,962,653	2,127,665
Other general revenues	<u>583,151</u>	<u>617,863</u>			<u>583,151</u>	<u>617,863</u>
Total Revenues	<u>14,922,851</u>	<u>15,259,013</u>		<u>335,242</u>	<u>14,922,851</u>	<u>15,594,255</u>
Program expenses						
General Government	1,192,692	1,660,087			1,192,692	1,660,087
Community Development	1,169,534	1,264,931			1,169,534	1,264,931
Public Safety	8,607,522	7,734,200			8,607,522	7,734,200
Public Works	688,645	1,063,625			688,645	1,063,625
Parks & Recreation	39,175	40,390			39,175	40,390
Streets	1,727,603	1,533,945			1,727,603	1,533,945
Development Services						
Wastewater						
Unallocated Depreciation	1,020,350	913,603			1,020,350	913,603
Interest on Long Term Debt	<u>1,007,104</u>	<u>1,166,992</u>			<u>1,007,104</u>	<u>1,166,992</u>
Total Expenses	<u>15,452,625</u>	<u>15,377,773</u>		<u>0</u>	<u>15,452,625</u>	<u>15,377,773</u>
Excess (deficiency) before transfers & prior period adjustments	(529,774)	(118,760)		335,242	(529,774)	216,482
Transfers		103,111		(103,111)		0
Gain on transfer of assets and liabilities to RDA successor trust funds	<u>6,744,485</u>				<u>6,744,485</u>	
Increase (decrease) in net assets	<u>\$6,214,711</u>	<u>(15,649)</u>	<u>0</u>	<u>\$232,131</u>	<u>\$6,214,711</u>	<u>\$216,482</u>

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 \$5,411,191. It reflects a 29.375% 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 agreements were made with employee groups which included estimates of the savings negotiated. Budget adjustments were also approved at mid-year reflecting additional operating cuts required and any time significant changes in information or projection impacted the budget.

Slow economic recovery continues to plague the financials of the Town. Any revenue categories tied to property assessed values continued to decline. General Fund revenues were down \$306,266 or 3.2%. Use of money and property and charges for services are the only two revenue categories reflecting growth.

Town staff, through shared sacrifice concessions, saved the Town substantial salary and benefit dollars. The Town negotiated employee concessions that both reduced expenses for the fiscal year reported and reduced future long term obligations for the Town as follows:

- ✓ As part of their multi-year agreement, the Police Officer's Association agreed to pay 100% of the employee CalPERS contribution and then as of November 1, 2011 they agreed to the remaining equivalent 3.65% or 3.05% wage increase.
- ✓ As of October 24, 2011 Confidential/Mid-Management and General OE3 agreed to a 5% salary reduction through June 30, 2013. In addition, they agreed to a permanent cap on the contribution the Town makes toward medical benefits based on 2011 rates.
- ✓ Also, as of November 8, 2011 Police Mid-Management agreed to waive 80 hours of administrative leave payout through June 30, 2013. In addition, they agreed to a permanent cap on the contribution the Town makes toward medical benefits based on 2011 rates.
- ✓ Also, as of December 8, 2011 through June 30, 2013, miscellaneous management group members agreed to pay 4% of the employee CALPers contribution and waived \$200 per month in a car/cell phone allowance. Safety management group members agreed to pay 5% of the employee CALPers Contribution between December 8, 2011 and June 30, 2013.
- ✓ The Town's FTE in July 2011 is 99.80, but with layoffs, retirement, and attrition the FTE is reduced by 11.68% to 88.14 in June 2012.

Also, departments reduced spending by purchasing only essential supplies. As reflected under current expenditures, expenditures decreased \$418,771 or 3.9 percent. The Town and departments have also made a concerted effort to defer major capital purchases thereby reducing debt service obligations. Debt service principal and interest reflect a decrease of \$75,851 this includes the \$25,000 scheduled increase for the Pension Obligation Bond. The Pension Obligation Bond was issued to pay for the unfunded liability related to CalPERS pension benefits, and now the Town must pay the bondholders for the bonds issued. This bond issuance also greatly reduced the annual contribution rates for these benefits.

Expenditures exceeded revenues by \$897,754 before transfers are reported. Net of transfers, the net change in general fund balance is a negative \$355,539. The ending general fund balance for June 30, 2012 is \$1,336,887 a 21% decrease compared to the prior year.

Other Key Governmental Funds

The animal control fund saw a decrease of revenues and transfers in of \$42,183 during the year but even more of a decrease in expenditures and transfers of \$52,484. This means that the ending fund deficit is reduced by \$12,004. The fund is owed \$103,117 in state mandated costs reimbursements, but as the State of California has deferred these payments for some time this amount has not been booked as a receivable due to uncertainty. A decision will need to be made to either increase fees to a point that fully funds the services provided or to decrease the amount of service provided as the deficit balance impacts the resources the Town has to provide other services.

The building safety and waste water services fund had revenues of \$729,964. Expenditures and transfers out were \$693,760 and the fund ended with a \$36,204 ending fund balance. This is the fund created by adding elements of the building (development services) fund and the onsite wastewater funds.

The gas tax fund reports a \$102,579 increase in revenues and transfers in from other funds. Expenditures and transfers out were decreased \$82,602 primarily due to staff vacancies and staff shortages. This leaves the fund with an ending fund balance of \$358,831.

With an increase of revenues of \$36,868 but an increase in expenditures of \$180,893 the local transportation fund decreased its ending fund balance \$2,316 to \$1,149,673. Annual transit monies received in this fund are contributed to Butte County Association of Governments toward its regional B-Line program used by citizens in the community to commute to various locations in Butte County.

PROPRIETARY FUNDS

The proprietary funds are made up of the business-type activities (enterprise funds) and an internal service fund which is related to self insurance funding. The proprietary funds statement of revenues, expenses, and changes in net assets report what is equivalent to the "ending fund balance" in governmental funds.

As indicated before, the development service fund and onsite wastewater district fund were discontinued and elements of them combined to create a more efficient building safety and waste water service fund. There is no longer activity recorded in these prior funds.

The net assets for the internal service fund for self insurance funding increased \$71,859 for the year compared to the prior year of \$143,680. These numbers are all a direct reflection of what the insurance JPA is able to offer the Town in terms of dividends.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At fiscal year-end 2012, the Town had \$13,831,229, 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 decrease of \$688,396 after depreciation or 4.7 percent compared to last year. \$294,246 of that decrease is from transferring the former RDA assets to the trust fund.

This year’s major additions included:

- Essential communications equipment for the Police Department 41,000

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

	Governmental Activities	
	2012	2011
Land	\$1,246,001	\$1,540,247
Construction in progress	626,224	400,887
Buildings and improvements	308,825	329,666
Infrastructure	10,764,788	11,093,937
Machinery and equipment	489,040	603,563
Vehicles	<u>396,351</u>	<u>551,325</u>
Totals	<u>\$13,831,229</u>	<u>\$14,519,625</u>

The Town’s fiscal year 2012 capital budget included about \$1.1 million in street maintenance, rehabilitation, and new construction and design. With personnel shortages and budget constraints, the projects that actually moved forward were preliminary work on South Libby and Pearson/Recreation Signal and the completion of the Pearson Park and Ride. The street rehabilitation at South Libby was completed in July 2012 and construction for the Pearson/Recreation Signal will be started in June 2013. None of these projects are funded through the general fund, but are funded through various federal or state programs.

Debt

At year end, the Town had \$17.71 million in notes, bonds, capital leases, other post-employment benefits (OPEB), and compensative absences. \$1.3 million of that obligation is due within one year, a decrease of 14 percent as shown in table 4.

Table 4
Outstanding Debt at Year-end

	Governmental Activities	
	2012	2011
Notes payable	\$0	\$1,406,514
Bonds payable	11,972,653	14,009,615
Capital leases	783,922	1,132,206
OPEB	4,274,192	3,247,374
Compensated absences	<u>675,001</u>	<u>791,789</u>
Total Liabilities	\$17,705,768	\$20,587,498

\$5.8 million in notes and bonds payable were transferred out of governmental activities into a private purpose trust fund to account for dissolution of the Paradise Redevelopment Agency. By implementing a vesting schedule for new hires, starting an irrevocable trust to begin funding the future obligation, and by capping benefits for all employee groups, the Town made considerable progress in reducing the OPEB obligation reported for 2011/12 as required by GASB 45. As can be seen through the reduction of notes payable and bonds payable, the only activity recorded in these categories was for the payment of debt service. No additional bonds or notes were issued in 2011/12. As indicated in the capital assets section, only a small lease purchase was approved in 2011/12 and five older leases were paid off during the year.

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

THE TOWN AS TRUSTEE

The Town is the trustee, or fiduciary, for a number of donation and found money type funds. As of January 2012, it also elected to become the successor agency of the former Paradise Redevelopment 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 a private-purpose trust fund. The Town is responsible for the assets in these funds and must only be used as indicated in the trust arrangements. All of the Town's fiduciary activities are reported in separate Statements of Fiduciary Assets and Liabilities and Changes in Fiduciary 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. Agency funds' total assets are \$109,400 and the private-purpose trust funds' net assets are negative \$6.9 million as of June 30, 2012.

NEXT YEAR'S BUDGET AND ASSUMPTIONS

At the issuance of these financial statements, nine of the twelve months has been completed of the 2012/13 fiscal year. With economic recovery still lagging in the community, the Town's elected and appointed officials have purposely not increased fees in order to encourage growth and business development. Also, while some improvement is being seen in consumer spending areas like sales taxes and franchise fees, property taxes are very slow to recover. Modest growth in property tax revenues is expected for the 2013/14 fiscal year. The amended general fund budget for 2012/13 currently has \$9.3 million available for appropriations before considering transfers in. This is a zero percent reduction in revenues compared to the year being reported. It is currently expected that 2012/13 will have a very similar revenue outlook with very slow recovery projected and some loss of some one time revenues.

Additional cutbacks, layoffs and employee concessions have been implemented for the 2012/13 fiscal year. A summary of employee concessions and reorganization is indicated below. Current general fund budgeted expenditures amount to \$10.1 million. The amended budget projects a \$273,065 general fund deficit.

- ✓ In December 2012, fire personnel services were outsourced providing cost containment and enhanced fire protection in the community.
- ✓ All but five employees are paying 100% of the CalPERS employee contribution which is 7% of salary for Miscellaneous Employees and 9% for Public Safety Employees. All employees are paying at least half of the CalPERS employee contribution.
- ✓ All employee units have agreed to cap the amount the Town contributes toward health insurance premiums as a way to reduce the OPEB obligation. According to the most recent actuary study received for the OPEB obligation, this reduced the present value of future benefits to \$13.8 million which is a 69.9 percent reduction compared to the original \$45.8 million.
- ✓ A 5% salary reduction for two groups for six months, \$200 per month car/cell phone allowance for one group, waiver of the administrative leave payout provision for another group, and waiver of holiday pay and uniform allowance for eight months by a final group.
- ✓ 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 budget projection for the 2013/14 fiscal year (now just three months away) projects a balanced budget. Modest growth is expected in property tax revenues and continued growth in other consumer spending categories. The Town will be doing more cutbacks and will not replace vacant positions in order to balance the budget. Management and elected officials are evaluating cost recovery and other ways to diversify the revenues of the Town. Also of high importance will be establishing policy that minimizes 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.

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TOWN OF PARADISE
STATEMENT OF NET ASSETS
June 30, 2012

	Governmental Activities
ASSETS	
Cash and investments	\$ 2,477,957
Restricted cash and investments with fiscal agents	3,213
Accounts receivable	1,777,648
Prepaid items	653
Advances to the Successor Agency Trust Funds	1,898,321
Loans receivable	5,448,914
Deferred charges - net of accumulated amortization	216,508
Capital assets:	
Nondepreciable:	
Land and construction in progress	1,872,225
Depreciable:	
Infrastructure, buildings, vehicles, and equipment	20,435,268
Accumulated depreciation	(8,476,264)
	25,654,443
Total assets	25,654,443
LIABILITIES	
Accounts payable	279,330
Accrued wages	252,452
Interest payable	27,211
Noncurrent liabilities:	
Due within one year	1,346,932
Due in more than one year	16,358,836
	18,264,761
Total liabilities	18,264,761
NET ASSETS	
Invested in capital assets, net of related debt	4,420,805
Restricted for:	
Public safety	200,785
Streets and roads	2,308,186
Community development	6,445,395
Wastewater and drainage	607,583
Unrestricted	(6,593,072)
	(6,593,072)
Total net assets	\$ 7,389,682

The notes to the financial statements are an integral part of this statement.

TOWN OF PARADISE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Governmental activities:				
General government	\$ 1,192,692	\$ 304,528	\$ 491,319	\$ -
Community development	1,169,534	811,825	1,116,038	284,786
Public safety	8,607,522	181,219	376,708	23,507
Public works	688,645	84,839		
Parks and recreation	39,175			
Streets	1,727,603		1,805,330	
Unallocated depreciation	1,020,350			
Interest on long-term debt	1,007,104			
Total governmental activities	<u>15,452,625</u>	<u>1,382,411</u>	<u>3,789,395</u>	<u>308,293</u>
Total government	<u>\$ 15,452,625</u>	<u>\$ 1,382,411</u>	<u>\$ 3,789,395</u>	<u>\$ 308,293</u>

General Revenues:

Taxes:

Secured and unsecured property taxes

Sales and use taxes

Transient lodging tax

Franchise taxes

Real property transfer taxes

Other taxes

Motor vehicle in-lieu, unrestricted

Homeowners property tax relief

Investment income

Other

Total general revenues

Change in net assets before Extraordinary Item

Extraordinary Item

Gain (loss) on transfer of assets and liabilities
to RDA successor trust funds

Change in net assets

Net assets at beginning of fiscal year

Net assets at end of fiscal year

The notes to the financial statements are an integral part of this statement.

Net
Governmental
Activities

\$ (396,845)
1,043,115
(8,026,088)
(603,806)
(39,175)
77,727
(1,020,350)
(1,007,104)

(9,972,526)

(9,972,526)

4,230,292
1,633,595
171,222
825,302
36,537
357,844
1,962,653
71,357
66,623
87,327

9,442,752

(529,774)

6,744,485

6,214,711

1,174,971

\$ 7,389,682

TOWN OF PARADISE
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2012

	General Fund	Home Grant Fund	Cal Home Rehabilitation Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 45,392	\$ 4,060	\$ 53,402
Restricted cash and investments with fiscal agents	70		
Accounts receivable	639,336		
Prepaid items	653		
Due from other funds			
Advances receivable from the Successor Agency Trust Funds	1,898,321		
Loans receivable	721	3,433,040	1,427,387
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,584,493</u>	<u>\$ 3,437,100</u>	<u>\$ 1,480,789</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 113,949	\$ -	\$ -
Accrued wages	217,355		
Due to other funds	784,588		
Advances payable	131,714		
Deferred revenue		3,433,040	1,427,387
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,247,606</u>	<u>3,433,040</u>	<u>1,427,387</u>
 Fund Balances:			
Nonspendable			
Loans receivable	721		
Prepaid items	653		
Advances	1,898,321		
Restricted		4,060	53,402
Unassigned	(562,808)		
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,336,887</u>	<u>4,060</u>	<u>53,402</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 2,584,493</u>	<u>\$ 3,437,100</u>	<u>\$ 1,480,789</u>

The notes to the financial statements are an integral part of this statement.

Other Governmental Funds	Totals
\$ 2,375,069	\$ 2,477,923
3,143	3,213
922,807	1,562,143
	653
1,207,725	1,207,725
131,714	2,030,035
587,766	5,448,914
<u>\$ 5,228,224</u>	<u>\$ 12,730,606</u>

\$ 165,381	\$ 279,330
35,097	252,452
423,137	1,207,725
	131,714
587,767	5,448,194
<u>1,211,382</u>	<u>7,319,415</u>

	721
	653
	1,898,321
4,056,293	4,113,755
(39,451)	(602,259)
<u>4,016,842</u>	<u>5,411,191</u>
<u>\$ 5,228,224</u>	<u>\$ 12,730,606</u>

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TOWN OF PARADISE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2012

Fund Balances - Governmental Funds \$ 5,411,191

Amounts reported for governmental activities in the Statement of Net Assets are different from those reported in the governmental funds because of the following:

Capital assets net of accumulated depreciation have not been included as financial resources in the governmental funds. 13,831,229

Deferred charges represent costs associated with the issuance of long-term debt, which are deferred and amortized over the period during which the debt is outstanding. The costs are reported as expenditures of current financial resources in the governmental funds.

Deferred charges 216,508

The liabilities below are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Bonds payable, net of original issue discount	\$ (9,009,979)	
Accreted interest payable	(2,962,674)	
Capital leases payable	(783,922)	
Other post-employment benefits	(4,274,192)	
Compensated absences	<u>(675,001)</u>	(17,705,768)

Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds. (27,211)

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 assets. 215,539

Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized for transactions that do not represent available financial resources. In the statement of net assets and statement of activities, however, revenues and assets are reported regardless of when financial resources are available. 5,448,194

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 7,389,682

The notes to the financial statements are an integral part of this statement.

TOWN OF PARADISE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2012

	General Fund	Home Grant Fund	Cal Home Rehabilitation Fund
Revenues:			
Taxes and assessments	\$ 6,896,948	\$ -	\$ -
Licenses, permits, and impact fees	3,232		
Fines and forfeitures	95,873		
Use of money and property	36,649		201
Intergovernmental revenues	2,125,090		
Charges for services	205,103		
Program income		63,001	9,917
Other revenues	43,608		
Total revenues	<u>9,406,503</u>	<u>63,001</u>	<u>10,118</u>
Expenditures:			
Current:			
General government	1,488,865		
Community development	254,640	51,806	25
Public safety	7,200,652		
Public works	86,401		
Parks and recreation	32,255		
Streets			
Capital outlay	83,509		
Debt service:			
Principal	857,851		
Interest and fiscal charges	300,084		
Total expenditures	<u>10,304,257</u>	<u>51,806</u>	<u>25</u>
Excess of revenues over (under) expenditures	<u>(897,754)</u>	<u>11,195</u>	<u>10,093</u>
Other Financing Sources (Uses):			
Proceeds from the issuance of debt			
Transfers in	542,215		
Transfers out		(19,100)	(32,122)
Total other financing sources (uses)	<u>542,215</u>	<u>(19,100)</u>	<u>(32,122)</u>
Net change in fund balances before Extraordinary Items	(355,539)	(7,905)	(22,029)
Extraordinary Item			
Gain (loss) on transfer of assets and liabilities to RDA successor trust funds			
Net change in fund balances	(355,539)	(7,905)	(22,029)
Fund balances - July 1, 2011	<u>1,692,426</u>	<u>11,965</u>	<u>75,431</u>
Fund balances - June 30, 2012	<u>\$ 1,336,887</u>	<u>\$ 4,060</u>	<u>\$ 53,402</u>

The notes to the financial statements are an integral part of this statement.

Other Governmental Funds	Totals
\$ 357,844	\$ 7,254,792
775,827	779,059
40,384	136,257
20,713	57,563
3,915,577	6,040,667
46,487	251,590
18,113	91,031
43,719	87,327
<u>5,218,664</u>	<u>14,698,286</u>
3,717	1,492,582
1,261,872	1,568,343
388,381	7,589,033
552,696	639,097
	32,255
1,613,884	1,613,884
548,901	632,410
165,600	1,023,451
196,857	496,941
<u>4,731,908</u>	<u>15,087,996</u>
<u>486,756</u>	<u>(389,710)</u>
41,000	41,000
690,298	1,232,513
<u>(1,037,645)</u>	<u>(1,088,867)</u>
<u>(306,347)</u>	<u>184,646</u>
180,409	(205,064)
<u>1,433,700</u>	<u>1,433,700</u>
1,614,109	1,228,636
<u>2,402,733</u>	<u>4,182,555</u>
<u>\$ 4,016,842</u>	<u>\$ 5,411,191</u>

TOWN OF PARADISE
RECONCILIATION OF THE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES		\$ 1,228,636
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation of \$1,020,350 exceed capital outlays of \$626,200 in the current period.		(394,150)
Repayment of long-term receivables is treated as revenues in the governmental funds, but the repayment reduces long-term receivables in the Statement of Net Assets. Issuance of long-term receivables is treated as expenditures in the governmental funds, but the issuance increases long-term receivables in the Statement of Net Assets. Certain accrued interest revenues of long-term receivables are not available to pay for current period expenditures, and are not reported as revenues in the governmental funds, but the accrued interest increases the long-term receivables in the Statement of Net Assets.		
Issuance of loans	\$ 560,480	
Repayment of loans	(83,077)	
Loans written off	(127,836)	
Accrued interest	<u>112,421</u>	461,988
Deferred revenues, not recognized as revenues in the governmental fund statements because the revenues were not available within 60 days of close of fiscal year. This is the net change.		(26,665)
Bond proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but are deferred and amortized throughout the period during which the related debt is outstanding in the Statement of Net Assets. Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Assets, the repayment reduces long-term liabilities.		
Repayment of debt principal is added back to fund balance	1,023,451	
Amortization expense of costs of issuance	(24,374)	
Proceeds from issuance of long-term debt	<u>(41,000)</u>	958,077
In the governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use at the time of issuance. In the government-wide statements, the premium or discount is amortized over the life of the debt.		
Amortization of original issue discount for the current period		(1,901)
This is the amount of the change in the payable relating to other post-employment benefits payable in the current period.		(1,026,818)
Accrued interest is interest due on long-term debt payable. This is the net change in accrued interest for the current period.		(483,888)
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		116,788
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 funds is reported with the governmental activities.		71,859
Difference in the gain/loss on transfer of assets and liabilities to RDA successor trust funds between the government activities (\$1,433,700) and the fund financial statements (\$6,744,485).		<u>5,310,785</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ 6,214,711</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF PARADISE
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2012

	Governmental Activities - Internal Service Fund <hr style="border: 0.5px solid black;"/>
ASSETS	
Current Assets:	
Cash and investments	\$ 34
Accounts receivable - net	215,505
	215,539
Total current assets	215,539
Total assets	215,539
 NET ASSETS	
Unrestricted	215,539
	215,539
Total net assets	\$ 215,539

The notes to the financial statements are an integral part of this statement.

TOWN OF PARADISE
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2012

	Governmental Activities- Internal Service Fund
Operating Revenues:	
Charges for services	\$ 215,505
Total operating revenues	215,505
Operating income	215,505
Income (Loss) before transfers	215,505
Transfers out	(143,646)
Change in net assets	71,859
Net assets at July 1, 2011	143,680
Net assets at June 30, 2012	\$ 215,539

The notes to the financial statements are an integral part of this statement.

TOWN OF PARADISE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2012

	Governmental Activities- Internal Service Fund
Cash Flows from Operating Activities:	
Net cash provided (used) by operating activities	\$ -
Cash Flows from Non-Capital and Related Financing Activities:	
Transfers out	(143,646)
Net cash provided(used) by non-capital and related financing activities	(143,646)
Net increase(decrease) in cash and cash equivalents	(143,646)
Cash and cash equivalents - July 1, 2011	143,680
Cash and cash equivalents - June 30, 2012	\$ 34
Reconciliation of Cash and Cash Equivalents to Statement of Net Assets:	
Cash and investments	\$ 34
Total Cash and Investments	\$ 34
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 215,505
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(increase) decrease in operating assets:	
Accounts receivable	(215,505)
Net cash provided (used) by operating activities	\$ -

The notes to the financial statements are an integral part of this statement.

TOWN OF PARADISE
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
June 30, 2012

	Private-Purpose Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 92,640	\$ 109,400
Restricted cash and investments with fiscal agents	372,977	
Loans receivable	1,884	
Deferred charges, net of accumulated amortization	161,698	
Land	294,246	
Total assets	\$ 923,445	\$ 109,400
Liabilities		
Accounts payable	\$ -	\$ 9,698
Due to others		99,702
Long-term debt, due within one year	6,954	
Long-term debt, due in more than one year	7,662,587	
Total liabilities	7,669,541	\$ 109,400
Net Assets		
Unrestricted	(6,746,096)	
Total net assets (deficit)	\$ (6,746,096)	

The notes to the financial statements are an integral part of this statement.

TOWN OF PARADISE
STATEMENT OF CHANGES IN NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2012

	<u>Private-Purpose Trust Funds</u>
Additions:	
Taxes and assessments	\$ 171,867
Net assets received upon dissolution of redevelopment agency	(6,744,485)
Investment revenue	25
Program income	1,289
Other revenue	320
Interfund transfer in	<u>171,867</u>
Total additions	<u>(6,399,117)</u>
Deductions:	
Community development	2,073
Interest expense	173,039
Interfund transfer out	<u>171,867</u>
Total deductions	<u>346,979</u>
Change in net assets	(6,746,096)
Net Assets - July 1, 2011	<u> </u>
Net Assets (deficit) - June 30, 2012	<u><u>\$ (6,746,096)</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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. Although they are separate legal entities, blended component units are, in substance, part of the Town's operations and are reported as an integral part of the Town's basic financial statements. The Town's component units, which are described below, are blended component units of the Town.

The Town Council serves in a separate session as the governing body of the Paradise Redevelopment Agency (Agency). Although the Agency is a legal entity apart from the Town, the Agency is included as a blended component unit in the accompanying financial statements. The financial activities of the foregoing entity have been aggregated and merged (termed "blending") with those of the Town in the accompanying financial statements, as it meets the criteria for inclusion as set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB No. 39. The activities of the Agency were transferred to the Agency's Successor Agency on February 1, 2012. See Note 14 for more information

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 Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Statements require that the financial statements described below be presented:

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the primary government (Town) and its component units. These statements include the financial activities of the overall Town government, except for fiduciary activities. Eliminations have been made to minimize double counting or internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The Statement of Activities presents a comparison between direct expenses and program revenues for each segment 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 of 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. Separate statements for each fund category—*governmental* and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (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 Assets, a Statement of Revenues, Expenses, and Change in Net Assets, 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 Assets. The Statement of Revenues, Expenses, and Change in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. 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 assets and statement of changes in net assets. 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.

C. Major Funds

GASB Statement No. 34 defines major funds and requires that the Town's major governmental and proprietary funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total or five percent of the overall total (including governmental and business type funds). The General Fund is always a major fund. The Town may also select other funds it believes should be presented as major funds.

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

General Fund

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the Town.

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.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

The government-wide, proprietary, and fiduciary funds financial statements are reported using the *economic resources measurement* focus and use the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. The Agency Funds however do not have a measurement focus as they only report assets and liabilities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary funds financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent that they have matured. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest, and charges for services.

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 assets may be available to finance program expenditures/expenses. The Town's policy is to first apply restricted grant resources to such programs, followed by general revenues, if necessary.

E. Compensated Absences

In compliance with Governmental Accounting Standards Board Statement No. 16, the Town has established a liability for accrued sick leave and vacation in relevant funds. All vacation is accrued when incurred in the government-wide and trust funds financial statements. This liability is set up for the current employees at the current rates of pay. If sick leave and vacation are not used by the employee during the term of employment, compensation is payable to the employee at the time of retirement. Such compensation is calculated at the employee's prevailing rate at the time of retirement or termination. Each fiscal year, an adjustment to the liability is made based on pay rate changes and adjustments for the current portion. The General Fund is primarily responsible for the repayment of the governmental portion of compensated absences.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

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

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

G. Capital Assets

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

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

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.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. New Accounting Pronouncements

The Town implemented the requirement of GASB Statement No. 64 during the fiscal year ended June 30, 2012.

GASB Statement No. 64 – *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53)

This Statement is effective for periods beginning after June 15, 2011. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. Implementation of GASB Statement No. 64 did not have an impact on the Town's financial statements for the fiscal year ended June 30, 2012.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for governmental funds. The Town's budget ordinance requires that, in June of each year, the Town Manager must submit a preliminary budget that includes projected expenditures and the means of financing them to the Town Council for the fiscal year commencing the following July 1. As modified during public study sessions, the preliminary budget becomes the proposed budget. Following public hearings on the proposed budget, the final annual budget is adopted by the Town Council in June (of the current fiscal year). After adoption of the final budget, transfers of appropriations within a general fund department, or within other funds, can be made by the Town Manager. Budget modifications between funds; increases or decreases to a fund's overall budget; or transfers that affect capital projects, must be approved by the Town Council or Agency Board. Authorized amendments are normally made during the fiscal year.

Budgetary control is enhanced by integrating the budget into the general ledger accounts. Encumbrance accounting is employed by the Town.

There were no budgets prepared for the Home Grant Special Revenue Fund (Major Fund), CalGRIP Special Revenue Fund, Cluster Septic Special Revenue Fund, Energy Efficiency Conservation Grant Special Revenue Fund, Successor Low and Moderate Income Housing Special Revenue Fund, and Debt Service Fund.

B. Deficit Fund Balances

Non-major Funds

A deficit fund balances of \$4,339 exists in the Cluster Septic Fund. A deficit fund balance of \$33,587 exists in the Animal Control Shelter Fund. A deficit fund balance of \$1,525 exists in the Capital Leases Fund. These fund balance deficits are primarily due to the Town incurring costs in excess of revenues. The Town will alleviate these deficits as revenues are received.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

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

C. Excess of Expenditures Over Appropriations

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2012:

<u>Non-major Funds</u>	<u>Final Appropriation</u>	<u>Expenditures</u>	<u>Excess</u>
Cal Home Rehabilitation Fund	\$ -	\$ 25	\$ 25
EDBG Repayment Fund	70,965	119,253	48,288
SLESF Fund	59,718	59,787	69
Citizen Police Fund	300	1,742	1,442
CaIHOME Grant Fund	241,331	242,424	1,093
First Time Home Buyer Fund	363,648	634,845	271,197
Capital Improvements Fund	25,000	494,383	469,383

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2012 are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and investments	\$ 2,477,957
Restricted cash and investments with fiscal agent	3,213

Fiduciary funds:

Cash and investments	202,040
Restricted cash and investments with fiscal agent	372,977

Total cash and investments \$ 3,056,187

Cash and investments as of June 30, 2012 consist of the following:

Petty cash	\$ 1,975
Deposits with financial institutions	141,453
Investments	2,912,759
	<u><u>\$ 3,056,187</u></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. The Town's investment policy states that the maximum investment percentage allowed for money market accounts is 15%, but the total invested of the Town's pooled cash in money market accounts exceeded the 15% maximum.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Asset Backed Securities	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 (LAIF)	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	3 years	Unlimited	None
Treasury Bills and Notes	5 years	Unlimited	None
U.S. Government and Agency Securities	5 years	Unlimited	None

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees 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 for investments held by bond trustees. 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

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk (Continued)

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

Information about the sensitivity of the fair values of the Town's investments and those held by bond trustees to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity:

Investment Type	Totals	Remaining Maturity (in Months)					
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	More Than 60 Months
State Investment Pool (LAIF)	\$ 14,172	\$ 14,172	\$ -	\$ -	\$ -	\$ -	\$ -
Money Market Funds	2,525,541	2,525,541					
Held by Bond Trustees:							
Money Market Funds	373,046	373,046					
Totals	\$ 2,912,759	\$ 2,912,759	\$ -	\$ -	\$ -	\$ -	\$ -

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Town has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

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, the Town's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State Investment Pool (LAIF)	\$ 14,172	N/A	\$ -	\$ -	\$ -	\$ -	\$ 14,172
Money Market Funds	2,525,541	N/A		2,247,476			278,065
Held by Bond Trustees:							
Money Market Funds	373,046	N/A		373,046			
Totals	\$ 2,912,759		\$ -	\$ 2,620,522	\$ -	\$ -	\$ 292,237

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The investment policy of the Town contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The Town has no investments in any one issuer (other than mutual funds, money market funds, and external investment pools) that represent 5% or more of the total Town investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that 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 governmental unit). The fair 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 deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2012, all of the Town's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts as required by the California Government Code as stated above.

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 this pool is 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 LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at June 30, 2012, 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.

Receivable Fund	Payable Fund	Amount
<u>Non-major Fund - Special Revenue Fund:</u>	<u>Major Fund:</u>	
95 Impact Drainage fund	General Fund	\$ 184,588
Local Transportation fund	General Fund	600,000

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Current Interfund Balances (Continued)

<u>Non-major Fund - Special Revenue Fund:</u>	<u>Non-major Funds - Special Revenue Funds:</u>	
Local Transportation fund	Cluster Septic Fund	\$ 4,339
Local Transportation fund	Animal Control Shelter Fund	15,202
Local Transportation fund	Gas Tax Fund	5,116
Local Transportation fund	CMAQ Fund	62,750
Local Transportation fund	School Resources Officer Fund	23,503
Local Transportation fund	CDBG Fund	68,118
Local Transportation fund	Building Safety and Waste Water Services Fund	122,258
Local Transportation fund	A VOID Fund	7,317
Local Transportation fund	First Time Home Buyer Fund	85,200
Local Transportation fund	Safe Route to School Fund	7,576
Local Transportation fund	CalGRIP Fund	8,229
Local Transportation fund	Energy Efficiency Conservation Fund	8,861
<u>Non-major Fund - Special Revenue Fund:</u>	<u>Non-major Fund - Capital Projects Fund:</u>	
Local Transportation fund	Capital Leases Fund	4,668
		\$ 1,207,725

Long-term Advances

Receivable Fund	Payable Fund	Amount
<u>Non-major Funds - Special Revenue Funds:</u>	<u>Major Fund:</u>	
Building Safety and Waste Water Services	General Fund	\$ 131,714

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 THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Interfund transfers were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 542,215	\$ -
Home Grant Fund		19,100
Cal Home Rehabilitation Fund		32,122
Internal Service Fund:		
Self Insurance Fund		143,646
Non-major Governmental Funds:		
Special Revenue Funds:		
Animal Control Shelter Fund		23,394
Gas Tax Fund	63,867	102,124
Traffic Safety Fund		26,000
EDBG Repayment Fund	122,380	24,444
SLESF Fund		45,000
Traffic Congestion Relief Fund		49,960
CMAQ Fund		465,097
Traffic Signal Fund	9,668	9,675
Memorial Trail Fund		2,226
CalHome Grant Fund		30,362
CDBG Fund		7,621
95 Impact Road Fund		27,212
Building Safety and Waste Water Services Fund		88,640
Abandoned Vehicle Fund		3,795
95 Impact Drainage Fund		82,764
First Time Home Buyer Fund		40,796
Local Transportation Fund		2,557
Energy Efficiency Conservation Fund		5,928
Capital Projects Fund:		
Capital Improvement Fund	494,383	
Transportation Capital Projects Fund		50
	<u>\$ 1,232,513</u>	<u>\$ 1,232,513</u>
Total		

NOTE 5 – 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. Although these loans are expected to be repaid in full, their balance has been offset by deferred revenue, as they are not expected to be repaid during the current fiscal year. The balance of the loans receivable arising from these programs at June 30, 2012, was \$5,448,193.

The general fund has loans receivable at June 30, 2012, of \$721 for employee computer loans. Under the agreements with the employees, the employees pay back these loans through payroll deductions.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 6 - CAPITAL ASSETS

Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2012 was as follows:

	Balance at June 30, 2011	Additions	Deletions	Transfers	Extraordinary Item Transfer to Private Purpose Trust Fund	Balance at June 30, 2012
Capital Assets, not being depreciated:						
Land	\$ 1,540,247	\$ -	\$ -	\$ -	\$ (294,246)	\$ 1,246,001
Construction in progress	400,887	579,913		(354,576)		626,224
Total	<u>1,941,134</u>	<u>579,913</u>		<u>(354,576)</u>	<u>(294,246)</u>	<u>1,872,225</u>
Capital Assets, being depreciated:						
Buildings and improvements	1,730,837					1,730,837
Infrastructure	13,453,633			354,576		13,808,209
Machinery and equipment	1,596,441	46,287	(25,317)			1,617,411
Vehicles	3,278,811					3,278,811
Total	<u>20,059,722</u>	<u>46,287</u>	<u>(25,317)</u>	<u>354,576</u>		<u>20,435,268</u>
Less accumulated depreciation for:						
Buildings and improvements	(1,401,171)	(20,841)				(1,422,012)
Infrastructure	(2,359,696)	(683,725)				(3,043,421)
Machinery and equipment	(992,878)	(160,810)	25,317			(1,128,371)
Vehicles	(2,727,486)	(154,974)				(2,882,460)
Total	<u>(7,481,231)</u>	<u>(1,020,350)</u>	<u>25,317</u>			<u>(8,476,264)</u>
Capital Assets being depreciated, net	<u>12,578,491</u>	<u>(974,063)</u>		<u>354,576</u>		<u>11,959,004</u>
Capital Assets, net	<u>\$ 14,519,625</u>	<u>\$ (394,150)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (294,246)</u>	<u>\$ 13,831,229</u>

Depreciation expense of \$1,020,350 is shown in the statement of activities as unallocated depreciation.

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 \$262,259. The remaining amounts are reported as non-current liabilities due in more than one year on the statement of net assets. 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, 2012, total \$675,001 for governmental activities.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 7 –LONG-TERM DEBT (CONTINUED)

B. Notes Payable

Notes payable at January 31, 2012, consisted of the following:

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.	\$ 95,991
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.	1,300,000
	\$ 1,395,991

On February 1, 2012, the total notes payable balance of \$1,395,991 was transferred to the Private-Purpose Trust Successor RDA Fund.

C. 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, 2012 was \$9,009,979. The accreted interest on the capital appreciation bonds balance as of June 30, 2012 was \$2,962,674.

Fiscal Year Ending June 30,	Bonds Payable		
	Principal	Interest	Total
2013	\$ 609,441	\$ 225,559	\$ 835,000
2014	597,611	267,389	865,000
2015	580,547	309,453	890,000
2016	570,929	354,072	925,001
2017	553,594	401,406	955,000
2018-2022	2,546,833	2,718,167	5,265,000
2023-2027	2,244,993	3,940,007	6,185,000
2028-2031	1,306,031	3,278,969	4,585,000
	\$ 9,009,979	\$ 11,495,022	\$ 20,505,001

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 7 –LONG-TERM DEBT (CONTINUED)

C. Bonds Payable (Continued)

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 is net of the \$102,107 of unamortized original issue bond discount, was transferred to the Private-Purpose Trust Successor RDA Fund.

D. 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.

Municipal Finance Corporation #1

During the fiscal year 2001-2002, the Town entered into an agreement to lease a fire truck and a fire chief command vehicle. During fiscal year 2002-2003, the Town added an additional \$14,000 to the lease for additional vehicle equipment. The lease requires ten annual installments of \$48,061 until October 2011. The lease obligations were paid off during the fiscal year 2011-2012 with the final principal payment of \$47,640.

Inland Leasing Inc. #3

During the fiscal year 2006-2007, the Town entered into an agreement to lease a Bizhub 600F Copier with a zero percent interest rate. The lease requires monthly installments of \$253 until July 2011. The lease obligations were paid off during the fiscal year 2011-2012 with the final principal payment of \$253.

West America Bank Lease #1

During the fiscal year 2003-2004, the Town entered into an agreement to lease a Wildland Pumper fire truck and one police command vehicle. The lease requires quarterly installments of \$6,690 until April 2009 and quarterly installments of \$4,888 thereafter until April 2014. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

Fiscal Year Ending June 30	Payment
2013	\$ 19,551
2014	19,621
Total minimum lease payments	39,172
Less: amount representing interest	(1,961)
Present value of minimum lease payments	\$ 37,211

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 7 –LONG-TERM DEBT (CONTINUED)

D. Capital Lease Obligations (Continued)

West America Bank Lease #3

During the fiscal year 2006-2007, the Town entered into an agreement to lease various equipment and vehicles. The lease requires 10 semiannual installments of \$33,073 until January 2012. The total amount of the lease was for \$294,529. The lease obligations were paid off during the fiscal year 2011-2012 with the final principal payment of \$64,405.

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, 2012 were as follows:

Fiscal Year Ending June 30	Payment
2013	\$ 45,527
2014	45,527
2015	45,527
2016	45,527
2017	45,527
Total minimum lease payments	227,635
Less: amount representing interest	(29,048)
Present value of minimum lease payments	\$ 198,587

All Points Public Funding (Capital One) #2

During the fiscal year 2007-2008, the Town entered into an agreement to lease 5 Ford Crown Victorias and communication equipment for the cars. The lease requires 5 annual installments of \$59,753 until October 2011. The total amount of the lease was for \$272,643. The lease obligations were paid off during the fiscal year 2011-2012 with the final principal payment of \$57,018.

All Points Public Funding (Capital One) #3

During the fiscal year 2007-2008, the Town entered into an agreement to lease a Crown Victoria and various other equipment for the Fire Station and City Hall. The lease requires 5 annual installments of \$18,188 until January 2012. The total amount of the lease was for \$82,988. The lease obligations were paid off during the fiscal year 2011-2012 with the final principal payment of \$17,356.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 7 –LONG-TERM DEBT (CONTINUED)

D. Capital Lease Obligations (Continued)

Leasource Financial Services, Inc.

During the fiscal year 2008-2009, the Town entered into an agreement to lease various equipment and vehicles. The lease requires 5 annual installments of \$45,947 until February 2013. The total amount of the lease was for \$209,651. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2013	\$ 45,947
Total minimum lease payments	45,947
Less: amount representing interest	<u>(2,011)</u>
Present value of minimum lease payments	<u>\$ 43,936</u>

Inland Leasing Inc. #4

During the fiscal year 2008-2009, the Town entered into an agreement to lease a Bizhub C 451F Copier with a zero percent interest rate. The lease requires monthly installments of \$364 until October 2013. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2013	\$ 4,371
2014	<u>1,403</u>
Total minimum lease payments	<u>5,774</u>
Present value of minimum lease payments	<u>\$ 5,774</u>

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, 2012 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2013	\$ 59,167
2014	59,167
2015	59,167
2016	59,167
2017	<u>59,166</u>
Total minimum lease payments	295,834
Less: amount representing interest	<u>(34,152)</u>
Present value of minimum lease payments	<u>\$ 261,682</u>

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 7 –LONG-TERM DEBT (CONTINUED)

D. Capital Lease Obligations (Continued)

Leasource Financial Services, Inc. #3

During the fiscal year 2010-2011, the Town entered into an agreement to lease a Ford Ranger Truck. The lease requires 10 semi-annual installments of \$2,086 until February 2015. The total amount of the lease was for \$19,000. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2013	\$ 4,172
2014	4,172
2015	<u>4,172</u>
Total minimum lease payments	12,516
Less: amount representing interest	<u>(883)</u>
Present value of minimum lease payments	<u>\$ 11,633</u>

Leasource Financial Services, Inc. #4

During the fiscal year 2010-2011, the Town entered into an agreement to lease Desktop computers, monitors, exchange server hardware and software, and HP StorageWorks network storage system and software. The lease requires 8 semi-annual installments of \$7,050 until February 2014. The total amount of the lease was for \$52,513. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2013	\$ 14,101
2014	<u>14,101</u>
Total minimum lease payments	28,202
Less: amount representing interest	<u>(1,417)</u>
Present value of minimum lease payments	<u>\$ 26,785</u>

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 7 –LONG-TERM DEBT (CONTINUED)

D. Capital Lease Obligations (Continued)

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, 2012 were as follows:

Fiscal Year Ending June 30	Payment
2013	\$ 14,497
2014	14,497
2015	14,497
2016	14,497
2017	14,497
Total minimum lease payments	72,485
Less: amount representing interest	(9,849)
Present value of minimum lease payments	\$ 62,636

Leasource Financial Services, Inc. #6

During the fiscal year 2010-2011, the Town entered into an agreement to lease two Ford F350 trucks and Equipment, and two Ford Crown Victoria cars and equipment. The lease requires 5 annual installments of \$27,921 until November 2014. The total amount of the lease was for \$127,954. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

Fiscal Year Ending June 30	Payment
2013	\$ 27,921
2014	27,921
2015	27,921
Total minimum lease payments	83,763
Less: amount representing interest	(7,865)
Present value of minimum lease payments	\$ 75,898

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 7 –LONG-TERM DEBT (CONTINUED)

D. Capital Lease Obligations (Continued)

Inland Leasing Inc. #5

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, 2012 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2013	\$ 5,170
2014	5,170
2015	5,170
2016	<u>5,249</u>
Total minimum lease payments	<u>20,759</u>
Present value of minimum lease payments	<u>\$ 20,759</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 \$43,930. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2013	\$ 9,249
2014	9,249
2015	9,249
2016	9,249
2017	<u>6,934</u>
Total minimum lease payments	43,930
Less: amount representing interest	<u>(4,909)</u>
Present value of minimum lease payments	<u>\$ 39,021</u>

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 7 –LONG-TERM DEBT (CONTINUED)

E. Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2012 was as follows:

	July 1, 2011			Extraordinary Item Transfer to Private Purpose Trust Fund	June 30, 2012	Due Within One Year
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>		<u>Balance</u>	
Government activities:						
Notes payable	\$ 1,406,514	\$ -	\$ (10,523)	\$ (1,395,991)	\$ -	\$ -
Bonds payable	14,113,623		(623,644)	(4,480,000)	9,009,979	609,441
Original issue discount	(104,008)		1,901	102,107		
Accreted interest payable	2,478,082	670,949	(186,357)		2,962,674	225,559
Capital leases	1,132,206	41,000	(389,284)		783,922	249,673
Other post-employment benefits	3,247,374	1,603,952	(577,134)		4,274,192	
Compensated absences	791,789	73,648	(190,436)		675,001	262,259
Governmental activities long-term liabilities	<u>\$ 23,065,580</u>	<u>\$ 2,389,549</u>	<u>\$(1,975,477)</u>	<u>\$ (5,773,884)</u>	<u>\$ 17,705,768</u>	<u>\$ 1,346,932</u>

F. Deferred Charges

Issuance costs are capitalized and amortized over the terms of the respective debt issuance using the straight line method.

NOTE 8 - TOWN EMPLOYEES' RETIREMENT PLAN

Plan Description

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

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 8 - TOWN EMPLOYEES' RETIREMENT PLAN

Funding Policy

Active Plan members are required to contribute 7% (9% for safety employees) of their annual covered salary. The Town makes a percentage (depending on the employee group that the employee belongs to) of the contributions required of Town employees on their behalf and for their account. The Town is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The Town has a tier system in regards to Town Employees' Retirement Plan. The required employer contribution rates for the fiscal year 2011-2012 were as follows: Miscellaneous first tier employer contribution rate is 10.233%, Miscellaneous second tier employer contribution rate is 7.733%, Safety first tier employer contribution rate is 24.546%, and Safety second tier employer contribution rate is 20.308%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Funding Policy

The Town's contributions to CalPERS for the fiscal years ending June 30, 2012, 2011, and 2010, for the Miscellaneous Plan were \$219,863, \$238,805, and \$250,159, respectively, and equal 100% of the required contributions for each fiscal year. The Town's contributions to CalPERS for the fiscal years ending June 30, 2012, 2011, and 2010, for the Safety Plan were \$705,171, \$601,553, and \$603,650, respectively, and equal 100% of the required contributions for each fiscal year.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS

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

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

	Safety	Non-Safety
Employee only	\$ 504.15	\$ 433.73
Employee plus spouse	1,008.29	867.45
Employee plus two person	1,310.79	1,127.69

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.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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 2011/2012, the Town contributed \$577,134, which consisted of current premiums. During the fiscal year 2011/2012, the Town began funding the OPEB liability by setting up a secure trust. As of June 30, 2012, the trust was funded in the amount of \$49,486. 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	\$ 1,666,003
Interest on net OPEB obligation	139,637
Adjustment to annual required contribution	<u>(201,688)</u>
Annual OPEB cost (expense)	1,603,952
Contributions made	<u>(577,134)</u>
Increase in net OPEB obligation	1,026,818
Net OPEB obligation-beginning of fiscal year	<u>3,247,374</u>
Net OPEB obligation-end of fiscal year	<u><u>\$ 4,274,192</u></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 2012 and the preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation (Asset)
6/30/2010	\$ 3,571,180	12.5%	\$ 3,124,322
6/30/2011	2,156,863	24.0%	3,247,374
6/30/2012	1,603,952	36.0%	4,274,192

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

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress

As of July 1, 2012 the most recent actuarial valuation date, the plan was 0.27% percent funded. The actuarial accrued liability for benefits was \$18,381,682, and the actuarial value of assets was \$49,486, resulting in an unfunded actuarial accrued liability (UAAL) of \$18,331,623. The covered payroll (annual payroll of active employees covered by the plan) was \$5,645,261 and the ratio of the UAAL to the covered payroll was 324.7%

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.

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, 2012 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 2013): 2014 (7.0%), 2015 (6.7%), 2016 (6.4%), 2017 (6.1%), 2018 (5.8%), and 2019 and thereafter (5.5%). A projected salary increase assumption rate was not used since the post-retirement medical benefits are not a function of salary. The actuarial report also states that the medical benefits are provided under a plan sponsored by CalPERS, which are considered to be “community rated” within the meaning of GASB 45, therefore, there was no need at this time to value an implicit subsidy in the premium rates charged to retirees. If at some future time this program ceases to be considered “community rated”, it may be necessary to include the cost of subsidized premiums in the GASB 45 operating expense, which could significantly increase the Town’s future GASB 45 costs. The actuarial value of assets is \$49,486. 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, 2012 was twenty eight years.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

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 ASSETS AND FUND BALANCES

A. Net Assets

Net assets are the excess of all the Town's assets over all its liabilities, regardless of fund. Net assets are divided into three captions under GASB Statement No. 34. These captions apply only to net assets, which are determined at the government-wide and proprietary fund level and are described below.

Invested in capital assets, net of related debt describes the portion of net assets 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 assets.

Restricted describes the portion of net assets which 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. These principally include developer fees received for use on capital projects and debt service requirements purposes.

Unrestricted describes the portion of net assets which are not restricted as to use.

B. Fund Balance

In the fund financial statements, fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. With the implementation of GASB Statement No. 54, the fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing body in the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the governing body.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2012

NOTE 10 – NET ASSETS AND FUND BALANCES (CONTINUED)

B. Fund Balance (Continued)

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Assignments can be made by either the governing body or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – all other spendable amounts.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing body has provided otherwise in its commitment or assignment actions.

A detailed schedule of fund balances as of June 30, 2012 is presented below:

	General	Home Grant Fund	Cal Home Rehabilitation Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Loans receivable	\$ 721	\$ -	\$ -	\$ -	\$ 721
Prepaid	653				653
Advances	1,898,321				1,898,321
Total nonspendable fund balances	1,899,695				1,899,695
Restricted for:					
Special projects				256,291	256,291
Debt service				6,298	6,298
Community development		4,060	53,402	282,510	339,972
General plan				104,475	104,475
Public safety				200,785	200,785
Streets and roads				2,203,711	2,203,711
Wastewater and drainage				607,583	607,583
Capital projects				394,640	394,640
Total restricted fund balances		4,060	53,402	4,056,293	4,113,755
Unassigned	(562,808)			(39,451)	(602,259)
Total unassigned fund balances	(562,808)			(39,451)	(602,259)
Total fund balances	\$ 1,336,887	\$ 4,060	\$ 53,402	\$ 4,016,842	\$ 5,411,191

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.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

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.

The participants as of June 30, 2012 were as follows:

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

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 13 – RISK MANAGEMENT (Continued)

The following is summary financial information of the NCCSIF for the liability and workers' compensation programs for the fiscal year ended June 30, 2012:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>
Total assets	\$ 36,854,953	\$12,252,438
Total liabilities	<u>25,541,702</u>	<u>10,401,746</u>
Net assets	<u>\$ 11,313,251</u>	<u>\$ 1,850,692</u>
Operating income	\$ 4,413,763	\$ 3,534,551
Operating expenses	<u>6,257,678</u>	<u>8,288,774</u>
Operating income (loss)	(1,843,915)	(4,754,223)
Non-Operating Income	<u>1,306,417</u>	<u>505,013</u>
Net income (loss)	(537,498)	(4,249,210)
Beginning retained earnings	<u>11,850,749</u>	<u>6,099,902</u>
Ending retained earnings	<u>\$ 11,313,251</u>	<u>\$ 1,850,692</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 THE BASIC FINANCIAL STATEMENTS
June 30, 2012

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).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary gain (loss) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary gain recognized in the fund financial statements and the extraordinary loss recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary (gain)/loss reported in governmental fund-(decrease)/increase to net assets of the Successor Agency Trust Funds	\$ (1,433,700)
Deferred revenue not reported in the government-wide financial statements increase to net assets of the Successor Agency Trust Funds	1,884
Deferred charges reported in the government-wide financial statements increase to net assets of the Successor Agency Trust Funds	166,969
Land reported in the government-wide financial statements increase to net assets of the Successor Agency Trust Funds	294,246
Long-term debt reported in the government-wide financial statements decrease to net assets of the Successor Agency Trust Funds	<u>(5,773,884)</u>
Net decrease to net assets of the Successor Agency Trust Funds as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statement of the City)	<u><u>\$ (6,744,485)</u></u>

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

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

A. Loans receivable of the Successor Agency as of June 30, 2012 consisted of business loans from Trailhead Adventures of \$365 and Knit Wits of \$1,519.

B. Advance from the Town as of June 30, 2012 consisted of the following:

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 advance of \$838,000 was due to the cash shortage of the Successor Agency. Both of the advances in total was \$1,898,321 as of June 30, 2012.

C. Notes payable at June 30, 2012, consisted of the following:

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.	\$ 91,969
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.	1,300,000
	\$ 1,391,969

D. Bonds Payable at June 30, 2012, consisted of the following:

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 is net of the \$102,107 of unamortized original issue bond discount, was transferred from the Town. The principal balance outstanding as of June 30, 2012 was 4,379,251.

E. Deferred Charges

Issuance costs are capitalized and amortized over the terms of the respective debt issuance using the straight line method.

F. Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2012 was as follows:

	July 1, 2011 Balance	Additions	Reductions	June 30, 2012 Balance	Due Within One Year
Fiduciary activities:					
Notes payable	\$ -	\$ 1,395,991	\$ (4,022)	\$ 1,391,969	\$ 10,213
Bonds payable		4,480,000		4,480,000	
Original Issue Discount		(102,107)	1,358	(100,749)	(3,259)
Governmental activities long-term liabilities	\$ 20,489,543	\$ 5,773,884	\$ (2,664)	\$ 5,771,220	\$ 6,954

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

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

D. Bonds Payable at June 30, 2012, consisted of the following:

Fiscal Year Ended June 30,	Bonds Payable		
	Principal	Interest	Total
2013	\$ -	\$ 262,855	\$ 262,855
2014		262,855	262,855
2015		262,855	262,855
2016		262,855	262,855
2017	75,000	262,855	337,855
2018-2022	430,000	1,254,403	1,684,403
2023-2027	565,000	1,120,413	1,685,413
2028-2032	760,000	935,837	1,695,837
2033-2037	995,000	681,600	1,676,600
2038-2042	1,340,000	344,400	1,684,400
2043	315,000	18,900	333,900
	<u>4,480,000</u>	<u>5,669,828</u>	<u>10,149,828</u>
Less bond discount	(100,749)		(100,749)
	<u>\$ 4,379,251</u>	<u>\$ 5,669,828</u>	<u>\$ 10,049,079</u>

NOTE 15 – FINANCIAL STABILITY AND GOING CONCERN

The United States has entered into a financial credit crisis and although the United States Federal Government has taken actions that, at least in part, are intended to relieve and correct this financial credit crisis, future revenue and services could be severely impacted. In addition, the State of California is facing a budget deficit and a financial crisis of their own, and as a result, the Town could be impacted by the decrease in revenue received from the State of California.

As of June 30, 2012, the Town's general fund cash balance is \$53,461 and there was no unassigned fund balance amount remaining to fund the ongoing activities of the Town (with a majority of the fund balance being categorized as nonspendable for advances due from the RDA Successor Agency Trust Fund) as of the fiscal year ended June 30, 2012. Additionally, the Town had net assets of \$7,488,992 in governmental activities, an annual OPEB cost for the fiscal year ended June 30, 2012 of \$1,603,952, and a UAAL amount of \$18,331,623 (per information provided in the GASB 45 Actuarial Valuation Report). The annual OPEB cost for the fiscal year ended June 30, 2013 is \$932,256 (per information provided in the GASB 45 Actuarial Valuation Report). Based on this information, the Town may not be able to continue as a going concern. Management's plans regarding these matters are noted below.

The management of the Town of Paradise will continue to take actions to protect the remaining resources of the Town. At the time these financial statements are issued, the Town has completed nine months of the 2012/13 fiscal year without any cash flow shortages and has been able to meet all of its financial obligations on a timely basis. There is no doubt, from management perspective, that the Town will successfully complete the remaining three months of the fiscal year with adequate cash flows and reserves proving its ability to continue as a going concern.

TOWN OF PARADISE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

NOTE 15 – FINANCIAL STABILITY AND GOING CONCERN (CONTINUED)

Management has taken a number of steps to protect the financial solvency of the Town. Related to the Other Post Employment Benefit Obligations (OPEB), the Town is implementing every strategy possible to reduce the obligation as quickly as possible. During 2012/13 the Town negotiated medical premium contribution caps with all of its employee units. It implemented a retiree health vesting schedule for new hires that went into effect in December 2010. Under this vesting schedule, new hires will have to work at least 5 years for the Town and at least 10 years for a CalPERS agency before receiving 50% of the retiree health benefits. A new hire will have to have 20 years of CalPERS service to be eligible for 100% retiree health benefits. Through March 2013, it has reduced its full time equivalent (FTE) workforce by 41.8% from when the OPEB obligation was first measured. Further, it has opened an irrevocable trust to begin funding the future obligation. The dollars contributed to the trust can only be used for OPEB obligations. As reflected in the most recent OPEB actuarial study, all of these actions reduced the present value of future benefits from \$45.8 million to \$13.8 million as of July 1, 2013, a 70% reduction in three fiscal years.

The Town has an ending general fund balance of \$1,336,887, and cash in its governmental funds of \$2,477,923 as of June 30, 2012, even after the cash advances and loans made to the Paradise Redevelopment Agency (RDA). Related to the amounts set aside for RDA advances and loans, the Town believes this was a fiscally responsible investment for the Town given that prior loans had been repaid without incident. The Town received a letter in April 2013, from California Department of Finance officially recognizing the loans between the Town and RDA as enforceable obligations. The Town will receive principal and interest payments toward these loans over the next several years which will be used to rebuild undesignated reserves. As successor agency to the RDA, the Town will be responsible for ensuring payment of all obligations. Advances not documented through a loan will be repaid through an annual administration fee included in the dissolution law as the amounts a successor agency will receive for administering the obligations of the former RDA. All loans and advances will eventually be repaid to the Town.

As indicated before, the Town has made drastic reductions in workforce in order to reduce expenses. Since the start of the recession, the Town has reduced its FTE equivalents from 110.06 to 61.95. That equates to a 44% reduction as of March 2013, which includes outsourcing fire personnel services. In this current budget year, 2012/13, the Town has done sufficient cutbacks to ensure that all non-general funds are self-sustaining and will not require transfers in from the general fund to balance. Indications are that property tax revenues will see some modest growth in 2013/14 and both management and elected officials are committed to maintaining a balanced general fund budget for 2013/14. For short and long term stability, management and elected officials are evaluating various cost recovery and revenue diversification options for the Town.

NOTE 16 – SUBSEQUENT EVENTS

On September 11, 2012, the Town Council approved issuing a \$2,345,000 tax and revenue anticipation note with US Bank at 1.30% with a maturity of June 30, 2013.

The Town has evaluated subsequent events through the date of this report, which is May 6, 2013, 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
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Taxes and assessments:				
Secured and unsecured property taxes	\$ 4,369,082	\$ 4,254,369	\$ 4,230,292	\$ (24,077)
Sales and use taxes	1,633,347	1,627,479	1,633,595	6,116
Transient lodging taxes	159,629	163,762	171,222	7,460
Franchise taxes	817,854	829,939	825,302	(4,637)
Real property transfer taxes	34,817	39,052	36,537	(2,515)
Total taxes and assessments	<u>7,014,729</u>	<u>6,914,601</u>	<u>6,896,948</u>	<u>(17,653)</u>
Licenses, permits, and impact fees	<u>2,932</u>	<u>2,716</u>	<u>3,232</u>	<u>516</u>
Fines and forfeitures	<u>95,000</u>	<u>85,900</u>	<u>95,873</u>	<u>9,973</u>
Use of money and property:				
Interest earned	<u>66,726</u>	<u>66,726</u>	<u>36,649</u>	<u>(30,077)</u>
Intergovernmental revenues:				
Motor vehicle in-lieu tax	2,092,168	1,962,653	1,962,653	
Homeowners property tax relief	73,000	71,357	71,357	
Federal-other		6,400	6,484	84
State-other	<u>54,750</u>	<u>70,259</u>	<u>84,596</u>	<u>14,337</u>
Total intergovernmental revenues	<u>2,219,918</u>	<u>2,110,669</u>	<u>2,125,090</u>	<u>14,421</u>
Charges for services:				
Police	38,888	26,303	27,872	1,569
Fire	11,350	12,027	12,008	(19)
Community development	32,222	28,571	34,216	5,645
Parks and recreation	2,301	2,451	2,570	119
Public works	16,505	60,220	72,197	11,977
Administration	<u>51,260</u>	<u>50,750</u>	<u>56,240</u>	<u>5,490</u>
Total charges for services	<u>152,526</u>	<u>180,322</u>	<u>205,103</u>	<u>24,781</u>
Other revenues	<u>33,131</u>	<u>49,088</u>	<u>43,608</u>	<u>(5,480)</u>
Total revenues	<u>9,584,962</u>	<u>9,410,022</u>	<u>9,406,503</u>	<u>(3,519)</u>

(Continued)

TOWN OF PARADISE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Expenditures:				
Current:				
General government:				
Town council	\$ 36,826	\$ 35,664	\$ 35,070	\$ 594
Town manager	190,427	189,820	204,932	(15,112)
Town attorney	159,040	166,487	165,409	1,078
Central service	478,326	478,599	472,255	6,344
Financial services	240,522	233,350	230,376	2,974
Town clerk	251,652	247,351	242,619	4,732
Risk management	73,634	74,718	77,270	(2,552)
Non-departmental	60,600	62,100	60,934	1,166
Total general government	<u>1,491,027</u>	<u>1,488,089</u>	<u>1,488,865</u>	<u>(776)</u>
Community development:				
Planning	198,200	230,674	222,797	7,877
Solid waste	32,501	31,531	31,843	(312)
Total community development	<u>230,701</u>	<u>262,205</u>	<u>254,640</u>	<u>7,565</u>
Public safety:				
Police:				
Administration	742,679	746,408	685,529	60,879
Operations	2,359,455	2,247,260	2,237,191	10,069
Communications	802,611	774,604	772,157	2,447
Motor pool operations	164,887	162,364	159,480	2,884
Fire:				
Administration	335,027	345,507	305,975	39,532
Emergency operations center	16,557	16,396	16,381	15
Suppression	2,897,479	2,941,121	3,006,868	(65,747)
Volunteers	55,602	31,147	17,071	14,076
Total public safety	<u>7,374,297</u>	<u>7,264,807</u>	<u>7,200,652</u>	<u>64,155</u>
Public works:				
Engineering	99,780	81,651	86,401	(4,750)
Total public works	<u>99,780</u>	<u>81,651</u>	<u>86,401</u>	<u>(4,750)</u>
Parks and Recreation	41,688	35,122	32,255	2,867
Capital outlay	<u>106,425</u>	<u>63,565</u>	<u>83,509</u>	<u>(19,944)</u>
Debt service:				
Principal	908,399	905,050	901,821	3,229
Interest and fiscal charges	227,934	254,084	256,114	(2,030)
Total debt service	<u>1,136,333</u>	<u>1,159,134</u>	<u>1,157,935</u>	<u>1,199</u>
Total expenditures	<u>10,480,251</u>	<u>10,354,573</u>	<u>10,304,257</u>	<u>50,316</u>
Excess of revenues over (under) expenditures	<u>(895,289)</u>	<u>(944,551)</u>	<u>(897,754)</u>	<u>46,797</u>

(Continued)

TOWN OF PARADISE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments:				
Secured and unsecured property taxes	\$ 4,369,082	\$ 4,254,369	\$ 4,230,292	\$ (24,077)
Sales and use taxes	1,633,347	1,627,479	1,633,595	6,116
Transient lodging taxes	159,629	163,762	171,222	7,460
Franchise taxes	817,854	829,939	825,302	(4,637)
Real property transfer taxes	34,817	39,052	36,537	(2,515)
	<u>7,014,729</u>	<u>6,914,601</u>	<u>6,896,948</u>	<u>(17,653)</u>
Licenses, permits, and impact fees	2,932	2,716	3,232	516
Fines and forfeitures	95,000	85,900	95,873	9,973
Use of money and property:				
Interest earned	66,726	66,726	36,649	(30,077)
Intergovernmental revenues:				
Motor vehicle in-lieu tax	2,092,168	1,962,653	1,962,653	
Homeowners property tax relief	73,000	71,357	71,357	
Federal-other		6,400	6,484	84
State-other	54,750	70,259	84,596	14,337
	<u>2,219,918</u>	<u>2,110,669</u>	<u>2,125,090</u>	<u>14,421</u>
Charges for services:				
Police	38,888	26,303	27,872	1,569
Fire	11,350	12,027	12,008	(19)
Community development	32,222	28,571	34,216	5,645
Parks and recreation	2,301	2,451	2,570	119
Public works	16,505	60,220	72,197	11,977
Administration	51,260	50,750	56,240	5,490
	<u>152,526</u>	<u>180,322</u>	<u>205,103</u>	<u>24,781</u>
Other revenues	33,131	49,088	43,608	(5,480)
Total revenues	<u>9,584,962</u>	<u>9,410,022</u>	<u>9,406,503</u>	<u>(3,519)</u>

(Continued)

TOWN OF PARADISE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012
(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government:				
Town council	\$ 36,826	\$ 35,664	\$ 35,070	\$ 594
Town manager	190,427	189,820	204,932	(15,112)
Town attorney	159,040	166,487	165,409	1,078
Central service	478,326	478,599	472,255	6,344
Financial services	240,522	233,350	230,376	2,974
Town clerk	251,652	247,351	242,619	4,732
Risk management	73,634	74,718	77,270	(2,552)
Non-departmental	60,600	62,100	60,934	1,166
Total general government	1,491,027	1,488,089	1,488,865	(776)
Community development:				
Planning	198,200	230,674	222,797	7,877
Solid waste	32,501	31,531	31,843	(312)
Total community development	230,701	262,205	254,640	7,565
Public safety:				
Police:				
Administration	742,679	746,408	685,529	60,879
Operations	2,359,455	2,247,260	2,237,191	10,069
Communications	802,611	774,604	772,157	2,447
Motor pool operations	164,887	162,364	159,480	2,884
Fire:				
Administration	335,027	345,507	305,975	39,532
Emergency operations center	16,557	16,396	16,381	15
Suppression	2,897,479	2,941,121	3,006,868	(65,747)
Volunteers	55,602	31,147	17,071	14,076
Total public safety	7,374,297	7,264,807	7,200,652	64,155
Public works:				
Engineering	99,780	81,651	86,401	(4,750)
Total public works	99,780	81,651	86,401	(4,750)
Parks and Recreation	41,688	35,122	32,255	2,867
Capital outlay	106,425	63,565	83,509	(19,944)
Debt service:				
Principal	908,399	905,050	901,821	3,229
Interest and fiscal charges	227,934	254,084	256,114	(2,030)
Total debt service	1,136,333	1,159,134	1,157,935	1,199
Total expenditures	10,480,251	10,354,573	10,304,257	50,316
Excess of revenues over (under) expenditures	(895,289)	(944,551)	(897,754)	46,797

(Continued)

TOWN OF PARADISE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012
(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Other Financing Sources (Uses):				
Transfers in	\$ 585,111	\$ 585,990	\$ 542,215	\$ (43,775)
Total other financing sources (uses)	<u>585,111</u>	<u>585,990</u>	<u>542,215</u>	<u>(43,775)</u>
Net change in fund balance	(310,178)	(358,561)	(355,539)	3,022
Fund balance - July 1, 2011	<u>1,692,426</u>	<u>1,692,426</u>	<u>1,692,426</u>	
Fund balance - June 30, 2012	<u><u>\$ 1,382,248</u></u>	<u><u>\$ 1,333,865</u></u>	<u><u>\$ 1,336,887</u></u>	<u><u>\$ 3,022</u></u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAL HOME REHABILITATION FUND
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 100	\$ 100	\$ 201	\$ 101
Program income			9,917	9,917
Total revenues	100	100	10,118	10,018
Expenditures:				
Current:				
Community development			25	(25)
Total expenditures			25	(25)
Excess of revenues over (under) expenditures	100	100	10,093	9,993
Other Financing Sources (Uses):				
Transfers out			(32,122)	(32,122)
Total other financing sources (uses)			(32,122)	(32,122)
Net change in fund balance	100	100	(22,029)	(22,129)
Fund balance, July 1, 2011	75,431	75,431	75,431	
Fund balance, June 30, 2012	<u>\$ 75,531</u>	<u>\$ 75,531</u>	<u>\$ 53,402</u>	<u>\$ (22,129)</u>

TOWN OF PARADISE
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

Schedule of Funding Progress – Other Post-employment Benefits

Actuarial Valuation Date	Entry Age Normal Cost Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
7/1/2010	\$ 31,318,266	\$ -	\$ 31,318,266	0.00%	\$ 5,888,935	531.8%
7/1/2011	21,286,815	50,059	21,236,756	0.24%	5,903,592	359.7%
7/1/2012	18,381,682	49,486	18,331,623	0.27%	5,645,261	324.7%

OTHER SUPPLEMENTAL INFORMATION

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2012

	Special Revenue Funds			
	Cluster Septic Fund	Animal Control Shelter Fund	Gas Tax Fund	Traffic Safety Fund
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ 34,902
Restricted cash and investments with fiscal agent				
Accounts receivable		7,248	389,266	4,184
Due from other funds				
Advances receivable				
Loans receivable				
Total assets	\$ -	\$ 7,248	\$ 389,266	\$ 39,086
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 23,271	\$ 11,633	\$ -
Accrued wages		2,362	13,686	
Due to other funds	4,339	15,202	5,116	
Deferred revenue				
Total liabilities	4,339	40,835	30,435	
Fund balances:				
Restricted			358,831	39,086
Unassigned	(4,339)	(33,587)		
Total fund balances (deficits)	(4,339)	(33,587)	358,831	39,086
Total liabilities and fund balances	\$ -	\$ 7,248	\$ 389,266	\$ 39,086

Special Revenue Funds

Special Projects Fund	EDBG Repayment Fund	HUD Revolving Loan Fund	SLESF Fund	Citizen Police Fund
\$ 256,291	\$ 132,576	\$ 153,586	\$ 23,952	\$ 14,405
	3,250			
		178,235		
<u>\$ 256,291</u>	<u>\$ 135,826</u>	<u>\$ 331,821</u>	<u>\$ 23,952</u>	<u>\$ 14,405</u>
\$ -	\$ - 6,901	\$ -	\$ -	\$ -
		178,236		
	6,901	178,236		
256,291	128,925	153,585	23,952	14,405
<u>256,291</u>	<u>128,925</u>	<u>153,585</u>	<u>23,952</u>	<u>14,405</u>
<u>\$ 256,291</u>	<u>\$ 135,826</u>	<u>\$ 331,821</u>	<u>\$ 23,952</u>	<u>\$ 14,405</u>

(Continued)

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 June 30, 2012
 (CONTINUED)

	Special Revenue Funds			
	Traffic Congestion Relief Fund	CMAQ Fund	Asset Seizure Fund	Traffic Signal Fund
ASSETS				
Cash and investments	\$ -	\$ 1,364	\$ 4,908	\$ -
Restricted cash and investments with fiscal agent				
Accounts receivable		61,386		
Due from other funds				
Advances receivable				
Loans receivable				
Total assets	<u>\$ -</u>	<u>\$ 62,750</u>	<u>\$ 4,908</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages				
Due to other funds		62,750		
Deferred revenue				
Total liabilities		<u>62,750</u>		
Fund balances:				
Restricted			4,908	
Unassigned				
Total fund balances (deficits)			<u>4,908</u>	
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 62,750</u>	<u>\$ 4,908</u>	<u>\$ -</u>

Special Revenue Funds

Memorial Trail Fund	School Resource Officer Fund	CalHome Grant Fund	95 Impact Signalization Fund	95 Impact PDFC Fund
\$ -	\$ -	\$ -	\$ 65,971	\$ 34,371
	23,503			
<u>\$ -</u>	<u>\$ 23,503</u>	<u>\$ -</u>	<u>\$ 65,971</u>	<u>\$ 34,371</u>
\$ -	\$ -	\$ -	\$ -	\$ -
	23,503			
	<u>23,503</u>			
			65,971	34,371
			<u>65,971</u>	<u>34,371</u>
<u>\$ -</u>	<u>\$ 23,503</u>	<u>\$ -</u>	<u>\$ 65,971</u>	<u>\$ 34,371</u>

(Continued)

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 June 30, 2012
 (CONTINUED)

	Special Revenue Funds			Building Safety and Waste Water Services Fund
	95 Impact FDFC Fund	CDBG Fund	95 Impact Road Fund	
ASSETS				
Cash and investments	\$ 10,091	\$ -	\$ 629,236	\$ -
Restricted cash and investments with fiscal agent				
Accounts receivable		78,514		38,487
Due from other funds				
Advances receivable				131,714
Loans receivable				
	<u>\$ 10,091</u>	<u>\$ 78,514</u>	<u>\$ 629,236</u>	<u>\$ 170,201</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 10,396	\$ -	\$ -
Accrued wages				11,739
Due to other funds		68,118		122,258
Deferred revenue				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities		<u>78,514</u>		<u>133,997</u>
Fund balances:				
Restricted	10,091		629,236	36,204
Unassigned				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficits)	<u>10,091</u>	<u> </u>	<u>629,236</u>	<u>36,204</u>
Total liabilities and fund balances	<u>\$ 10,091</u>	<u>\$ 78,514</u>	<u>\$ 629,236</u>	<u>\$ 170,201</u>

Special Revenue Funds

Low/ Moderate Income Housing Fund	Successor Low/Moderate Income Housing Fund	Abandoned Vehicle Fund	95 Impact Drainage Fund	AVOID Fund	First Time Home Buyer Fund
\$ -	\$ -	\$ 32,045	\$ 386,791	\$ -	\$ -
		5,049	184,588	12,285	85,200
	409,531				
<u>\$ -</u>	<u>\$ 409,531</u>	<u>\$ 37,094</u>	<u>\$ 571,379</u>	<u>\$ 12,285</u>	<u>\$ 85,200</u>
\$ -	\$ -	\$ 10	\$ -	\$ 4,968	\$ -
				7,317	85,200
	409,531				
	409,531	10		12,285	85,200
		37,084	571,379		
		37,084	571,379		
<u>\$ -</u>	<u>\$ 409,531</u>	<u>\$ 37,094</u>	<u>\$ 571,379</u>	<u>\$ 12,285</u>	<u>\$ 85,200</u>

(Continued)

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 June 30, 2012
 (CONTINUED)

	Special Revenue Funds			
	Traffic Safety - DUI Impound Fees Fund	General Plan Fee Fund	Local Transportation Fund	Safe Route to School Fund
ASSETS				
Cash and investments	\$ 36,888	\$ 104,475	\$ 15,366	\$ -
Restricted cash and investments with fiscal agent				
Accounts receivable			113,452	7,756
Due from other funds			1,023,137	
Advances receivable				
Loans receivable				
Total assets	\$ 36,888	\$ 104,475	\$ 1,151,955	\$ 7,756
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,873	\$ 180
Accrued wages			409	
Due to other funds				7,576
Deferred revenue				
Total liabilities			2,282	7,756
Fund balances:				
Restricted	36,888	104,475	1,149,673	
Unassigned				
Total fund balances (deficits)	36,888	104,475	1,149,673	
Total liabilities and fund balances	\$ 36,888	\$ 104,475	\$ 1,151,955	\$ 7,756

Special Revenue Funds			Capital Projects Funds		
CalGRIP Fund	Energy Efficiency Conservation Fund	Redevelopment Agency Fund	Capital Improvement Fund	Transportation Capital Projects Fund	Capital Leases Fund
\$ -	\$ -	\$ -	\$ 36,913	\$ 394,640	\$ -
17,654	75,573				3,143
<u>\$ 17,654</u>	<u>\$ 75,573</u>	<u>\$ -</u>	<u>\$ 36,913</u>	<u>\$ 394,640</u>	<u>\$ 3,143</u>
\$ 9,425	\$ 66,712	\$ -	\$ 36,913	\$ -	\$ -
8,229	8,861				4,668
<u>17,654</u>	<u>75,573</u>		<u>36,913</u>		<u>4,668</u>
				394,640	(1,525)
				394,640	(1,525)
<u>\$ 17,654</u>	<u>\$ 75,573</u>	<u>\$ -</u>	<u>\$ 36,913</u>	<u>\$ 394,640</u>	<u>\$ 3,143</u>

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TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 June 30, 2012
 (CONTINUED)

	Debt Service Fund		Totals
ASSETS	Wastewater Design Assessment District Fund		
Cash and investments	\$ 6,298	\$	2,375,069
Restricted cash and investments with fiscal agent			3,143
Accounts receivable			922,807
Due from other funds			1,207,725
Advances receivable			131,714
Loans receivable			587,766
Total assets	\$ 6,298	\$	5,228,224
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$	165,381
Accrued wages			35,097
Due to other funds			423,137
Deferred revenue			587,767
Total liabilities			1,211,382
Fund balances:			
Restricted	6,298		4,056,293
Unassigned			(39,451)
Total fund balances (deficits)	6,298		4,016,842
Total liabilities and fund balances	\$ 6,298	\$	5,228,224

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2012

	<u>Special Revenue Funds</u>			
	<u>Cluster Septic Fund</u>	<u>Animal Control Shelter Fund</u>	<u>Gas Tax Fund</u>	<u>Traffic Safety Fund</u>
Revenues:				
Taxes and assessments	\$ -	\$ 131,081	\$ -	\$ -
Licenses, permits, and impact fees		38,920		
Fines and forfeitures		1,650		30,068
Use of money and property			8	131
Intergovernmental revenues			1,103,797	
Charges for services		2,820	311	
Program income				
Other revenues			8,069	
Total revenues		<u>174,471</u>	<u>1,112,185</u>	<u>30,199</u>
Expenditures:				
Current:				
General government				
Community development				
Public safety		162,166		
Public works				
Streets			761,192	
Capital outlay			2,768	
Debt service:				
Principal		192	37,964	
Interest and fiscal charges				
Total expenditures		<u>162,358</u>	<u>801,924</u>	
Excess of revenues over (under) expenditures		<u>12,113</u>	<u>310,261</u>	<u>30,199</u>
Other Financing Sources (Uses):				
Proceeds from the issuance of debt				
Transfers in			63,867	
Transfers out		(23,394)	(102,124)	(26,000)
Total other financing sources (uses)		<u>(23,394)</u>	<u>(38,257)</u>	<u>(26,000)</u>
Net change in fund balances before extraordinary items		(11,281)	272,004	4,199
Extraordinary Item				
Gain (loss) on transfer of assets and liabilities to RDA successor trust funds				
Net change in fund balances (deficits)		(11,281)	272,004	4,199
Fund balances (deficits) - July 1, 2011	(4,339)	(22,306)	86,827	34,887
Fund balances (deficits) - June 30, 2012	<u>\$ (4,339)</u>	<u>\$ (33,587)</u>	<u>\$ 358,831</u>	<u>\$ 39,086</u>

Special Revenue Funds

Special Projects Fund	EDBG Repayment Fund	HUD Revolving Loan Fund	SLESF Fund	Citizen Police Fund
\$ -	\$ -	\$ -	\$ -	\$ -
	513	573	90	54
			119,634	
	180	5,847		5,686
	693	6,420	119,724	5,744
9,614	119,253	3,563		1,742
			59,787	
9,614	119,253	3,563	59,787	1,742
(9,614)	(118,560)	2,857	59,937	4,002
	122,380			
	(24,444)		(45,000)	
	97,936		(45,000)	
(9,614)	(20,624)	2,857	14,937	4,002
(9,614)	(20,624)	2,857	14,937	4,002
265,905	149,549	150,728	9,015	10,403
\$ 256,291	\$ 128,925	\$ 153,585	\$ 23,952	\$ 14,405

(Continued)

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2012
(CONTINUED)

	Special Revenue Funds			
	Traffic Congestion Relief Fund	CMAQ Fund	Asset Seizure Fund	Traffic Signal Fund
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees				
Fines and forfeitures				
Use of money and property			18	7
Intergovernmental revenues		465,097		
Charges for services			2,218	
Program income				
Other revenues				
Total revenues		465,097	2,236	7
Expenditures:				
Current:				
General government				
Community development				
Public safety				
Public works				
Streets				
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures				
Excess of revenues over (under) expenditures		465,097	2,236	7
Other Financing Sources (Uses):				
Proceeds from the issuance of debt				
Transfers in				9,668
Transfers out	(49,960)	(465,097)		(9,675)
Total other financing sources (uses)	(49,960)	(465,097)		(7)
Net change in fund balances before extraordinary items	(49,960)		2,236	
Extraordinary Item				
Gain (loss) on transfer of assets and liabilities to RDA successor trust funds				
Net change in fund balances (deficits)	(49,960)		2,236	
Fund balances (deficits) - July 1, 2011	49,960		2,672	
Fund balances (deficits) - June 30, 2012	\$ -	\$ -	\$ 4,908	\$ -

Special Revenue Funds

Memorial Trail Fund	School Resource Officer Fund	CalHome Grant Fund	95 Impact Signalization Fund	95 Impact PDFC Fund
\$ -	\$ -	\$ -	\$ -	\$ -
			913	1,822
			248	129
	94,013	225,000		
	94,013	225,000	1,161	1,951
		242,424		
	94,013			
	94,013	242,424		
		(17,424)	1,161	1,951
(2,226)		(30,362)		
(2,226)		(30,362)		
(2,226)		(47,786)	1,161	1,951
(2,226)		(47,786)	1,161	1,951
2,226		47,786	64,810	32,420
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,971</u>	<u>\$ 34,371</u>

(Continued)

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2012
(CONTINUED)

	Special Revenue Funds			Building Safety and Waste Water Services Fund
	95 Impact FDFC Fund	CDBG Fund	95 Impact Road Fund	
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	1,498		10,646	713,176
Fines and forfeitures				8,666
Use of money and property	38		2,363	8,123
Intergovernmental revenues		181,149		
Charges for services				
Program income				
Other revenues				
Total revenues	<u>1,536</u>	<u>181,149</u>	<u>13,009</u>	<u>729,965</u>
Expenditures:				
Current:				
General government				
Community development		173,528		
Public safety				
Public works				552,696
Streets				
Capital outlay				
Debt service:				
Principal				52,425
Interest and fiscal charges				
Total expenditures		<u>173,528</u>		<u>605,121</u>
Excess of revenues over (under) expenditures	<u>1,536</u>	<u>7,621</u>	<u>13,009</u>	<u>124,844</u>
Other Financing Sources (Uses):				
Proceeds from the issuance of debt				
Transfers in				
Transfers out		(7,621)	(27,212)	(88,640)
Total other financing sources (uses)		<u>(7,621)</u>	<u>(27,212)</u>	<u>(88,640)</u>
Net change in fund balances before extraordinary items	1,536		(14,203)	36,204
Extraordinary Item				
Gain (loss) on transfer of assets and liabilities to RDA successor trust funds				
Net change in fund balances (deficits)	1,536		(14,203)	36,204
Fund balances (deficits) - July 1, 2011	<u>8,555</u>		<u>643,439</u>	
Fund balances (deficits) - June 30, 2012	<u>\$ 10,091</u>	<u>\$ -</u>	<u>\$ 629,236</u>	<u>\$ 36,204</u>

Special Revenue Funds

Low/ Moderate Income Housing Fund	Successor Low/Moderate Income Housing Fund	Abandoned Vehicle Fund	95 Impact Drainage Fund	AVOID Fund	First Time Home Buyer Fund
\$ 56,811	\$ -	\$ -	\$ - 8,848	\$ -	\$ -
5		203 26,872	2,151	66,350	675,641
8,503 79					
<u>65,398</u>		<u>27,075</u>	<u>10,999</u>	<u>66,350</u>	<u>675,641</u>
487		1,374		66,350	634,845
<u>32,653</u>					
<u>33,140</u>		<u>1,374</u>		<u>66,350</u>	<u>634,845</u>
<u>32,258</u>		<u>25,701</u>	<u>10,999</u>		<u>40,796</u>
		<u>(3,795)</u>	<u>(82,764)</u>		<u>(40,796)</u>
		<u>(3,795)</u>	<u>(82,764)</u>		<u>(40,796)</u>
32,258		21,906	(71,765)		
<u>(92,753)</u>					
(60,495)		21,906	(71,765)		
<u>60,495</u>		<u>15,178</u>	<u>643,144</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,084</u>	<u>\$ 571,379</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2012
(CONTINUED)

	Special Revenue Funds			
	Traffic Safety - DUI Impound Fees Fund	General Plan Fee Fund	Local Transportation Fund	Safe Route to School Fund
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees				
Fines and forfeitures				
Use of money and property	139	392	3,900	
Intergovernmental revenues			819,715	23,507
Charges for services	11,583	29,555		
Program income				
Other revenues			29,318	
Total revenues	<u>11,722</u>	<u>29,947</u>	<u>852,933</u>	<u>23,507</u>
Expenditures:				
Current:				
General government				
Community development				
Public safety				23,507
Public works				
Streets			852,692	
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures			<u>852,692</u>	<u>23,507</u>
Excess of revenues over (under) expenditures	<u>11,722</u>	<u>29,947</u>	<u>241</u>	
Other Financing Sources (Uses):				
Proceeds from the issuance of debt				
Transfers in				
Transfers out			(2,557)	
Total other financing sources (uses)			<u>(2,557)</u>	
Net change in fund balances before extraordinary items	11,722	29,947	(2,316)	
Extraordinary Item				
Gain (loss) on transfer of assets and liabilities to RDA successor trust funds				
Net change in fund balances (deficits)	11,722	29,947	(2,316)	
Fund balances (deficits) - July 1, 2011	<u>25,166</u>	<u>74,528</u>	<u>1,151,989</u>	
Fund balances (deficits) - June 30, 2012	<u>\$ 36,888</u>	<u>\$ 104,475</u>	<u>\$ 1,149,673</u>	<u>\$ -</u>

Special Revenue Funds			Capital Projects Funds		
CalGRIP Fund	Energy Efficiency Conservation Fund	Redevelopment Agency Fund	Capital Improvement Fund	Transportation Capital Projects Fund	Capital Leases Fund
\$ -	\$ -	\$ 169,952	\$ -	\$ -	\$ -
		70		1,482	76
39,229	75,573				
		3,763			
		387			
<u>39,229</u>	<u>75,573</u>	<u>174,172</u>		<u>1,482</u>	<u>76</u>
					3,717
39,229	69,645	8,513			
			494,383		51,750
		15,232			
		164,204			
<u>39,229</u>	<u>69,645</u>	<u>187,949</u>	<u>494,383</u>		<u>55,467</u>
	5,928	(13,777)	(494,383)	1,482	(55,391)
					41,000
	(5,928)		494,383	(50)	
	(5,928)		494,383	(50)	41,000
		(13,777)		1,432	(14,391)
		1,526,453			
		1,512,676		1,432	(14,391)
		(1,512,676)		393,208	12,866
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 394,640</u>	<u>\$ (1,525)</u>

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TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2012
(CONTINUED)

	Debt Service Fund	
	Wastewater Design Assessment District Fund	Totals
Revenues:		
Taxes and assessments	\$ -	\$ 357,844
Licenses, permits, and impact fees		775,827
Fines and forfeitures		40,384
Use of money and property		20,713
Intergovernmental revenues		3,915,577
Charges for services		46,487
Program income		18,113
Other revenues		43,719
Total revenues		5,218,664
Expenditures:		
Current:		
General government		3,717
Community development		1,261,872
Public safety		388,381
Public works		552,696
Streets		1,613,884
Capital outlay		548,901
Debt service:		
Principal		165,600
Interest and fiscal charges		196,857
Total expenditures		4,731,908
Excess of revenues over (under) expenditures		486,756
Other Financing Sources (Uses):		
Proceeds from the issuance of debt		41,000
Transfers in		690,298
Transfers out		(1,037,645)
Total other financing sources (uses)		(306,347)
Net change in fund balances before extraordinary items		180,409
Extraordinary Item		
Gain (loss) on transfer of assets and liabilities to RDA successor trust funds		1,433,700
Net change in fund balances (deficits)		1,614,109
Fund balances (deficits) - July 1, 2011	6,298	2,402,733
Fund balances (deficits) - June 30, 2012	<u>\$ 6,298</u>	<u>\$ 4,016,842</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ANIMAL CONTROL SHELTER FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 131,075	\$ 131,081	\$ 6
Licenses, permits, and impact fees	42,008	38,920	(3,088)
Fines and forfeitures	1,700	1,650	(50)
Charges for services	2,000	2,820	820
Total revenues	176,783	174,471	(2,312)
Expenditures:			
Current:			
Public safety	172,997	162,166	10,831
Debt service:			
Principal	192	192	
Total expenditures	173,189	162,358	10,831
Excess of revenues over (under) expenditures	3,594	12,113	8,519
Other Financing Sources (Uses):			
Transfers in	21,585		(21,585)
Transfers out	(25,179)	(23,394)	1,785
Total other financing sources (uses)	(3,594)	(23,394)	(19,800)
Net change in fund balance		(11,281)	(11,281)
Fund balance (deficit), July 1, 2011	(22,306)	(22,306)	
Fund balance (deficit), June 30, 2012	<u>\$ (22,306)</u>	<u>\$ (33,587)</u>	<u>\$ (11,281)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GAS TAX FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 8	\$ 8
Charges for service	75	311	236
Intergovernmental revenues	1,003,787	1,103,797	100,010
Other revenues	524	8,069	7,545
Total revenues	1,004,386	1,112,185	107,799
Expenditures:			
Current:			
Streets	1,045,122	761,192	283,930
Capital outlay	34,950	2,768	32,182
Debt service:			
Principal	37,963	37,964	(1)
Total expenditures	1,118,035	801,924	316,111
Excess of revenues over (under) expenditures	(113,649)	310,261	423,910
Other Financing Sources (Uses):			
Transfers in	256,792	63,867	(192,925)
Transfers out	(101,782)	(102,124)	(342)
Total other financing sources (uses)	155,010	(38,257)	(193,267)
Net change in fund balance	41,361	272,004	230,643
Fund balance, July 1, 2011	86,827	86,827	
Fund balance, June 30, 2012	\$ 128,188	\$ 358,831	\$ 230,643

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRAFFIC SAFETY FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 28,000	\$ 30,068	\$ 2,068
Use of money and property	84	131	47
	<u>28,084</u>	<u>30,199</u>	<u>2,115</u>
Total revenues	28,084	30,199	2,115
Other Financing Sources (Uses):			
Transfers out	(26,000)	(26,000)	
	<u>(26,000)</u>	<u>(26,000)</u>	
Total other financing sources (uses)	(26,000)	(26,000)	
Net change in fund balance	2,084	4,199	2,115
Fund balance, July 1, 2011	34,887	34,887	
	<u>34,887</u>	<u>34,887</u>	
Fund balance, June 30, 2012	\$ 36,971	\$ 39,086	\$ 2,115

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other revenues	\$ 125,000	\$ -	\$ (125,000)
Total revenues	<u>125,000</u>	<u>-</u>	<u>(125,000)</u>
Expenditures:			
Current:			
Community development	<u>250,000</u>	<u>9,614</u>	<u>240,386</u>
Total expenditures	<u>250,000</u>	<u>9,614</u>	<u>240,386</u>
Net change in fund balance	(125,000)	(9,614)	115,386
Fund balance, July 1, 2011	<u>265,905</u>	<u>265,905</u>	
Fund balance, June 30, 2012	<u>\$ 140,905</u>	<u>\$ 256,291</u>	<u>\$ 115,386</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDBG REPAYMENT FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 200	\$ 513	\$ 313
Other revenue		180	180
Total revenues	<u>200</u>	<u>693</u>	<u>493</u>
Expenditures:			
Current:			
Community development	<u>70,965</u>	<u>119,253</u>	<u>(48,288)</u>
Total expenditures	<u>70,965</u>	<u>119,253</u>	<u>(48,288)</u>
Excess of revenues over (under) expenditures	<u>(70,765)</u>	<u>(118,560)</u>	<u>(47,795)</u>
Other Financing Sources (Uses):			
Transfers in	128,454	122,380	(6,074)
Transfers out	<u>(24,542)</u>	<u>(24,444)</u>	98
Total other financing sources (uses)	<u>103,912</u>	<u>97,936</u>	<u>(5,976)</u>
Net change in fund balance	33,147	(20,624)	(53,771)
Fund balance, July 1, 2011	<u>149,549</u>	<u>149,549</u>	
Fund balance, June 30, 2012	<u>\$ 182,696</u>	<u>\$ 128,925</u>	<u>\$ (53,771)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HUD REVOLVING LOAN FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Program income	\$ 6,600	\$ 5,847	\$ (753)
Use of money and property	100	573	473
Total revenues	<u>6,700</u>	<u>6,420</u>	<u>(280)</u>
Expenditures:			
Current:			
Community development	<u>130,000</u>	<u>3,563</u>	<u>126,437</u>
Total expenditures	<u>130,000</u>	<u>3,563</u>	<u>126,437</u>
Net change in fund balance	(123,300)	2,857	126,157
Fund balance, July 1, 2011	<u>150,728</u>	<u>150,728</u>	
Fund balance, June 30, 2012	<u>\$ 27,428</u>	<u>\$ 153,585</u>	<u>\$ 126,157</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SLESF FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 10	\$ 90	\$ 80
Intergovernmental revenues	100,000	119,634	19,634
Total revenues	<u>100,010</u>	<u>119,724</u>	<u>19,714</u>
Expenditures:			
Debt service:			
Principal	59,718	59,787	(69)
Total expenditures	<u>59,718</u>	<u>59,787</u>	<u>(69)</u>
Excess of revenues over (under) expenditures	<u>40,292</u>	<u>59,937</u>	<u>19,645</u>
Other Financing Sources (Uses):			
Transfers out	(45,000)	(45,000)	
Total other financing sources (uses)	<u>(45,000)</u>	<u>(45,000)</u>	
Net change in fund balance	(4,708)	14,937	19,645
Fund balance, July 1, 2011	<u>9,015</u>	<u>9,015</u>	
Fund balance, June 30, 2012	<u>\$ 4,307</u>	<u>\$ 23,952</u>	<u>\$ 19,645</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CITIZEN POLICE FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits, and impact fees	\$ -	\$ 4	\$ 4
Use of money and property	27	54	27
Other revenues	5,000	5,686	686
Total revenues	<u>5,027</u>	<u>5,744</u>	<u>717</u>
Expenditures:			
Current:			
Public safety	<u>300</u>	<u>1,742</u>	<u>(1,442)</u>
Total expenditures	<u>300</u>	<u>1,742</u>	<u>(1,442)</u>
Net change in fund balance	4,727	4,002	(725)
Fund balance, July 1, 2011	<u>10,403</u>	<u>10,403</u>	
Fund balance, June 30, 2012	<u>\$ 15,130</u>	<u>\$ 14,405</u>	<u>\$ (725)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRAFFIC CONGESTION RELIEF FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):			
Transfers out	\$ (55,367)	\$ (49,960)	\$ 5,407
Total other financing sources (uses)	(55,367)	(49,960)	5,407
Net change in fund balance	(55,367)	(49,960)	5,407
Fund balance, July 1, 2011	49,960	49,960	
Fund balance, June 30, 2012	\$ (5,407)	\$ -	\$ 5,407

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CMAQ FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 556,936	\$ 465,097	\$ (91,839)
Total revenues	<u>556,936</u>	<u>465,097</u>	<u>(91,839)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(556,936)</u>	<u>(465,097)</u>	<u>91,839</u>
Total other financing sources (uses)	<u>(556,936)</u>	<u>(465,097)</u>	<u>91,839</u>
Net change in fund balance			
Fund balance, July 1, 2011	<u> </u>	<u> </u>	<u> </u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ASSET SEIZURE FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 7	\$ 18	\$ 11
Charges for services		2,218	2,218
Total revenues	7	2,236	2,229
Net change in fund balance	7	2,236	2,229
Fund balance, July 1, 2011	2,672	2,672	
Fund balance, June 30, 2012	\$ 2,679	\$ 4,908	\$ 2,229

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRAFFIC SIGNAL FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 7	\$ 7
Total revenues		7	7
Other Financing Sources (Uses):			
Transfers in		9,668	9,668
Transfers out	(8,189)	(9,675)	(1,486)
Total other financing sources (uses)	(8,189)	(7)	8,182
Net change in fund balance	(8,189)		8,189
Fund balance, July 1, 2011			
Fund balance, June 30, 2012	\$ (8,189)	\$ -	\$ 8,189

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEMORIAL TRAIL FUND
 For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):			
Transfers out	\$ (2,226)	\$ (2,226)	\$ -
Total other financing sources (uses)	(2,226)	(2,226)	
Net change in fund balance	(2,226)	(2,226)	
Fund balance, July 1, 2011	2,226	2,226	
Fund balance, June 30, 2012	\$ -	\$ -	\$ -

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SCHOOL RESOURCE OFFICER FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 100,895	\$ 94,013	\$ (6,882)
Total revenues	100,895	94,013	(6,882)
Expenditures:			
Current:			
Public safety	94,013	94,013	
Total expenditures	94,013	94,013	
Net change in fund balance	6,882		(6,882)
Fund balance, July 1, 2011			
Fund balance, June 30, 2012	\$ 6,882	\$ -	\$ (6,882)

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CALHOME GRANT FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 225,000	\$ 225,000	\$ -
Total revenues	<u>225,000</u>	<u>225,000</u>	
Expenditures:			
Current:			
Community development	241,331	242,424	(1,093)
Total expenditures	<u>241,331</u>	<u>242,424</u>	<u>(1,093)</u>
Excess of revenues over (under) expenditures	<u>(16,331)</u>	<u>(17,424)</u>	<u>(1,093)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(31,455)</u>	<u>(30,362)</u>	<u>1,093</u>
Total other financing sources (uses)	<u>(31,455)</u>	<u>(30,362)</u>	<u>1,093</u>
Net change in fund balance	(47,786)	(47,786)	
Fund balance, July 1, 2011	<u>47,786</u>	<u>47,786</u>	
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
95 IMPACT SIGNALIZATION FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits, and impact fees	\$ 1,000	\$ 913	\$ (87)
Use of money and property	170	248	78
Total revenues	<u>1,170</u>	<u>1,161</u>	<u>(9)</u>
Net change in fund balance	1,170	1,161	(9)
Fund balance, July 1, 2011	<u>64,810</u>	<u>64,810</u>	
Fund balance, June 30, 2012	<u><u>\$ 65,980</u></u>	<u><u>\$ 65,971</u></u>	<u><u>\$ (9)</u></u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
95 IMPACT PDFC FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits, and impact fees	\$ 1,900	\$ 1,822	\$ (78)
Use of money and property	84	129	45
 Total revenues	 1,984	 1,951	 (33)
 Net change in fund balance	 1,984	 1,951	 (33)
 Fund balance, July 1, 2011	 32,420	 32,420	
 Fund balance, June 30, 2012	 \$ 34,404	 \$ 34,371	 \$ (33)

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
95 IMPACT FDFC FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits, and impact fees	\$ 1,600	\$ 1,498	\$ (102)
Use of money and property	70	38	(32)
 Total revenues	 1,670	 1,536	 (134)
 Net change in fund balance	 1,670	 1,536	 (134)
 Fund balance, July 1, 2011	 8,555	 8,555	
 Fund balance, June 30, 2012	 \$ 10,225	 \$ 10,091	 \$ (134)

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CDBG FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 542,555	\$ 181,149	\$ (361,406)
Total revenues	<u>542,555</u>	<u>181,149</u>	<u>(361,406)</u>
Expenditures:			
Current:			
Community development	264,464	173,528	90,936
Capital outlay	<u>270,470</u>		<u>270,470</u>
Total expenditures	<u>534,934</u>	<u>173,528</u>	<u>361,406</u>
Excess of revenues over (under) expenditures	<u>7,621</u>	<u>7,621</u>	
Other Financing Sources (Uses):			
Transfers out	<u>(7,621)</u>	<u>(7,621)</u>	
Total other financing sources (uses)	<u>(7,621)</u>	<u>(7,621)</u>	
Net change in fund balance			
Fund balance, July 1, 2011			
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
95 IMPACT ROAD FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits, and impact fees	\$ 13,000	\$ 10,646	\$ (2,354)
Use of money and property	1,698	2,363	665
Total revenues	<u>14,698</u>	<u>13,009</u>	<u>(1,689)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(434,877)</u>	<u>(27,212)</u>	<u>407,665</u>
Total other financing sources (uses)	<u>(434,877)</u>	<u>(27,212)</u>	<u>407,665</u>
Net change in fund balance	(420,179)	(14,203)	405,976
Fund balance, July 1, 2011	<u>643,439</u>	<u>643,439</u>	
Fund balance, June 30, 2012	<u><u>\$ 223,260</u></u>	<u><u>\$ 629,236</u></u>	<u><u>\$ 405,976</u></u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BUILDING SAFETY & WASTE WATER SERVICES FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits, and impact fees	\$ 693,504	\$ 713,176	\$ 19,672
Fines and forfeitures	5,900	8,666	2,766
Use of money and property	5,792	8,123	2,331
Total revenues	<u>705,196</u>	<u>729,965</u>	<u>24,769</u>
Expenditures:			
Current:			
Public works	553,709	552,696	1,013
Debt service:			
Principal	51,977	52,425	(448)
Total expenditures	<u>605,686</u>	<u>605,121</u>	<u>565</u>
Excess of revenues over (under) expenditures	<u>99,510</u>	<u>124,844</u>	<u>25,334</u>
Other Financing Sources (Uses):			
Transfers out	(99,260)	(88,640)	10,620
Total other financing sources (uses)	<u>(99,260)</u>	<u>(88,640)</u>	<u>10,620</u>
Net change in fund balance	250	36,204	35,954
Fund balance, July 1, 2011	<u> </u>	<u> </u>	<u> </u>
Fund balance, June 30, 2012	<u>\$ 250</u>	<u>\$ 36,204</u>	<u>\$ 35,954</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOW/MODERATE INCOME HOUSING FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 99,548	\$ 56,811	\$ (42,737)
Use of money and property	172	5	(167)
Program income		8,503	8,503
Other income		79	79
	<u>99,720</u>	<u>65,398</u>	<u>(34,322)</u>
Expenditures:			
Current:			
Community development	105	487	(382)
Debt service:			
Interest and fiscal charges	<u>65,306</u>	<u>32,653</u>	<u>32,653</u>
	<u>65,411</u>	<u>33,140</u>	<u>32,271</u>
	<u>34,309</u>	<u>32,258</u>	<u>(2,051)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(560)</u>		<u>560</u>
	<u>(560)</u>		<u>560</u>
Net change in fund balances before extraordinary Items	33,749	32,258	(1,491)
Extraordinary Item			
Gain (loss) on transfer of assets and liabilities to RDA successor trust funds		(92,753)	(92,753)
Fund balance, July 1, 2011	<u>60,495</u>	<u>60,495</u>	
Fund balance, June 30, 2012	<u>\$ 94,244</u>	<u>\$ -</u>	<u>\$ (94,244)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ABANDONED VEHICLE FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 10,000	\$ 26,872	\$ 16,872
Use of money and property	12	203	191
Total revenues	<u>10,012</u>	<u>27,075</u>	<u>17,063</u>
Expenditures:			
Current:			
Public safety	<u>7,327</u>	<u>1,374</u>	<u>5,953</u>
Total expenditures	<u>7,327</u>	<u>1,374</u>	<u>5,953</u>
Excess of revenues over (under) expenditures	<u>2,685</u>	<u>25,701</u>	<u>23,016</u>
Other Financing Sources (Uses):			
Transfers out	<u>(7,955)</u>	<u>(3,795)</u>	<u>4,160</u>
Total other financing sources (uses)	<u>(7,955)</u>	<u>(3,795)</u>	<u>4,160</u>
Net change in fund balance	(5,270)	21,906	27,176
Fund balance, July 1, 2011	<u>15,178</u>	<u>15,178</u>	
Fund balance, June 30, 2012	<u><u>\$ 9,908</u></u>	<u><u>\$ 37,084</u></u>	<u><u>\$ 27,176</u></u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
95 IMPACT DRAINAGE FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits, and impact fees	\$ 39,000	\$ 8,848	\$ (30,152)
Use of money and property	1,630	2,151	521
Total revenues	<u>40,630</u>	<u>10,999</u>	<u>(29,631)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(71,696)</u>	<u>(82,764)</u>	<u>(11,068)</u>
Total other financing sources (uses)	<u>(71,696)</u>	<u>(82,764)</u>	<u>(11,068)</u>
Net change in fund balance	(31,066)	(71,765)	(40,699)
Fund balance, July 1, 2011	<u>643,144</u>	<u>643,144</u>	
Fund balance, June 30, 2012	<u>\$ 612,078</u>	<u>\$ 571,379</u>	<u>\$ (40,699)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AVOID FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 78,000	\$ 66,350	\$ (11,650)
Total revenues	78,000	66,350	(11,650)
Expenditures:			
Current:			
Public safety	78,000	66,350	11,650
Total expenditures	78,000	66,350	11,650
Net change in fund balance			
Fund balance, July 1, 2011			
Fund balance, June 30, 2012	\$ -	\$ -	\$ -

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRST TIME HOME BUYER FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 460,648	\$ 675,641	\$ 214,993
Total revenues	460,648	675,641	214,993
Expenditures:			
Current:			
Community development	363,648	634,845	(271,197)
Total expenditures	363,648	634,845	(271,197)
Excess of revenues over (under) expenditures	97,000	40,796	(56,204)
Other Financing Sources (Uses):			
Transfers out	(97,000)	(40,796)	56,204
Total other financing sources (uses)	(97,000)	(40,796)	56,204
Net change in fund balance			
Fund balance, July 1, 2011			
Fund balance, June 30, 2012	\$ -	\$ -	\$ -

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRAFFIC SAFETY - DUI IMPOUND FEES FUND
 For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 64	\$ 139	\$ 75
Charges for services	16,000	11,583	(4,417)
Total revenues	<u>16,064</u>	<u>11,722</u>	<u>(4,342)</u>
Expenditures:			
Current:			
Public safety	<u>10,000</u>	<u></u>	<u>10,000</u>
Total expenditures	<u>10,000</u>	<u></u>	<u>10,000</u>
Net change in fund balance	6,064	11,722	5,658
Fund balance, July 1, 2011	<u>25,166</u>	<u>25,166</u>	<u></u>
Fund balance, June 30, 2012	<u><u>\$ 31,230</u></u>	<u><u>\$ 36,888</u></u>	<u><u>\$ 5,658</u></u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL PLAN FEE FUND
 For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 190	\$ 392	\$ 202
Charges for services	24,800	29,555	4,755
 Total revenues	 24,990	 29,947	 4,957
 Net change in fund balance	 24,990	 29,947	 4,957
 Fund balance, July 1, 2011	 74,528	 74,528	
 Fund balance, June 30, 2012	 \$ 99,518	 \$ 104,475	 \$ 4,957

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL TRANSPORTATION FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 2,603	\$ 3,900	\$ 1,297
Intergovernmental revenues	809,136	819,715	10,579
Other revenues	29,000	29,318	318
 Total revenues	 840,739	 852,933	 12,194
Expenditures:			
Current:			
Streets	860,038	852,692	7,346
 Total expenditures	 860,038	 852,692	 7,346
 Excess of revenues over (under) expenditures	 (19,299)	 241	 19,540
Other Financing Sources (Uses):			
Transfers out	(38,601)	(2,557)	36,044
 Total other financing sources (uses)	 (38,601)	 (2,557)	 36,044
 Net change in fund balance	 (57,900)	 (2,316)	 55,584
 Fund balance, July 1, 2011	 1,151,989	 1,151,989	
 Fund balance, June 30, 2012	 \$ 1,094,089	 \$ 1,149,673	 \$ 55,584

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SAFE ROUTE TO SCHOOL FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 66,000	\$ 23,507	\$ (42,493)
Total revenues	66,000	23,507	(42,493)
Expenditures:			
Current			
Public safety	66,000	23,507	42,493
Total expenditures	66,000	23,507	42,493
Net change in fund balance			
Fund balance, July 1, 2011			
Fund balance, June 30, 2012	\$ -	\$ -	\$ -

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REDEVELOPMENT AGENCY FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 298,643	\$ 169,952	\$ (128,691)
Use of money and property	125	70	(55)
Program income		3,763	3,763
Other revenues	320	387	67
	<u>299,088</u>	<u>174,172</u>	<u>(124,916)</u>
Expenditures:			
Current			
Community development	6,128	8,513	(2,385)
Debt service:			
Principal	26,399	15,232	11,167
Interest and fiscal charges	323,469	164,204	159,265
	<u>355,996</u>	<u>187,949</u>	<u>168,047</u>
Net change in fund balances before extraordinary items	(56,908)	(13,777)	(43,131)
Extraordinary Item			
Gain (loss) on transfer of assets and liabilities to RDA successor trust funds		1,526,453	(1,526,453)
Fund balance, July 1, 2011	<u>(1,512,676)</u>	<u>(1,512,676)</u>	
Fund balance, June 30, 2012	<u>\$ (1,569,584)</u>	<u>\$ -</u>	<u>\$ (1,569,584)</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Capital outlay	\$ 25,000	\$ 494,383	\$ (469,383)
Total expenditures	25,000	494,383	(469,383)
Excess of revenues over (under) expenditures	(25,000)	(494,383)	(469,383)
Other Financing Sources:			
Transfers in	1,103,989	494,383	(609,606)
Total other financing sources	1,103,989	494,383	(609,606)
Net change in fund balance	1,078,989		(1,078,989)
Fund balance, July 1, 2011			
Fund balance, June 30, 2012	\$ 1,078,989	\$ -	\$ (1,078,989)

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 1,026	\$ 1,482	\$ 456
Total revenues	1,026	1,482	456
Other Financing Sources (Uses):			
Transfers out	(276,425)	(50)	276,375
Total other financing sources (uses)	(276,425)	(50)	276,375
Net change in fund balance	(275,399)	1,432	276,831
Fund balance, July 1, 2011	393,208	393,208	
Fund balance, June 30, 2012	\$ 117,809	\$ 394,640	\$ 276,831

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL LEASES FUND
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 76	\$ 76
Total revenues		76	76
Expenditures:			
Current:			
General government		3,717	(3,717)
Capital outlay	159,176	51,750	107,426
Total expenditures	159,176	55,467	103,709
Excess of revenues over (under) expenditures	(159,176)	(55,391)	103,785
Other Financing Sources:			
Proceeds from issuance of debt		41,000	41,000
Total other financing sources		41,000	41,000
Net change in fund balance	(159,176)	(14,391)	144,785
Fund balance, July 1, 2011	12,866	12,866	
Fund balance, June 30, 2012	\$ (146,310)	\$ (1,525)	\$ 144,785

TOWN OF PARADISE
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2012

	Successor RDA Low/Mod Fund	Successor RDA Fund	RDA Debt Service Obligation Retirement Fund	Totals
Assets:				
Cash and investments	\$ 92,640	\$ -	\$ -	\$ 92,640
Restricted cash and investments with fiscal agents		372,977		372,977
Loans receivable		1,884		1,884
Deferred charges, net of accumulated amortization		161,698		161,698
Land		294,246		294,246
Total assets	92,640	830,805		923,445
Liabilities:				
Long-term debt, due within one year		6,954		6,954
Long-term debt, due in more than one year		7,662,587		7,662,587
Total liabilities		7,669,541		7,669,541
Net Assets				
Unrestricted	92,640	(6,838,736)		(6,746,096)
Total net assets (deficit)	\$ 92,640	\$ (6,838,736)	\$ -	\$ (6,746,096)

TOWN OF PARADISE
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2012

	Successor RDA Low/Mod Fund	Successor RDA Fund	RDA Debt Service Obligation Retirement Fund	Totals
Additions:				
Taxes and assessments	\$ -	\$ -	\$ 171,867	\$ 171,867
Net assets received upon dissolution of redevelopment agency	92,753	(6,837,238)		(6,744,485)
Investment revenue	6	19		25
Program income		1,289		1,289
Other revenue		320		320
Interfund transfer in		171,867		171,867
Total additions	92,759	(6,663,743)	171,867	(6,399,117)
Deductions:				
Community development	119	1,954		2,073
Interest expense		173,039		173,039
Interfund transfer out			171,867	171,867
Total deductions	119	174,993	171,867	346,979
Change in net assets	92,640	(6,838,736)		(6,746,096)
Net Assets - July 1, 2011				
Net Assets (deficit) - June 30, 2012	\$ 92,640	(6,838,736)	\$ -	\$ (6,746,096)

TOWN OF PARADISE
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2012

	<u>Hydrant Maintenance Fund</u>	<u>Department of Justice Livescan Fees Fund</u>	<u>Employee Bank Fund</u>	<u>SMIP Fund</u>	<u>Police Department Seizures Fund</u>
ASSETS					
Cash and investments	\$ -	\$ 877	\$ 137	\$ 2,361	\$ 2,484
Total Assets	<u>\$ -</u>	<u>\$ 877</u>	<u>\$ 137</u>	<u>\$ 2,361</u>	<u>\$ 2,484</u>
LIABILITIES					
Accounts payable	\$ -	\$ 877	\$ -	\$ 1,117	\$ -
Due to others			137	1,244	2,484
Total Liabilities	<u>\$ -</u>	<u>\$ 877</u>	<u>\$ 137</u>	<u>\$ 2,361</u>	<u>\$ 2,484</u>

Police Department Trading Card Fund	Chaplains- Disaster Relief Fund	Dr. Horlick Fund	Canine Protect Fund	Animal Control Fund	Police Fund
\$ 1,751	\$ 287	\$ -	\$ 23,013	\$ 63,214	\$ 409
<u>\$ 1,751</u>	<u>\$ 287</u>	<u>\$ -</u>	<u>\$ 23,013</u>	<u>\$ 63,214</u>	<u>\$ 409</u>
\$ - 1,751	\$ - 287	\$ -	\$ 7,304 15,709	\$ - 63,214	\$ - 409
<u>\$ 1,751</u>	<u>\$ 287</u>	<u>\$ -</u>	<u>\$ 23,013</u>	<u>\$ 63,214</u>	<u>\$ 409</u>

(Continued)

TOWN OF PARADISE
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2012
 (CONTINUED)

	Police Department Found Money Fund	Fire Fund	Special Project Donations	Total
ASSETS				
Cash and investments	\$ 8,366	\$ 6,187	\$ 314	\$ 109,400
Total Assets	<u>\$ 8,366</u>	<u>\$ 6,187</u>	<u>\$ 314</u>	<u>\$ 109,400</u>
LIABILITIES				
Accounts payable	\$ 120	\$ -	\$ 280	\$ 9,698
Due to others	8,246	6,187	34	99,702
Total Liabilities	<u>\$ 8,366</u>	<u>\$ 6,187</u>	<u>\$ 314</u>	<u>\$ 109,400</u>

TOWN OF PARADISE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
HYDRANT MAINTENANCE FUND				
ASSETS				
Due from others	\$ 1,218	\$ -	\$ (1,218)	\$ -
Total Assets	<u>\$ 1,218</u>	<u>\$ -</u>	<u>\$ (1,218)</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 1,218	\$ -	\$ (1,218)	\$ -
Total Liabilities	<u>\$ 1,218</u>	<u>\$ -</u>	<u>\$ (1,218)</u>	<u>\$ -</u>
DEPARTMENT OF JUSTICE LIVESCAN FEES FUND				
ASSETS				
Cash and investments	\$ 1,566	\$ -	\$ (689)	\$ 877
Due from others	103	1,754	(1,857)	
Total Assets	<u>\$ 1,669</u>	<u>\$ 1,754</u>	<u>\$ (2,546)</u>	<u>\$ 877</u>
LIABILITIES				
Accounts payable	\$ 1,669	\$ 1,754	\$ (2,546)	\$ 877
Total Liabilities	<u>\$ 1,669</u>	<u>\$ 1,754</u>	<u>\$ (2,546)</u>	<u>\$ 877</u>
EMPLOYEE BANK FUND				
ASSETS				
Cash and investments	\$ 60	\$ 77	\$ -	\$ 137
Total Assets	<u>\$ 60</u>	<u>\$ 77</u>	<u>\$ -</u>	<u>\$ 137</u>
LIABILITIES				
Due to others	\$ 60	\$ 77	\$ -	\$ 137
Total Liabilities	<u>\$ 60</u>	<u>\$ 77</u>	<u>\$ -</u>	<u>\$ 137</u>
SMIP FUND				
ASSETS				
Cash and investments	\$ 1,338	\$ 1,023	\$ -	\$ 2,361
Total Assets	<u>\$ 1,338</u>	<u>\$ 1,023</u>	<u>\$ -</u>	<u>\$ 2,361</u>
LIABILITIES				
Accounts payable	\$ 203	\$ 914	\$ -	\$ 1,117
Due to others	1,135	109		1,244
Total Liabilities	<u>\$ 1,338</u>	<u>\$ 1,023</u>	<u>\$ -</u>	<u>\$ 2,361</u>

(Continued)

TOWN OF PARADISE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2012
(CONTINUED)

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
POLICE DEPARTMENT SEIZURES FUND				
ASSETS				
Cash and investments	\$ 2,006	\$ 478	\$ -	\$ 2,484
Total Assets	<u>\$ 2,006</u>	<u>\$ 478</u>	<u>\$ -</u>	<u>\$ 2,484</u>
LIABILITIES				
Due to others	\$ 2,006	\$ 478	\$ -	\$ 2,484
Total Liabilities	<u>\$ 2,006</u>	<u>\$ 478</u>	<u>\$ -</u>	<u>\$ 2,484</u>
POLICE DEPARTMENT TRADING CARD FUND				
ASSETS				
Cash and investments	\$ 1,745	\$ 6	\$ -	\$ 1,751
Total Assets	<u>\$ 1,745</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 1,751</u>
LIABILITIES				
Due to others	\$ 1,745	\$ 6	\$ -	\$ 1,751
Total Liabilities	<u>\$ 1,745</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 1,751</u>
CHAPLAINS-DISASTER RELIEF FUND				
ASSETS				
Cash and investments	\$ 286	\$ 1	\$ -	\$ 287
Total Assets	<u>\$ 286</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 287</u>
LIABILITIES				
Due to others	\$ 286	\$ 1	\$ -	\$ 287
Total Liabilities	<u>\$ 286</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 287</u>

(Continued)

TOWN OF PARADISE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2012
(CONTINUED)

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
DR. HORLICK FUND				
ASSETS				
Cash and investments	\$ 21,430	\$ -	\$ (21,430)	\$ -
Total Assets	<u>\$ 21,430</u>	<u>\$ -</u>	<u>\$ (21,430)</u>	<u>\$ -</u>
LIABILITIES				
Due to others	\$ 21,430	\$ -	\$ (21,430)	\$ -
Total Liabilities	<u>\$ 21,430</u>	<u>\$ -</u>	<u>\$ (21,430)</u>	<u>\$ -</u>
CANINE PROTECT FUND				
ASSETS				
Cash and investments	\$ 27,090	\$ 7,304	\$ (11,381)	\$ 23,013
Total Assets	<u>\$ 27,090</u>	<u>\$ 7,304</u>	<u>\$ (11,381)</u>	<u>\$ 23,013</u>
LIABILITIES				
Accounts payable	\$ -	\$ 7,304	\$ -	\$ 7,304
Due to others	27,090		(11,381)	15,709
Total Liabilities	<u>\$ 27,090</u>	<u>\$ 7,304</u>	<u>\$ (11,381)</u>	<u>\$ 23,013</u>
ANIMAL CONTROL FUND				
ASSETS				
Cash and investments	\$ 77,635	\$ -	\$ (14,421)	\$ 63,214
Total Assets	<u>\$ 77,635</u>	<u>\$ -</u>	<u>\$ (14,421)</u>	<u>\$ 63,214</u>
LIABILITIES				
Due to others	\$ 77,635	\$ -	\$ (14,421)	\$ 63,214
Total Liabilities	<u>\$ 77,635</u>	<u>\$ -</u>	<u>\$ (14,421)</u>	<u>\$ 63,214</u>

(Continued)

TOWN OF PARADISE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2012
(CONTINUED)

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
POLICE FUND				
ASSETS				
Cash and investments	\$ 799	\$ 409	\$ (799)	\$ 409
Total Assets	<u>\$ 799</u>	<u>\$ 409</u>	<u>\$ (799)</u>	<u>\$ 409</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to others	799	409	(799)	409
Total Liabilities	<u>\$ 799</u>	<u>\$ 409</u>	<u>\$ (799)</u>	<u>\$ 409</u>
POLICE DEPARTMENT FOUND MONEY FUND				
ASSETS				
Cash and investments	\$ 6,531	\$ 1,835	\$ -	\$ 8,366
Total Assets	<u>\$ 6,531</u>	<u>\$ 1,835</u>	<u>\$ -</u>	<u>\$ 8,366</u>
LIABILITIES				
Accounts payable	\$ -	\$ 120	\$ -	\$ 120
Due to others	6,531	1,715		8,246
Total Liabilities	<u>\$ 6,531</u>	<u>\$ 1,835</u>	<u>\$ -</u>	<u>\$ 8,366</u>
FIRE FUND				
ASSETS				
Cash and investments	\$ 6,164	\$ 23	\$ -	\$ 6,187
Total Assets	<u>\$ 6,164</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 6,187</u>
LIABILITIES				
Due to others	\$ 6,164	\$ 23	\$ -	\$ 6,187
Total Liabilities	<u>\$ 6,164</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 6,187</u>

(Continued)

TOWN OF PARADISE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2012
(CONTINUED)

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
SPECIAL PROJECTS DONATIONS				
ASSETS				
Cash and investments	\$ -	\$ 314	\$ -	\$ 314
Total Assets	<u>\$ -</u>	<u>\$ 314</u>	<u>\$ -</u>	<u>\$ 314</u>
LIABILITIES				
Accounts payable	\$ -	\$ 280	\$ -	\$ 280
Due to others		34		34
Total Liabilities	<u>\$ -</u>	<u>\$ 314</u>	<u>\$ -</u>	<u>\$ 314</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 146,650	\$ 11,470	\$ (48,720)	\$ 109,400
Due from others	1,321	1,754	(3,075)	
Total Assets	<u>\$ 147,971</u>	<u>\$ 13,224</u>	<u>\$ (51,795)</u>	<u>\$ 109,400</u>
LIABILITIES				
Accounts payable	\$ 3,090	\$ 10,372	\$ (3,764)	\$ 9,698
Due to others	144,881	2,852	(48,031)	99,702
Total Liabilities	<u>\$ 147,971</u>	<u>\$ 13,224</u>	<u>\$ (51,795)</u>	<u>\$ 109,400</u>