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**TOWN OF PARADISE  
FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED JUNE 30, 2016**

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**TOWN OF PARADISE**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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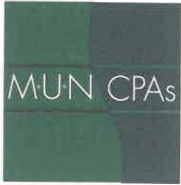
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## INDEPENDENT AUDITOR'S REPORT

To the Town Council  
Town of Paradise  
Paradise, California

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paradise, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Paradise's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paradise, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

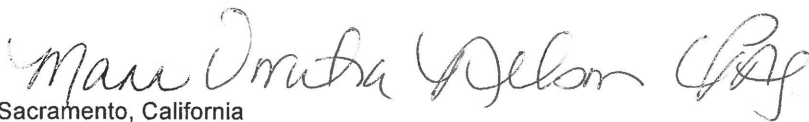
### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Paradise's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2017, on our consideration of the Town of Paradise's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Paradise's internal control over financial reporting and compliance.



Sacramento, California  
March 6, 2017

## **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, 2016. Please read it in conjunction with the Town's financial statements.

### **USING THIS ANNUAL REPORT**

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

### **REPORTING THE TOWN AS A WHOLE**

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

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

The Town continues to improve its financial position, rebuilding cash reserves and ending fund balances. Cash and investments increase 6 percent compared to the prior year. Also, accounts receivables increased 67 percent namely from business and housing and capital improvement project activities. Finally, the Town actively sought funding for infrastructure improvement projects and increased capital assets 11 percent.

This fiscal year, the Town reconsidered the classification of business and housing loan program receivables. In the previous year, the loans were presented with allowances for doubtful accounts, but with further review it was determined that these loans should be classified as deferred as they will eventually be repaid. This adds \$12.1 million to loans receivable and ultimately to total net position this fiscal year. If the prior year was restated, \$11.4 million in loans would be added to loans receivable which would change total net position from negative \$11,662,385 to negative \$246,565.

Governmental Accounting Standards Board (GASB) statement number 68, related to pension benefits, was implemented last fiscal year and amended with statement number 82 this year. The Town reports \$16.48 million of pension liability and pension related net deferred use of resources to its activities as

compared to \$16.24 million the prior year. The Town contracts with CalPERS for Pension benefits for its employees. The Town is making sizeable contributions toward the long term pension obligation just described. This obligation is being amortized over a 25 year period. These annual contributions are currently manageable for the Town.

**Table 1**  
**Net Position**

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Current and other assets	\$21,823,920	\$8,278,148
Capital assets	<u>16,576,728</u>	<u>14,927,424</u>
Total Assets	<u>38,400,648</u>	<u>23,205,572</u>
Long term liabilities (due in more than one year)	(16,734,240)	(16,730,439)
Net pension liability	(14,725,536)	(12,901,028)
Other liabilities	<u>(3,449,501)</u>	<u>(1,900,395)</u>
Total Liabilities	<u>(34,909,277)</u>	<u>(31,531,862)</u>
Deferred outflow of resources	1,108,629	1,064,115
Deferred inflow of resources	<u>(2,861,456)</u>	<u>(4,400,210)</u>
Net Deferred Use of Resources	<u>(1,752,827)</u>	<u>(3,336,095)</u>
<b>Net Position:</b>		
Invested in capital assets, net of debt	9,930,353	8,744,000
Restricted	3,813,495	4,526,512
Unrestricted	<u>(12,005,304)</u>	<u>(24,932,897)</u>
Total Net Position	<u>\$1,738,544</u>	<u>\$(11,662,385)</u>

Table 2 below shows another perspective of the net assets of the Town. The Town's revenues, exclusive of charges for services and grants and contributions for operations and capital projects, grew from \$10.2 million to \$11.8 million a 15.6 percent increase. In November 2014, citizens of the Town of Paradise approved a six year 0.50 percent transactions and use tax (Measure C) which took effect April 1, 2015. This provided just over \$1.2 million of additional revenues for the Town this fiscal year. In total, revenues increased from \$16.6 million to \$17.8 million.

Total expenses increased \$1.11 million or 7.6 percent. The Town was able to complete deferred maintenance projects, including equipment and vehicle replacement and facility repairs with the additional Measure C revenues described above. Before prior period adjustments, net position grows \$2.0 million leaving many operating funds with improved ending fund balances and reserves. A prior period adjustment of \$11.4 million related to the reclassification of business and housing receivables, described previously, results in an increase to the Town's net assets of \$13.4 million.



**Table 2**  
**Changes in Net Assets**

	Governmental Activities	
	2016	2015
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$2,913,132	\$1,286,525
Operating Contributions & Grants	839,421	4,804,507
Capital Contributions & Grants	2,192,315	275,063
General Revenues:		
Property Taxes	4,644,191	4,438,783
Other Taxes	4,771,344	3,252,208
Motor vehicle in-lieu	2,143,018	2,294,567
Other general revenues	<u>260,883</u>	<u>246,756</u>
<b>Total Revenues</b>	<b><u>17,764,304</u></b>	<b><u>16,598,409</u></b>
<b>Program expenses</b>		
General Government	2,831,099	1,869,009
Community Development	917,166	891,308
Public Safety	7,960,529	7,668,210
Public Works	1,169,256	612,395
Parks & Recreation	187,002	485,616
Streets	2,004,027	2,367,176
Interest on Long Term Debt	<u>710,116</u>	<u>771,182</u>
<b>Total Expenses</b>	<b><u>15,779,195</u></b>	<b><u>14,664,896</u></b>
Change in Net Position before prior period adjustments & extraordinary items	1,985,109	1,933,513
Prior period adjustments	<u>11,415,820</u>	<u>(15,051,225)</u>
<b>Change in net assets</b>	<b><u>\$13,400,929</u></b>	<b><u>(\$13,117,712)</u></b>

## THE TOWN'S FUNDS

As the Town completed the year, its governmental funds, (as presented in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances), reported a combined fund balance of \$7.97 million. It reflects a 6 percent or \$453,813 increase in governmental fund balances.

### General Fund Highlights

Over the course of the year, the Town Council approved budget revisions for material changes as they were identified. A thorough mid-year budget review was completed which reflected revised personnel costs and other operating expenditures where needed.

The Town's general fund revenues reflect a 9 percent growth or \$960,781; another year of growth after many years of decline. Taxes and assessments provide 96 percent of the general fund revenues. The 0.50 percent transaction and use tax, Measure C, provided additional revenues of \$1.2 million.

With the increased revenues, the Town was able to restore some critical operating expenses and capital outlay investments to the general fund, increasing expenditures \$1,228,448 or 12.1 percent. The general fund maintains historically low full time equivalency employees of 45.35 employees for the fiscal year, a 3.8 increase from the prior year, but well below its pre-recession levels of 81.32.

As expected in the general fund, public safety represents 67 percent of general fund expenditures. Public safety expenditures increased 7.4 percent in order to maintain appropriate level of services for the community. Debt service principal and interest reflect an increase of \$182,217 and this is including the \$35,000 scheduled increase for the Pension Obligation Bond. The Town is financing long deferred equipment and vehicle replacement for police and fire operations with funding by Measure C.

Revenues exceeded expenses by \$297,290 before transfers are reported. After transfers, the net change in general fund balance is a positive \$696,479. The ending general fund balance for June 30, 2016 is \$3,695,258, a 23 percent increase compared to the prior year. Of this, \$2 million is non-spendable as it was loaned to the former Paradise Redevelopment Agency and is slowly being repaid over time. \$900,000 was temporarily transferred to three grant funds that had reimbursements pending. These funds were transferred back to the general fund early in the new fiscal year. \$389,677 is assigned from Measure C funds for specific future payments. The remaining funds are unassigned. The unassigned reserves reduce the amount of cash needed to be borrowed annually to fund operations. This is a significant improvement compared to two years ago when there were no unassigned reserves available.

### **Other Key Governmental Funds**

The animal control fund saw an increase in revenues and transfers in of \$18,187, or 9.2 percent. \$16,908 was transferred in from the animal control donation fund to balance the fund. Most other revenues showed little change, but impound/quarantine fees decreased \$6,875. The nonprofit organization, Paradise Animal Shelter Helpers, reimbursed the fund \$20,593 for the costs of certain shelter specific expenses. Expenditures and transfers out increased \$31,792 or 16 percent. The increase was a result of increased staffing levels and veterinary care which were needed to maintain existing services. This resulted in an ending fund balance of negative 1,917. As the Town retains restored staffing levels to maintain services, the fund is not self-sustaining and will continue to require transfers in from the animal control donation fund to balance. Within the next two years, a decision will need to be made to either increase fees to a point that fully funds the services, locate another funding source, or to decrease services.

The building safety and waste water services fund had revenues of \$899,580, a decrease of \$35,960 or 3.8 percent. Expenses and transfers out increased \$74,211 to \$812,700 which is an increase of 10 percent. The fund now has an ending fund balance of \$473,005. This fund is vulnerable to economic downturns and must maintain sufficient reserves to maintain adequate staffing and for equipment replacement. This fund accounts for the services provided to monitor building and onsite development.

Reduced gasoline prices decreased the revenues of the state gas tax/street maintenance fund \$205,733. Increased staff participation in capital improvement projects increased transfers in \$30,193. Expenses and transfers out increased \$10,182, so expenses and transfers out exceeded revenues and transfers in by \$167,088. This results in an ending fund balance of \$271,186. Without additional funding from the State of California, expenses will again exceed revenues in 2016/17, so a portion of the ending fund balance will be used to maintain street maintenance services. These reserves will be exhausted in about two years without additional funding.

The capital improvement project fund became a major governmental fund this year. The Town has been actively seeking grants and funding to help improve the Town's road safety, drainage issues and infrastructure. The fund acts as a clearing fund where project expenses are matched up to their funding sources. \$1.95 million in activity was recorded this year compared to \$1.52 million the prior year, an increase of 28 percent.

### **PROPRIETARY FUND**

The proprietary fund is made up of one internal service fund which is related to self-insurance funding. The proprietary fund's Statement of Revenue, Expenses, and Changes in Fund Net Position report what is equivalent to the "ending fund balance" in governmental funds.

The net assets for the internal service fund for self-insurance funding decreased \$26,806 for the year compared to the prior year. These numbers are a direct reflection of what the insurance JPA is able to offer the Town in terms of dividends or return of equity. No dividends or equity were released this year and none are expected to be released from the JPA for the next several years as it is necessary for the JPA to rebuild equity released to members during the recession.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

At fiscal year-end 2016, the Town had \$16,576,728, net of depreciation, in a broad range of capital assets, including police and fire equipment, buildings, roads, and vehicles as shown in table 3 below. This amount represents a net increase of \$1,649,303 after depreciation, or 11 percent compared to last year. With the additional funding from Measure C, progress was made to replace and restore some assets. Buildings and improvements, machinery and equipment and vehicles all reflect a net increase in assets. Without the completion of a capital improvement project, infrastructure reflects a net decrease. A small downtown lot purchased for future development and construction in progress also add to the net gain in capital assets.

The Town's fiscal year 2016 capital budget included \$2.3 million in street maintenance, rehabilitation, and new construction and design. The Town accomplished progress of \$1.7 million. Many projects are in the final stages before completion, while others are starting preliminary engineering and design. The capital improvement projects are primarily funded through federal and state grants. This year's capital assets additions are:

- Land – 6148 Skyway 15,802
- Construction in Process:
  - Clark Road Safety Enhancements 460,531
  - Cypress Curve Realignment 101,766
  - Maxwell School Connectivity 96,398
  - Paradise Sewer Feasibility 98,151
  - Pearson Road School Connectivity 208,398
  - Pearson Road Shoulder Widening 774,113
  - Ponderosa School Connectivity 585
  - Skyway/Black Olive Signal 50
- Buildings and Improvements
  - Animal Shelter Sanitation Unit 9,530
  - Exhaust Removal System 21,674
  - Police Station Siding 95,361
- Machinery and Equipment
  - (4) Self Contained Breathing Apparatus 24,931
  - (4) Simplivity Servers, Software & Support 144,916
  - LiveScan Machine & Software 11,670
  - Pedestrian Crosswalk Flashing Beacon 23,683
  - Viewu Body Cameras, Hardware & Car Kits 36,693
- Vehicles
  - (3) Dodge Journeys 66,478
  - (3) Ford Interceptors and Equipment 128,275
  - Pierce Fire Engine 499,145

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

	Governmental Activities	
	2016	2015
Land	\$1,375,284	\$1,359,482
Construction in progress	2,212,501	472,508
Buildings and improvements	430,772	341,007
Infrastructure	11,438,778	12,321,168
Machinery and equipment	405,755	270,955
Vehicles	<u>713,638</u>	<u>162,304</u>
<b>Totals</b>	<b>\$16,576,728</b>	<b>\$14,927,424</b>

## Debt

At year end, the Town had \$33.2 million in notes, bonds, capital leases, other post-employment benefits (OPEB), CalPERS pension liability, and compensated absences. The total liabilities increased compared to the prior year 7.8 percent. \$1.3 million of the obligations shown in table 4 are due within one year.

**Table 4**  
**Outstanding Debt at Year-end**

	Governmental Activities	
	2016	2015
Bonds payable & accreted interest	\$11,088,863	\$11,371,292
Loans payable	45,744	58,717
Capital leases	820,632	344,708
OPEB	5,632,231	5,139,610
CAL FIRE OPEB Note	473,895	540,568
Net pension liability	14,725,536	12,901,028
Compensated absences	<u>403,634</u>	<u>444,820</u>
Total Liabilities	\$33,190,535	\$30,800,743

No additional bonds or notes were issued in 2015/16. The additional revenues from Measure C are funding the purchase of deferred equipment and vehicle replacements which are being financed through a lease purchase. So, one lease was added during the year and one was paid off. By implementing a vesting schedule for new hires, starting an irrevocable trust to begin funding the future obligation, and by capping benefits for all employee groups, the Town is containing the OPEB GASB 45 obligation; however, the Town was only able to contribute \$25,000 to the obligation in 2015/16. Despite the Town's contribution toward the net pension liability as dictated by CalPERS, the net pension liability increased. The Town has taken measures to mitigate these benefits in the future and the obligation is being amortized over a period of 25 years.

Please refer to Notes 7, 8 and 9 for more detailed information about the obligations outstanding.

### THE TOWN AS TRUSTEE

The Town is the trustee, or fiduciary, for an employee bank fund, a Butte County jail impact fee fund, and a police department found money fund. As of January 2012, it elected to become the successor agency of the former Paradise Redevelopment Agency (Agency). The Town's current role is to manage the receipt and disbursement of monies related to debt service of enforceable obligations of the Agency. The Town also manages a general trust fund. All of the related activity is being accounted for in private-purpose trust funds. The Town is responsible for the assets in these funds and must only use these funds as indicated in the trust arrangements. The Town's fiduciary activities related to the Agency and the general trust fund are reported in a Statements of Net Position and Changes in Net Position. The other fiduciary activities are reported under a Statement of Fiduciary Assets and Liabilities and Changes in Assets and Liabilities. The activities are excluded from the Town's other financial statements because

the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds total assets are \$7,851 and the private-purpose trust funds net position is negative \$7.09 million as of June 30, 2016.

## **NEXT YEAR'S BUDGET AND ASSUMPTIONS**

At the issuance of these financial statements, seven of the twelve months has been completed of the 2016/17 fiscal year. The Town has also just completed its comprehensive mid-year budget report which confirms that the local economy is continuing to show growth. Property taxes and motor vehicle in lieu are projected to grow 4.04 percent and 4.56 percent respectively. Because of low gasoline prices and the unwind of the triple flip, sales taxes are expected to decrease this year compared to the prior year. However, other consumer spending driven revenues like franchise fees and transient occupancy taxes project growth. In addition, Measure C will provide additional funding of about \$1.2 million a year for five more years. Most other governmental funds remain healthy with adequate reserves. Additional funding is needed to sustain animal control services and gas tax/street maintenance. The amended general fund budget for 2016/17 currently has \$12.4 million available for appropriations, including transfers in. This is a 2.4 percent increase in revenues compared to the audit year being reported.

The Town will maintain a balanced general fund budget for 2016/17 and will add about \$22,000 to its unassigned reserves bringing the total unassigned reserves to about \$1,185,000. These unassigned reserves are 9.5 percent of the total projected 2016/17 appropriations. These reserves lessen the size of the Tax Revenue Anticipation Note the Town will obtain in 2017/18, thereby reducing interest expenses. Highlights of the measures in place in 2016/17 to maintain financial stability:

- ✓ 0.50 percent general transaction and use tax, Measure C, to generate additional revenues of \$1,200,000 a year for five more years.
- ✓ All employees are paying 100% of the CalPERS employee contribution which is 7% of salary for Miscellaneous Employees and 9% for Public Safety Employees.
- ✓ All employee units have agreed to cap the amount the Town contributes toward health insurance premiums as a way to reduce the OPEB obligation.
- ✓ New hires are now entering second and third tiers of retirement plans which are providing some immediate expenditure savings.
- ✓ By cutting back and restructuring in non-general fund activities, the Town has eliminated the need for the general fund to transfer funds into any other fund in order to eliminate structural deficits.

The general fund five year budget projection shows revenue and expenditure growth of about 1.4 percent a year for the next five years. Town Council and Management are committed to maintaining a balanced budget and rebuilding available reserves and will make additional cutbacks as necessary. Management and elected officials are also evaluating cost recovery and other ways to diversify the revenues of the Town. Finally, of high importance will be establishing policies that minimize unfunded liability and reduces the future obligations of the Town to a level that the Town can sustain.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

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

**TOWN OF PARADISE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	<b>Governmental Activities</b>
<b><u>ASSETS</u></b>	
Cash and investments (Note 3)	\$ 4,870,548
Restricted cash and investments with fiscal agents (Note 3)	1,209
Accounts receivable	2,786,800
Interest receivable	6,506
Prepaid items	49,329
Advances to the Successor Agency Trust Funds (Note 6)	1,977,950
Loans receivable (Note 4)	12,131,578
Capital assets (Note 5):	
Nondepreciable:	
Land and construction in progress	3,587,785
Depreciable:	
Infrastructure, buildings, vehicles, and equipment	24,809,479
Accumulated depreciation	<u>(11,820,536)</u>
Total capital assets	<u>16,576,728</u>
<b>Total Assets</b>	<u><b>38,400,648</b></u>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>	
2016 Pension contributions (Note 8)	1,108,629
<b>Total Deferred Outflows of Resources</b>	<u><b>1,108,629</b></u>
<b><u>LIABILITIES</u></b>	
Accounts payable	1,346,026
Accrued wages	267,180
Unearned revenue	105,536
Noncurrent liabilities (Note 7):	
Due within one year	1,346,420
Due in more than one year	11,486,348
Other post employment benefits	5,632,231
Net pension liability (Note 8)	<u>14,725,536</u>
<b>Total Liabilities</b>	<u><b>34,909,277</b></u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>	
Changes in the net pension liability (Note 8)	<u><b>2,861,456</b></u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	9,930,353
Restricted for:	
Public safety	543,532
Streets and roads	1,626,207
Community development	495,249
Wastewater and drainage	1,148,507
Unrestricted	<u>(12,005,304)</u>
<b>Total Net Position</b>	<u><u><b>\$ 1,738,544</b></u></u>

See accompanying notes to the basic financial statements.



**TOWN OF PARADISE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<u>Functions/Programs</u>	<u>Program Revenues</u>				<b>Net (Expense) Revenue and Changes in Net Position</b>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government	\$ 2,170,400	\$ 141,144	\$ 34,939	\$ 98,474	\$ (1,895,843)
Community development	989,334	565,270	1,830,267	-	1,406,203
Public safety	8,482,924	232,052	306,632	-	(7,944,240)
Public works	1,235,392	56,369	1,170,464	-	(8,559)
Parks and recreation	187,002	2,590	-	-	(184,412)
Streets	2,004,027	33,771	594,787	1,319,853	(55,616)
Interest on long term debt	710,116	-	-	-	(710,116)
Total Governmental Activities	<u>\$ 15,779,195</u>	<u>\$ 1,031,196</u>	<u>\$ 3,937,089</u>	<u>\$ 1,418,327</u>	<u>\$ (9,392,583)</u>

General Revenues:

Taxes:	
Secured and unsecured property taxes	\$ 4,644,191
Sales and usage taxes	3,127,488
Transient lodging tax	214,470
Franchise taxes	924,696
Real property transfer taxes	74,396
Other taxes	132,292
Motor vehicle in-lieu, unrestricted	2,143,018
Homeowners property tax relief, unrestricted	65,655
Investment income	18,615
Other	<u>32,871</u>
Total General Revenues and Transfers	<u>11,377,692</u>
Change in Net Position	1,985,109
Net Position - July 1, 2015	<u>(11,662,385)</u>
Prior period adjustments (Note 15)	11,415,820
Net Position - July 1, 2015, restated	<u>(246,565)</u>
Net Position - June 30, 2016	<u>\$ 1,738,544</u>

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	General Fund	Home Grant Fund	Cal Home Rehabilitation Fund
<b><u>ASSETS</u></b>			
Cash and investments	\$ 96,346	\$ 11,083	\$ 316,416
Restricted cash and investments with fiscal agents	1,209	-	-
Accounts receivable	1,202,431	396,246	-
Interest receivable	2,300	32	324
Prepaid items	10,736	-	-
Due from other funds	900,338	-	-
Advances receivable from the Successor Agency Trust Funds	1,977,950	-	-
Loans receivable	436	9,357,486	2,115,388
 Total Assets	 \$ 4,191,746	 \$ 9,764,847	 \$ 2,432,128
 <b><u>LIABILITIES</u></b>			
Accounts payable	\$ 297,332	\$ 4628	\$ -
Accrued wages	199,156	-	-
Due to other funds	-	360,332	-
Unearned revenue	-	-	68,650
 Total Liabilities	 496,488	 364,960	 68,650
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows of resources	\$ -	\$ 9,357,486	\$ 2,115,388
 <b><u>FUND BALANCES</u></b>			
Nonspendable	2,889,460	-	-
Restricted	-	42,401	248,090
Assigned	389,677	-	-
Unassigned	416,121	-	-
 Total Fund Balances	 3,695,258	 42,401	 248,090
 Total Liabilities and Fund Balances	 \$ 4,191,746	 \$ 9,764,847	 \$ 2,432,128

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE**  
**BALANCE SHEET (CONTINUED)**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 962,938	\$ 3,483,765	\$ 4,870,548
Restricted cash and investments with fiscal agents	-	-	1,209
Accounts receivable	-	1,188,123	2,786,800
Interest receivable	-	3,850	6,506
Prepaid items	-	38,593	49,329
Due from other funds	-	530,724	1,431,062
Advances receivable from the Successor Agency Trust Funds	-	-	1,977,950
Loans receivable	-	<u>658,268</u>	<u>12,131,578</u>
Total Assets	<u>\$ 962,938</u>	<u>\$ 5,903,323</u>	<u>\$ 23,254,982</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 963,236	\$ 80,830	\$ 1,346,026
Accrued wages	-	68,024	267,180
Due to other funds	-	1,070,730	1,431,062
Unearned revenue	-	<u>36,886</u>	<u>105,536</u>
Total Liabilities	<u>963,236</u>	<u>1,256,470</u>	<u>3,149,804</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows of resources	\$ -	\$ 658,268	\$ 12,131,142
<b><u>FUND BALANCES</u></b>			
Nonspendable	-	-	2,889,460
Restricted	-	4,004,472	4,294,963
Assigned	-	-	389,677
Unassigned	<u>(298)</u>	<u>(15,887)</u>	<u>399,936</u>
Total Fund Balances	<u>(298)</u>	<u>3,988,585</u>	<u>7,974,036</u>
Total Liabilities and Fund Balances	<u>\$ 962,938</u>	<u>\$ 5,903,323</u>	<u>\$ 23,254,982</u>

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

Total fund balances of governmental funds	\$	7,974,036
<p>Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the governmental funds because of the following</p>		
Capital assets net of accumulated depreciation of \$11,820,536 have not been included as financial resources in the governmental funds		16,576,728
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		12,131,142
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds payable		(6,651,451)
Loans payable		(45,744)
Accrued interest payable		(4,437,412)
Capital leases payable		(820,632)
Other post-employment benefits		(5,632,231)
CDF retiree health vesting		(473,895)
Net pension liability		(14,725,536)
Compensated absences		(403,634)
Deferred inflows of resources related to charges in the net pension liability are not applicable to the current period.		(3,146,658)
Deferred outflows related to changes in the net pension liability (asset) are not reported in the governmental funds:		285,202
Deferred outflows of resources related to 2016 pension contributions were made subsequent to the measurement date.		<u>1,108,629</u>
Net position of governmental activities	\$	<u>1,738,544</u>

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Home Grant Fund</u>	<u>Cal Home Rehabilitation Fund</u>	<u>Capital Improvement</u>
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 11,193,914	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	3,937	-	-	-
Fines and forfeitures	70,462	-	-	-
Use of money and property	7,235	84	840	-
Intergovernmental revenues	149,544	609,005	565,500	-
Charges for services	201,286	-	-	-
Program income	-	345,577	95,887	-
Other revenues	<u>10,660</u>	<u>114</u>	<u>-</u>	<u>98,474</u>
Total Revenues	<u>11,637,038</u>	<u>954,780</u>	<u>662,227</u>	<u>98,474</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	1,940,384	-	-	-
Community development	173,461	742,311	520,000	-
Public safety	7,612,141	-	-	-
Public works	25,107	-	-	-
Parks and recreation	9,697	-	-	-
Streets	-	-	-	-
Capital Outlay	266,420	-	-	1,953,779
Debt service:				
Principal	890,922	-	-	-
Interest and fiscal charges	<u>421,616</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>11,339,748</u>	<u>742,311</u>	<u>520,000</u>	<u>1,953,779</u>
Excess of revenues over (under) expenditures	<u>297,290</u>	<u>212,469</u>	<u>142,227</u>	<u>(1,855,305)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Proceeds from the issuance of debt	-	-	-	-
Transfer from internal service fund	26,806	-	-	-
Transfers in	575,949	-	-	1,855,007
Transfers out	<u>(203,566)</u>	<u>(170,069)</u>	<u>(50,309)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>399,189</u>	<u>(170,069)</u>	<u>(50,309)</u>	<u>1,855,007</u>
Net Change in Fund Balances	696,479	42,400	91,918	(298)
Fund Balances - July 1, 2015	<u>2,998,779</u>	<u>1</u>	<u>156,172</u>	<u>-</u>
Prior Period Adjustment (Note 15)	-	-	-	-
Fund Balance Restated - July 1, 2015	<u>2,998,779</u>	<u>1</u>	<u>156,172</u>	<u>-</u>
Fund Balances - June 30, 2016	<u>\$ 3,695,258</u>	<u>\$ 42,401</u>	<u>\$ 248,090</u>	<u>\$ (298)</u>

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Other Governmental Funds</u>	<u>Totals</u>
<b><u>REVENUES</u></b>		
Taxes and assessments	\$ 430,294	\$ 11,624,208
Licenses, permits, and impact fees	911,471	915,408
Fines and forfeitures	64,994	135,456
Use of money and property	10,456	18,615
Intergovernmental revenues	3,173,505	4,497,554
Charges for services	111,249	312,535
Program income	51,932	493,396
Other revenues	<u>77,823</u>	<u>187,071</u>
Total Revenues	<u>4,831,724</u>	<u>18,184,243</u>
<b><u>EXPENDITURES</u></b>		
Current:		
General government	9,282	1,949,666
Community development	619,976	2,055,748
Public safety	236,876	7,849,017
Public works	907,005	932,112
Parks and recreation	-	9,697
Streets	1,278,945	1,278,945
Capital Outlay	865,585	3,085,784
Debt service:		
Principal	42,972	933,894
Interest and fiscal charges	<u>-</u>	<u>421,616</u>
Total Expenditures	<u>3,960,641</u>	<u>18,516,479</u>
Excess of revenues over (under) expenditures	<u>871,083</u>	<u>(332,236)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>		
Proceeds from the issuance of debt	759,243	759,243
Transfer from internal service fund	-	26,806
Transfers in	816,040	3,246,996
Transfers out	<u>(2,823,052)</u>	<u>(3,246,996)</u>
Total Other Financing Sources (Uses)	<u>(1,247,769)</u>	<u>786,049</u>
Net Change in Fund Balances	(376,686)	453,813
Fund Balances - July 1, 2015	<u>4,365,271</u>	<u>7,520,223</u>
Prior Period Adjustment (Note 15)	-	-
Fund Balance Restated - July 1, 2015	<u>4,365,271</u>	<u>7,520,223</u>
Fund Balances - June 30, 2016	<u>\$ 3,988,585</u>	<u>\$ 7,974,036</u>

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE**  
**RECONCILIATION OF THE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

Net change in fund balances - total governmental funds	\$	453,813
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation as expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		2,818,148
Depreciation expense		(1,168,845)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position		
Capital lease obligation principal payments		283,319
Bond principal payments		570,929
Notes payable payments		12,973
Accreted interest, net change		(288,500)
Issuance of debt issues are an other financing source in governmental funds, but an increase in long-term liabilities in the Statement of Net Position		
Proceeds from capital lease		(759,244)
Receipts of payments and disbursements of funds related to notes and loans receivables are reported as revenues and expenditures, respectively, in governmental funds, but an increase and decrease, respectively, in notes receivable in the Statement of Net Assets.		
Loan program receipts		(666,580)
Interest accrual on loans		246,644
Loans made during the year		1,135,260
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		41,186
Pension expense related to deferred outflows and inflows of resources		(241,240)
Other post-employment benefits		(492,621)
CDF retiree health vesting		66,673
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service fund is reported with the governmental activities.		
		<u>(26,806)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>1,985,109</u></b>

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
JUNE 30, 2016

	<b>Governmental Activities - Internal Service Fund</b>
<b><u>ASSETS</u></b>	
Total Current Assets	_____ -
Total Assets	_____ -
<b><u>NET POSITION</u></b>	
Unrestricted	_____ -
Total Net Position	\$ _____ -

See accompanying notes to the basic financial statements.



**TOWN OF PARADISE**  
 STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Governmental Activities - Internal Service Fund</u>
<b><u>OPERATING REVENUES</u></b>	
Operating Income (Loss)	_____ -
Income (Loss) Before Transfers	_____ -
Transfers out	_____ (26,806)
Change in Net Position	_____ (26,806)
Net Position - July 1, 2015	_____ 26,806
Net Position - June 30, 2016	\$ _____ -

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Governmental Activities - Internal Service Fund</b>
<b><u>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>	
Transfers out	(26,806)
Net cash used for non-capital and related financing activities	(26,806)
Net decrease in cash and cash equivalents	(26,806)
Cash and Cash Equivalents - July 1, 2015	26,806
Cash and Cash Equivalents - June 30, 2016	\$ <u><u>                    -</u></u>

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Private- Purpose Trust Funds</u>	<u>Agency Funds</u>
<b><u>ASSETS</u></b>		
Cash and investments	\$ 231,117	\$ 7,851
Restricted cash and investments with fiscal agents	<u>373,052</u>	<u>-</u>
Total Assets	<u>604,169</u>	<u>7,851</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	2,350	1,824
Accrued payroll payable	429	-
Interest payable	22,211	-
Due to others	-	6,027
Long-term debt, due within one year	75,000	-
Long-term debt, due in more than one year	<u>7,595,237</u>	<u>-</u>
Total Liabilities	<u>7,695,227</u>	<u>\$ 7,851</u>
<b><u>NET POSITION</u></b>		
Unrestricted	<u>(7,091,058)</u>	
Total net deficit	<u>\$ (7,091,058)</u>	

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE**  
**STATEMENT OF CHANGES IN NET POSITION**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Private- Purpose Trust Funds</b>
<b><u>ADDITIONS</u></b>	
Taxes and assessments	\$ 407,691
Investment revenue	1,933
Interfund transfer in	183,081
Total Additions	592,705
<b><u>DEDUCTIONS</u></b>	
Interest expense	326,937
Interfund transfer out	194,557
Total Deductions	521,494
Changes in net position	71,211
Net deficit - July 1, 2015	(7,162,269)
Net deficit - June 30, 2016	\$ (7,091,058)

See accompanying notes to the basic financial statements.

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. The Reporting Entity**

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

**B. Basis of Presentation**

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

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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

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

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

**C. Major Funds**

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

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

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

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

CIP Fund - This fund accounts for capital improvement project activities and transactions.

**D. Measurement Focus and Basis of Accounting**

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

Measurement Focus

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

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

Basis of Accounting

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

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

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

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

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations. The principal operating revenues of the internal service fund are received from the Town in order to pay for administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Compensated Absences**

Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. The Town's liability for compensated absences is recorded in the government-wide Statement of Net Position for governmental funds and the Statement of Net Position for proprietary funds as appropriate. A liability is calculated for all the costs of compensated absences based upon benefits earned by employees in the current period for which there is a probability of payment at termination. The salary and related payroll costs are those in effect at June 30, 2016. The amount of accrued sick pay is not due upon termination and therefore is not recorded as a liability for the Town.

**F. Property Taxes**

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

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

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

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

**G. Capital Assets**

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

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



**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Use of Estimates**

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

**I. Implementation of Government Accounting Standards Board Statements**

Effective July 1, 2015, the Town implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 72

In February 2015, GASB issued Statement No. 72, Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. See Note 2.

Government Accounting Standards Board Statement No. 76

In June 2015, GASB issued Statement No. 76, the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. There was no significant impact to the Town or their financial statements as a result of the implementation.

Government Accounting Standards Board Statement No. 79

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized costs for financial reporting purposes and for governments that participate in those pools. Application of this statement is effective for the current year except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for the Town's fiscal year ending June 30, 2017. There was no significant impact to the Town or their financial statements as a result of the implementation.

Government Accounting Standards Board Statement No. 82

In March 2016, GASB issued Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73*. The primary objective of this statement is to address issues regarding the (1) presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for reporting periods beginning after June 15, 2016; however the Town has elected to implement the statement in the current year. See Note 8.

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Future Government Accounting Standards Board Statements**

These statements are not effective until July 1, 2016 or later. The Town has not determined the effects on the financial statements.

Government Accounting Standards Board Statement No. 74

In June 2015, GASB issued Statement No. 74, Financial Reporting for Postemployment Benefits other than Pension Plans. This statement replaces Statement No. 43 and 57 and improves the usefulness of information about postemployment benefits other than pensions. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2017.

Government Accounting Standards Board Statement No. 75

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

Government Accounting Standards Board Statement No. 77

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

Government Accounting Standards Board Statement No. 80

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2017.

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

There were no budgets prepared for the Cluster Septic Fund, Special Projects Fund, Police Fund, Clark Road Signal Fund, Memorial Trailway Fund, Tree Replacement In Lieu Fund, Transportation Capital Projects Fund, Improvement Agreements Fund, State Water Board Prop 1 Grant Fund, Special Projects Donation Fund, and the Wastewater Design Assessment District Fund.

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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

**B. Excess of Expenditures or Expense over Appropriations**

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

<u>Fund</u>	<u>Final Appropriation</u>	<u>Expenditures</u>	<u>Excess</u>
Major Fund:			
HOME Grant Fund	\$ 461,143	\$ 742,311	\$ 281,168
Non-major Funds:			
Citizen Police Fund	\$ 9,150	\$ 31,818	\$ 22,668
Canine Protect Fund	\$ -	\$ 2,068	\$ 2,068
Animal Control Shelter Fund	\$ 173,863	183,183	\$ 9,320
Gas Tax Fund	\$ 943,469	\$ 958,962	\$ 15,493
Building Safety & Wastewater Fund	\$ 645,556	\$ 647,202	\$ 1,646
Traffic Safety- DUI Impound Fund	\$ 3,500	\$ 22,251	\$ 18,751
HUD Revolving Loan Fund	\$ 116,220	\$ 174,268	\$ 58,048
Asset Seizure Fund	\$ -	\$ 1,800	\$ 1,800
95 Impact PDFC Fund	\$ 42,000	\$ 42,804	\$ 804
Abandoned Vehicle Fund	\$ 513	\$ 773	\$ 260
Special Projects Donation Fund	\$ -	\$ 1,782	\$ 1,782

**C. Fund Deficits**

The Cluster Septic Fund, Animal Control Shelter, Highway Safety Improvement, Capital Improvement, Transportation Capital Projects and Special Projects Donation Fund had fund balance deficits of \$4,339, \$1,917, \$1, \$298, \$9,021 and \$609 respectively at June 30, 2016. The fund balance deficits are primarily due to the Town incurring costs in excess of revenues. The Town will alleviate this deficit as revenues are received.

**NOTE 3: CASH AND INVESTMENTS**

Cash and investments as of June 30, 2016 were classified in the accompanying financial statements as follows:

Governmental activities:	
Cash and investments	\$ 4,870,548
Restricted cash and investments with fiscal agents	<u>1,209</u>
Total governmental activities	<u>4,871,757</u>
Fiduciary activities:	
Cash and investments	238,968
Restricted cash and investments with fiscal agents	<u>373,052</u>
Total fiduciary activities	<u>612,020</u>
Total cash and investments	<u>\$ 5,483,777</u>

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

Cash and investments were carried at fair value as of June 30, 2016 and consisted of the following:

Petty cash	\$	1,750
Deposits with financial institutions		1,289,305
Investments		<u>4,192,722</u>
 Total cash and investments	 \$	 <u>5,483,777</u>

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

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

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

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

Investments Authorized by Debt Agreements

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

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

Disclosure Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the Town's investments to market rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity as of June 30, 2016:

Investment Type	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
State Investment Pool (LAIF)	\$ 3,965,566	\$ -	\$ 3,965,566
Held by bond trustee:			
Money market funds	<u>227,156</u>	<u>-</u>	<u>227,156</u>
	<u>\$ 4,192,722</u>	<u>\$ -</u>	<u>\$ 4,192,722</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Town had no investments (including investments held by bond trustees) that were highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above) as of June 30, 2016.

**TOWN OF PARADISE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or debt agreements, and the actual rating as of the fiscal year for each investment type.

	Total	Minimum Legal Rating	Rating as of Fiscal Year End		
			S&P	Moody's	N/A
State Investment Pool (LAIF)	\$ 3,965,566	N/A			Not rated
Held by bond trustee:					
Money market funds	<u>227,156</u>	N/A	AAAm	Aaa	
	<u>\$ 4,192,722</u>				

Concentration of Credit Risk

The Town complies with the limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. The Town held no investments in any one issuer (other than U.S. Treasury securities, external investment pools and mutual funds) that represented 5% or more of total Town investment as of June 30, 2016.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Town's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2016, the carrying amount of the Town's deposits was \$1,289,305 and bank balances were \$1,012,790 of which \$250,000 was insured under the FDIC.

Investment in State Investment Pool

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

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 4: LOANS RECEIVABLE**

Housing Rehabilitation and Affordable Housing Loans

The Town engages in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the Town's terms. The balance of the loans receivable arising from these programs at June 30, 2016, was \$12,131,578, which included loans to homeowners totaling \$6,789,000, and loans to the developer (Paradise Community Village) totaling \$5,342,142.

The general fund has loans receivable at June 30, 2016, of \$436 for employee computer loans. Under the agreements with the employees, the employees pay back these loans through payroll deductions.

**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2016</u>
Capital assets not being depreciated					
Land	\$ 1,359,482	\$ 15,802	\$ -	\$ -	\$ 1,375,284
Construction in progress	<u>472,508</u>	<u>1,739,993</u>	<u>-</u>	<u>-</u>	<u>2,212,501</u>
Total capital assets not being depreciated	<u>1,831,990</u>	<u>1,755,795</u>	<u>-</u>	<u>-</u>	<u>3,587,785</u>
Capital assets being depreciated					
Buildings and improvements	1,828,875	126,564	-	-	1,955,439
Infrastructure	17,649,326	-	-	-	17,649,326
Machinery and equipment	1,520,508	241,891	-	-	1,762,399
Vehicles	<u>2,944,668</u>	<u>693,898</u>	<u>(196,251)</u>	<u>-</u>	<u>3,442,315</u>
Total capital assets being depreciated	<u>23,943,377</u>	<u>1,062,353</u>	<u>(196,251)</u>	<u>-</u>	<u>24,809,479</u>
Less: accumulated depreciation for:					
Buildings and improvements	(1,487,868)	(36,799)	-	-	(1,524,667)
Infrastructure	(5,328,157)	(882,391)	-	-	(6,210,548)
Machinery and equipment	(1,249,553)	(107,091)	-	-	(1,356,644)
Vehicles	<u>(2,782,364)</u>	<u>(142,564)</u>	<u>196,251</u>	<u>-</u>	<u>(2,728,677)</u>
Total accumulated depreciation	<u>(10,847,942)</u>	<u>(1,168,845)</u>	<u>196,251</u>	<u>-</u>	<u>(11,820,536)</u>
Capital assets, net	<u>\$ 14,927,425</u>	<u>\$ 1,649,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,576,728</u>

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

General government	\$ 36,757
Public safety	229,702
Parks and recreation	177,305
Streets	<u>725,081</u>
Total governmental activities depreciation expense	<u>\$ 1,168,845</u>



**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfund Balances**

The composition of interfund balances at June 30, 2016, is as follows:

**Current Interfund Balances**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
<b><u>Major Funds:</u></b>	<b><u>Major Funds</u></b>		
General Fund	HOME Grant Fund	Deficit cash balance	\$ 360,332
<b><u>Major Funds:</u></b>	<b><u>Non-major Funds</u></b>		
General Fund	Highway Safety Improvement	Deficit cash balance	532,527
General Fund	Citizen Police	Deficit cash balance	<u>7,479</u>
		<b>Total Major Fund Receivables</b>	<u>900,338</u>
<b><u>Non-major Fund</u></b>	<b><u>Non-major Funds</u></b>		
Local Transportation Fund	Cluster Septic	Deficit cash balance	\$ 4,339
Local Transportation Fund	Animal Control Shelter	Deficit cash balance	11,459
Local Transportation Fund	Active Transportation Project	Deficit cash balance	109,157
Local Transportation Fund	AVOID	Deficit cash balance	811
Local Transportation Fund	Regional Surface Transportation Program	Deficit cash balance	298,002
Local Transportation Fund	Special Projects Donation Fund	Deficit cash balance	609
Local Transportation Fund	Transportation Capital Projects	Deficit cash balance	8,196
Local Transportation Fund	State Water Board Prop 1 Grant	Deficit cash balance	<u>98,151</u>
		<b>Total Nonmajor Fund Receivables</b>	<u>530,724</u>
		<b>Total Interfund Payables</b>	<u>\$ 1,431,062</u>

**Interfund Transfers**

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

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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

Transfer between funds during the fiscal year ended June 30, 2016 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>Major Governmental Funds</u>			
General Fund	Capital Improvement Fund	Pearson road improvements	\$ 200,000
General Fund	Housing Authority	Held aside on loan repayment	3,566
Home Grant Fund	EDBG Repayment Fund	Activity delivery	79,640
Home Grant Fund	EDBG Repayment Fund	Activity delivery	38,797
Home Grant Fund	EDBG Repayment Fund	Activity delivery	51,175
Home Grant Fund	EDBG Repayment Fund	Payroll transfer	457
Cal Home Rehabilitation Fund	EDBG Repayment Fund	Activity delivery	4,809
Cal Home Rehabilitation Fund	EDBG Repayment Fund	Activity delivery	<u>45,500</u>
Total Major Governmental Funds Transfers			<u>\$ 423,944</u>
<u>Non-Major Governmental Funds</u>			
HUD Revolving Loan Fund	EDBG Repayment Fund	Activity delivery	\$ 10,782
HUD Revolving Loan Fund	EDBG Repayment Fund	Payroll transfer	87,917
AB109 State Funds	General Fund	Payroll transfer	7,974
SLESF Fund	General Fund	Payroll transfer	25,936
AVOID Fund	General Fund	Payroll transfer	15,871
Building Safety and Wastewater Services Fund	General Fund	Internal services/POB	165,499
Animal Control Shelter Fund	General Fund	Internal services/POB	41,515
Transportation Capital Projects Fund	General Fund	Internal services/POB	4,347
Transportation Capital Projects Fund	Capital Improvement Fund	Pearson road improvements	159,344
Gas Tax Fund	General Fund	Internal services/POB	186,921
Gas Tax Fund	Capital Improvement Fund	CIPS; Cypress, Pearson & Elliott	12,833
Regional Surface Transportation Program Fund	Gas Tax Fund	Street maintenance	298,002
State Water Board Prop 1 Fund	Capital Improvement Fund	Sewer feasibility study	90,141
State Water Board Prop 1 Fund	Gas Tax Fund	Sewer feasibility study	8,009
Highway Safety Improvement Fund	Capital Improvement Fund	CIPS; Clark, Cypress, Pearson	876,393
Highway Safety Improvement Fund	Gas Tax Fund	CIPS; Clark, Cypress, Pearson	39,998
Active Transportation Program Fund	Capital Improvement Fund	CIPS, Pearson SR2S, Maxwell	255,676
Active Transportation Program Fund	Gas Tax Fund	CIPS, Pearson SR2S, Maxwell	49,636
Traffic Safety Fund	General Fund	Operating costs	30,000
EDBG Repayment Fund	General Fund	Internal services/POB	35,923
SLESF Fund	General Fund	CSO Support	50,000
Abandoned Vehicle Fund	General Fund	Code enforcement	8,305
Grants Miscellaneous One Time Fund	Capital Improvement Fund	CIP; Stearns Demille, Elliott	217,741
95 Impact Drainage Fund	Capital Improvement Fund	Pearson drainage improvements	42,879
Capital Leases Fund	General Fund	Equipment replacement	3,658
Local Transportation	Transportation Capital Projects Fund	Pearson road improvements	80,844
Animal Control Fund	Animal Control Shelter Fund	Operating costs	<u>16,908</u>
Total Non-Major Governmental Funds Transfers			<u>2,823,052</u>
<b>Total Governmental Interfund Transfers</b>			<b><u>\$ 3,246,996</u></b>

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>Internal Service Funds</u>			
Internal Service Fund	General Fund	JPA equity distribution	\$ 26,806
<b>Total Internal Service Fund Transfers</b>			<b>\$ 26,806</b>

**Advances To/Advances From Other Funds**

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance indication in applicable governmental funds to indicate they are not in spendable form. The following are advances to/from other funds as of June 30, 2016:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
Major Fund:	Private-Purpose Trust Fund:	
General Fund	Successor Redevelopment Agency Fund	\$ 1,977,950

The advance of \$1,357,223 from the General fund of the Town was to assist the Successor Agency with administrative, operation, and program costs. The interest rate on this advance rate is 4.50%. In addition, the advance of \$620,727 was due to the cash shortage of the Successor Agency. Both of the advances in total were \$1,977,950 as of June 30, 2016.

**TOWN OF PARADISE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7: LONG TERM DEBT**

**A. Compensated Absences**

Town employees accumulate earned but unused vacation and sick leave benefits, which can be converted to cash at termination of employment. The Town has estimated that the due within one year balance of compensated absences is \$19,295. The remaining amounts are reported as non-current liabilities due in more than one year on the statement of net position. No expenditure is reported for these amounts in the fund statements. In the statement of activities, the expenditure is allocated to each function based on usage. The non-current portion of these vested benefits, payable in accordance with various collective bargaining agreements, at June 30, 2016, total \$384,338 for governmental activities.

**B. Bonds Payable**

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

Interest on Series A-2 capital appreciation bonds is payable on June 1 and December 1. The rate of interest varies from 5.160% to 5.694% per annum. Principal is payable in annual installments ranging from \$238,761 to \$648,234 commencing on June 1, 2010 and ending on June 1, 2031. The balance outstanding as of June 30, 2016 was \$6,651,452. The accreted interest on the capital appreciation bonds balance as of June 30, 2016 was \$4,437,412.

For the Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 553,594	\$ 401,406	\$ 955,000
2018	536,963	448,037	985,000
2019	523,423	496,577	1,020,000
2020	507,371	542,630	1,050,001
2021	494,652	590,349	1,085,001
2022 - 2026	2,301,236	3,688,764	5,990,000
2027 - 2031	<u>1,734,213</u>	<u>4,170,787</u>	<u>5,905,000</u>
Total	<u>\$ 6,651,452</u>	<u>\$ 10,338,550</u>	<u>\$ 16,990,002</u>

\* The amount includes accreted interest.

**C. Capital Lease Obligations**

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

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 7: LONG TERM DEBT (CONTINUED)**

West America Bank Lease #3

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

<b>For the Year Ending June 30</b>	<b>Payment</b>
2017	\$ <u>45,527</u>
Total minimum lease payments	45,527
Less: amount representing interest	<u>(2,056)</u>
Present value of minimum lease payments	\$ <u><u>43,471</u></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, 2016 were as follows:

<b>Fiscal Year Ending June 30</b>	<b>Payment</b>
2017	\$ <u>59,166</u>
Total minimum lease payments	59,166
Less: amount representing interest	<u>(1,830)</u>
Present value of minimum lease payments	\$ <u><u>57,336</u></u>

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, 2016 were as follows:

<b>Fiscal Year Ending June 30</b>	<b>Payment</b>
2017	\$ <u>14,497</u>
Total minimum lease payments	14,497
Less: amount representing interest	<u>(1,349)</u>
Present value of minimum lease payments	\$ <u><u>13,148</u></u>

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 7: LONG TERM DEBT (CONTINUED)**

Inland Leasing Inc. #2

During the fiscal year 2010-2011, the Town entered into an agreement to lease a Bizhub C552DS and Bizhub 601 Copiers with a zero percent interest rate. The lease requires monthly installments of \$431 until June 2016. The total amount of the lease was for \$25,850. The lease obligation was paid off during the fiscal year 2015-2016.

Leasource Financial Services, Inc. #7

During the fiscal year 2011-2012, the Town entered into an agreement to lease dispatch workstation upgrade and two voice recorder. The lease requires 60 monthly installments of \$771. The total lease payment of the lease was for \$46,242. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<b>Fiscal Year Ending June 30</b>	<b>Payment</b>
2017	\$ <u>6,934</u>
Total minimum lease payments	6,934
Less: amount representing interest	<u>(158)</u>
Present value of minimum lease payments	\$ <u><u>6,776</u></u>

Leasource Financial Services, Inc. #8

During the fiscal year 2012-2013, the Town entered into an agreement to lease two vehicles for the police department. The lease requires 20 monthly installments of \$2,828. The total lease payment of the lease was for \$56,536. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<b>Fiscal Year Ending June 30</b>	<b>Payment</b>
2017	\$ 11,307
2018	<u>8,480</u>
Total minimum lease payments	19,787
Less: amount representing interest	<u>(731)</u>
Present value of minimum lease payments	\$ <u><u>19,056</u></u>

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 7: LONG TERM DEBT (CONTINUED)**

West American Equipment Lease #1

During the fiscal year 2014-2015, the Town entered into an agreement to lease several pieces of equipment for the Town. The lease requires 20 quarterly installments of \$3,084.03. The total lease payment of the lease was for \$56,200. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<b>Fiscal Year Ending June 30</b>	<b>Payment</b>
2017	\$ 12,338
2018	12,338
2019	12,338
2020	3,084
Total minimum lease payments	40,098
Less: amount representing interest	(2,496)
Present value of minimum lease payments	\$ 37,602

West American Equipment Lease #2

During the fiscal year 2014-2015, the Town entered into an agreement to lease several pieces of equipment for the Town. The lease requires 16 quarterly installments of \$1,903. The total lease payment of the lease was for \$30,449. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<b>Fiscal Year Ending June 30</b>	<b>Payment</b>
2017	\$ 7,612
2018	7,612
2019	1,903
Total minimum lease payments	17,127
Less: amount representing interest	(817)
Present value of minimum lease payments	\$ 16,310

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 7: LONG TERM DEBT (CONTINUED)**

Santander Equipment Lease

During the fiscal year 2015-2016, the Town entered into an agreement with Santander Leasing, LLC to lease several pieces of equipment for the Town's IT and Police departments. The lease requires 20 quarterly installments of \$14,258. The total lease payment of the lease was for \$285,155. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<b>Fiscal Year Ending June 30</b>	<b>Payment</b>
2017	\$ 57,031
2018	57,031
2019	57,031
2020	57,031
Total minimum lease payments	228,124
Less: amount representing interest	(9,685)
Present value of minimum lease payments	\$ 218,439

Santander Firetruck Lease

During the fiscal year 2015-2016, the Town entered into an agreement with Santander Leasing, LLC to finance the lease of a new fire department vehicle. The lease requires 24 quarterly installments of \$21,658. The total lease payment of the lease was for \$519,790. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<b>Fiscal Year Ending June 30</b>	<b>Payment</b>
2017	\$ 86,632
2018	86,632
2019	86,632
2020	86,632
2021	86,632
Total minimum lease payments	433,160
Less: amount representing interest	(24,666)
Present value of minimum lease payments	\$ 408,494



**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 7: LONG TERM DEBT (CONTINUED)**

**D. Loans payable**

Note payable to Jeffords - the note bears interest at 8%, payable in monthly installments based upon a fifteen year amortization schedule and matures in full on June 2, 2019.

For the Year Ending	Jefford's Notes Payable	
June 30	Principal	Interest
2017	\$ 14,050	\$ 3,152
2018	15,216	1,985
2019	<u>16,478</u>	<u>723</u>
Total	<u>\$ 45,744</u>	<u>\$ 5,860</u>

**E. CDF Retiree Health Vesting**

In 2013, the Town entered into a loan agreement with the Department of Forestry and Fire Protection. The note bears interest at .382%, payable in annual installments based upon a ten year amortization schedule and matures in full on July 1, 2022.

For the Year Ending	CDF Retiree Health Vesting
June 30	
2017	\$ 68,738
2018	68,738
2019	68,738
2020	68,738
2021	68,738
2022 - 2023	<u>137,476</u>
Total minimum payments	481,166
Less: amount representing interest	<u>(7,271)</u>
Present value of minimum lease payments	<u>\$ 473,895</u>

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 7: LONG TERM DEBT (CONTINUED)**

**F. Changes in Long-term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2016 was as follows:

	<u>July 1, 2015</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2016</u> <u>Balance</u>	<u>Due within</u> <u>One Year</u>
Government Activities:					
Bonds payable	\$ 7,222,380	\$ -	\$ (570,929)	\$ 6,651,451	\$ 553,594
Loans payable	58,717	-	(12,973)	45,744	14,050
Accreted interest payable	4,148,912	288,500	-	4,437,412	401,406
Capital leases	344,707	759,244	(283,319)	820,632	358,075
CDF Retiree Health Vesting	540,568	-	(66,673)	473,895	-
Compensated absences	<u>444,820</u>	<u>201,747</u>	<u>(242,933)</u>	<u>403,634</u>	<u>19,295</u>
Governmental activities long-term liabilities	<u>\$ 12,760,104</u>	<u>\$ 1,249,491</u>	<u>\$ (1,176,827)</u>	<u>\$ 12,832,768</u>	<u>\$ 1,346,420</u>

**TOWN OF PARADISE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN**

**A. General Information about the Pensions Plans**

Plan Description

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

Benefits Provided

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

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

Hire Date	Miscellaneous			Safety		
	Tier I	Tier II	PEPRA	Tier I	Tier II	PEPRA
Benefit Formula	2% @ 55	2% @ 60	2% @ 62	3% @ 50	3% @ 55	2.7 57
Benefit Vesting Schedule						
Benefit Payments	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Retirement Age	55	60	62	50	55	57
Monthly Benefits, as a % of Eligible Compensation	2.0%	2.0%	2.0%	3.0%	3.0%	2.7%
Required Employee Contribution Rates	7.000%	7.000%	6.250%	9.000%	9.000%	11.500%
Required Employer Contribution Rates	12.591%	8.050%	6.238%	29.766%	21.367%	11.153%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Town's contributions to the Plan for the measurement period ending June 30, 2015 were \$600,555.

**B. Net Pension Liability**

As of June 30, 2016, the Town reported net pension liabilities for its proportionate share of the net pension liability of the Plan of \$14,725,536.

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

The Town's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

Proportion - June 30, 2014	0.20733 %
Proportion - June 30, 2015	<u>0.21454 %</u>
Change - Increase (Decrease)	0.00721 %

Actuarial Assumptions

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous &amp; Safety Plans</u>
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

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

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

**TOWN OF PARADISE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

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

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

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

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	(0.55%)	(1.05%)

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

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

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

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

<u></u>	<u>Discount Rate -1%</u> <u>(6.65%)</u>	<u>Current Discount</u> <u>Rate</u> <u>(7.65%)</u>	<u>Discount Rate +1%</u> <u>(8.65%)</u>
Net Pension Liability (Asset)	\$ 23,610,091	\$ 14,725,536	\$ 7,440,364

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2016, the Town recognized pension expense of \$1,321,494. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	1,108,629	1,300,172
Differences between actual and expected experience	-	31,466
Changes in assumptions	-	361,958
Adjustment due to differences in proportions	285,202	1,280,422
Net differences between projected and actual earnings on plan investments	-	182,640
Total	\$ 1,393,831	\$ 3,156,658

\$1,108,629 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30,	
2016	\$ (1,128,625)
2017	\$ (1,110,995)
2018	\$ (859,751)
2019	\$ 227,915

**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.

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

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

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

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

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

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

Funding Policy

The Town contributes an amount sufficient to pay the current fiscal year's premium. For fiscal year 2015/2016, the Town contributed \$746,886, which consisted of current premiums. As of June 30, 2016, the trust was funded in the amount of \$70,613. The Town intends to continue funding on a pay-as-you-go basis for the near future, and also intends to contribute approximately \$50,000 each year to the trust.

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

Annual OPEB and Net Obligation

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

Annual required contribution	\$ 1,391,032
Interest on net OPEB obligation	221,004
Adjustment to annual required contribution	<u>(347,529)</u>
Annual OPEB cost (expense)	1,264,506
Contributions made	<u>(746,886)</u>
Increase in net OPEB obligations	<u>492,621</u>
Net OPEB obligation at July 1, 2015	<u>5,139,610</u>
Net OPEB obligation at June 30, 2016	<u>\$ 5,632,231</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 2016 and the preceding fiscal years were as follows:

<u>Year Ended</u>	<u>Annual OPEB cost</u>	<u>Percentage Contributed</u>	<u>Net Ending OPEB</u>
June 30, 2014	\$ 875,420	83.1 %	\$ 4,619,105
June 30, 2015	\$ 886,430	82.4 %	\$ 5,139,610
June 30, 2016	\$ 1,264,506	59.1 %	\$ 5,632,230

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

Funded Status and Funding Progress

As of July 1, 2015 the most recent actuarial valuation date, the plan was 0.44% percent funded. The actuarial accrued liability for benefits was \$13,864,685, and the actuarial value of assets was \$70,613, resulting in an unfunded actuarial accrued liability (UAAL) of \$13,794,072. The covered payroll (annual payroll of active employees covered by the plan) was \$3,359,897 and the ratio of the UAAL to the covered payroll was 410.6%.

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



**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

Actuarial Methods and Assumptions

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

In the July 1, 2015 actuarial valuation, the entry age normal actuarial funding method was used. The actuarial assumptions included a 4.3% percent investment rate of return [this represents a weighted blend of what the Town expects to earn on its investments over the lifetime of the benefit program (4%) and the expected rate of return on the Trust Fund (7%)], an inflation rate of 3.0%, and healthcare cost trend rate as follows (CalPERS medical premiums are assumed to increase after 2016): 2017 (6.1%), 2018 (5.8%), 2019 (5.5%), 2020 (5.2%), and 2021 and thereafter (5.0%). A projected salary increase assumption rate was not used since the post-retirement medical benefits are not a function of salary. The actuarial report also states that the medical benefits are provided under a plan sponsored by CalPERS, which are considered to be "community rated" within the meaning of GASB 45, therefore, there was no need at this time to value an implicit subsidy in the premium rates charged to retirees. If at some future time this program ceases to be considered "community rated", it may be necessary to include the cost of subsidized premiums in the GASB 45 operating expense, which could significantly increase the Town's future GASB 45 costs. The actuarial value of assets is \$65,993. The Town has elected to use the Entry Age Normal actuarial funding method with a closed 30 year level dollar amortization of the unfunded actuarial accrued liability. The remaining amortization period at June 30, 2016 was twenty four years.

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

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

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 10: NET POSITION AND FUND BALANCES**

**A. Net Position**

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

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

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

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

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

**B. Fund Balance**

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

The Town established the following fund balance procedures:

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

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

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

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 10: NET POSITION AND FUND BALANCES (CONTINUED)**

As of June 30, 2016, fund balances consisted of the following:

	<u>General Fund</u>	<u>Home Grant Fund</u>	<u>Cal Home Rehabilitation Fund</u>	<u>CIP Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:						
Loans receivable	\$ 436	\$ -	\$ -	\$ -	\$ -	\$ 436
Other receivable	900,338	-	-	-	-	900,338
Prepaid	10,736	-	-	-	-	10,736
Advances	<u>1,977,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,977,950</u>
Total nonspendable fund balances	<u>2,889,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,889,460</u>
Restricted for:						
Special projects	-	-	-	-	255,359	255,359
Debt service	-	-	-	-	6,278	6,278
Community development	-	42,401	248,090	-	204,758	495,249
General plan	-	-	-	-	212,867	212,867
Public safety	-	-	-	-	543,532	543,532
Streets and roads	-	-	-	-	1,626,207	1,626,207
Wastewater and drainage	-	-	-	-	1,148,507	1,148,507
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,964</u>	<u>6,964</u>
Total restricted fund balances	<u>-</u>	<u>42,401</u>	<u>248,090</u>	<u>-</u>	<u>4,004,472</u>	<u>4,294,963</u>
Assigned	<u>389,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>389,677</u>
Unassigned	<u>416,121</u>	<u>-</u>	<u>-</u>	<u>(298)</u>	<u>(15,887)</u>	<u>399,936</u>
Total unassigned fund balances	<u>416,121</u>	<u>-</u>	<u>-</u>	<u>(298)</u>	<u>(15,887)</u>	<u>399,936</u>
Total fund balances	<u>\$3,695,258</u>	<u>\$ 42,401</u>	<u>\$ 248,090</u>	<u>\$ (298)</u>	<u>\$ 3,988,585</u>	<u>\$ 7,974,036</u>

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 11: REVENUE LIMITATIONS IMPOSED BY CALIFORNIA PROPOSITION 218**

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

**NOTE 12: CONTINGENCIES AND COMMITMENTS**

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

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

**NOTE 13: RISK MANAGEMENT**

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

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

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

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

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

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

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 13: RISK MANAGEMENT (CONTINUED)**

The participants as of June 30, 2016 were as follows:

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

The following is summary financial information of the NCCSIF for the liability and workers' compensation programs for the fiscal year ended June 30, 2016:

	<u>Workers' Compensation</u>	<u>General Liability</u>
Total assets	\$ 41,702,626	\$ 12,377,002
Total liabilities	<u>29,936,767</u>	<u>10,143,304</u>
Net position	<u>\$ 11,765,859</u>	<u>\$ 2,233,698</u>
Operating income	\$ 10,694,827	\$ 6,267,945
Operating expenses	<u>7,970,172</u>	<u>5,939,313</u>
Net Operating income (loss)	2,724,655	328,632
Non-Operating income (loss)	<u>1,176,673</u>	<u>389,472</u>
Net income (loss)	3,901,328	718,104
Net position, beginning of fiscal year	<u>7,864,531</u>	<u>1,515,594</u>
Net position, end of fiscal year	<u>\$ 11,765,859</u>	<u>\$ 2,233,698</u>

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

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

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

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

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

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

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**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).

The long-term liabilities consisted of the following components for the fiscal year ended June 30, 2016:

**Advance payable** consisted of the advance of \$1,357,223 from the General fund of the Town was to assist the Successor Agency with administrative, operation, and program costs. The interest rate on this advance rate is 4.50%. In addition, the advance of \$620,727 was due to the cash shortage of the Successor Agency. Both of the advances in total were \$1,977,950 as of June 30, 2016.

**Notes payable** consisted of the following as of June 30, 2016:

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

**TOWN OF PARADISE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**Bonds payable** consisted of the following as of June 30, 2016:

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

On February 1, 2012, the total principal balance of \$4,377,893, which was net of the \$102,107 of unamortized original issue bond discount, was transferred from the Town. The principal balance outstanding, net of \$87,713 of unamortized original bond discount, as of June 30, 2016 was \$4,392,287.

The future principal and interest payments for the bonds payable as of June 30, 2016 were as follows:

Fiscal Year Ended June 30,	Bonds Payable		
	Principal	Interest	Total
2017	\$ 75,000	\$ 262,855	\$ 337,855
2018	75,000	259,255	334,255
2019	85,000	255,505	340,505
2020	85,000	251,128	336,128
2021	90,000	246,665	336,665
2022-2026	535,000	1,151,177	1,686,177
2027-2031	715,000	977,726	1,692,726
2032-2036	945,000	738,300	1,683,300
2037-2041	1,260,000	420,000	1,680,000
2042-2043	615,000	55,800	670,800
	<u>\$ 4,480,000</u>	<u>\$ 4,618,411</u>	<u>\$ 9,098,411</u>

**Changes in Long-term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2016 was as follows:

	July 1, 2015 Balance	Additions	Reductions	June 30, 2016 Balance	Due within One Year
Advance Payable	\$ 2,006,769	\$ -	\$ (28,819)	\$ 1,977,950	\$ -
Notes payable	1,300,000	-	-	1,300,000	-
Bonds payable	4,480,000	-	-	4,480,000	75,000
Original issue discount	(90,972)	-	3,259	(87,713)	(3,259)
Total	<u>\$ 7,695,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,670,237</u>	<u>\$ 71,741</u>

**TOWN OF PARADISE**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 15: PRIOR PERIOD ADJUSTMENT**

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

<u>Fund</u>	<u>Description of Restatement</u>	<u>Amount</u>
Government-wide statements	To remove allowance for doubtful accounts on loans expected to be repaid.	\$ 11,415,820
<u>Governmental funds</u>		
Local Transportation	To correct expenditures recorded in improper fund	(34,625)
Transportation Capital Projects	To correct expenditures recorded in improper fund	<u>34,625</u>
Total Fund Balance Restatement		\$ <u><u>-</u></u>

**NOTE 16: SUBSEQUENT EVENT**

On October 1, 2016, the Successor Agency to the Paradise Redevelopment Agency, issued \$1,475,000 2016 Subordinate Tax Allocation Refunding Bonds to redeem its 2006 Subordinate Tax Allocation notes. Interest will be payable semi-annually on June 1 and December 1 of each year, commencing June 1, 2017 and payable through 2056. Principal payments will be payable annually beginning on June 1, 2018 through 2056.



**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
**JUNE 30, 2016**

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>REVENUES</u></b>				
Taxes and assessments:				
Secured and unsecured property taxes	\$ 4,546,542	\$ 4,616,246	\$ 4,644,191	\$ 27,945
Sales and use taxes	2,672,260	2,883,201	3,127,488	244,287
Transient lodging taxes	200,430	200,236	214,470	14,234
Franchise taxes	904,052	910,663	924,696	14,033
Motor vehicle in-lieu tax	2,198,994	2,143,018	2,143,018	-
Homeowners property tax relief	69,455	65,655	65,655	-
Real property transfer taxes	<u>63,246</u>	<u>78,339</u>	<u>74,396</u>	<u>(3,943)</u>
Total taxes and assessments	<u>10,654,979</u>	<u>10,897,358</u>	<u>11,193,914</u>	<u>296,556</u>
Licenses, permits, and impact fees	3,932	4,332	3,937	(395)
Fines and forfeitures	54,000	54,220	70,462	16,242
Interest earned	5,000	4,000	7,235	3,235
Intergovernmental revenues:				
Federal-other	3,000	3,000	2,378	(622)
State-other	<u>139,212</u>	<u>141,786</u>	<u>147,166</u>	<u>5,380</u>
Total intergovernmental revenues	<u>142,212</u>	<u>144,786</u>	<u>149,544</u>	<u>4,758</u>
Charges for services:				
Police	22,971	24,386	24,346	(40)
Fire	7,965	7,088	8,395	1,307
Community development	34,479	35,325	37,347	2,022
Parks and recreation	2,500	2,500	2,590	90
Public works	39,500	38,260	34,442	(3,818)
Administration	<u>79,715</u>	<u>79,746</u>	<u>94,166</u>	<u>14,420</u>
Total charges for services	<u>187,130</u>	<u>187,305</u>	<u>201,286</u>	<u>13,981</u>
Other revenues	<u>9,350</u>	<u>6,635</u>	<u>10,660</u>	<u>4,025</u>
Total Revenues	<u>11,056,603</u>	<u>11,298,636</u>	<u>11,637,038</u>	<u>338,402</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government:				
Town council	25,330	25,330	36,853	(11,523)
Town manager	350,646	344,193	339,303	4,890
Town attorney	176,420	178,720	196,889	(18,169)
Central service	326,273	328,391	331,962	(3,571)
Financial services	596,477	596,477	581,549	14,928
Town clerk	273,517	269,363	260,248	9,115
Risk management	85,798	85,736	86,185	(449)
Non-departmental	<u>84,500</u>	<u>88,972</u>	<u>107,395</u>	<u>(18,423)</u>
Total general government	<u>1,918,961</u>	<u>1,917,182</u>	<u>1,940,384</u>	<u>(23,202)</u>

**TOWN OF PARADISE**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)  
BUDGET TO ACTUAL  
GENERAL FUND  
JUNE 30, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Community development				
Planning	113,107	127,219	127,132	87
Solid waste	<u>46,272</u>	<u>46,273</u>	<u>46,329</u>	<u>(56)</u>
Total community development	<u>159,379</u>	<u>173,492</u>	<u>173,461</u>	<u>31</u>
Public safety:				
Police				
Administration	880,154	867,120	877,007	(9,887)
Operations	2,565,267	2,472,218	2,459,414	12,804
Communications	755,094	743,220	701,409	41,811
Motor pool operations	171,473	196,301	228,665	(32,364)
Fire"				
Administration	178,457	179,858	180,268	(410)
Emergency operations center	9,571	9,571	12,979	(3,408)
Suppression	3,293,928	3,290,318	3,139,770	150,548
Volunteers	<u>17,247</u>	<u>17,247</u>	<u>12,629</u>	<u>4,618</u>
Total public safety	<u>7,871,191</u>	<u>7,775,853</u>	<u>7,612,141</u>	<u>163,712</u>
Public works:				
Engineering	18,441	18,218	20,455	(2,237)
Parks and recreation	10,515	10,415	9,695	-
Public facilities	<u>5,050</u>	<u>4,950</u>	<u>4,652</u>	<u>298</u>
Total public works	<u>34,006</u>	<u>33,583</u>	<u>34,802</u>	<u>(1,219)</u>
Capital outlay	<u>146,208</u>	<u>268,664</u>	<u>266,420</u>	<u>2,244</u>
Debt service:				
Principal	994,265	1,003,971	922,388	81,583
Interest and fiscal charges	<u>387,297</u>	<u>390,099</u>	<u>390,152</u>	<u>(53)</u>
Total debt service	<u>1,381,562</u>	<u>1,394,070</u>	<u>1,312,540</u>	<u>81,530</u>
Total expenditures	<u>11,511,307</u>	<u>11,562,844</u>	<u>11,339,748</u>	<u>223,096</u>
Excess of revenues over (under) expenditures	<u>(454,704)</u>	<u>(264,208)</u>	<u>297,290</u>	<u>561,498</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from Proprietary Fund	26,806	26,806	26,806	-
Transfers in	622,914	555,914	575,949	20,035
Transfers out	<u>-</u>	<u>-</u>	<u>(203,566)</u>	<u>(203,566)</u>
Total Other Financing Sources (Uses)	<u>649,720</u>	<u>582,720</u>	<u>399,189</u>	<u>(511,474)</u>
Net Change in Fund Balance	<u>195,016</u>	<u>318,512</u>	<u>696,479</u>	<u>377,967</u>
Fund Balance July 1, 2015	2,998,779	2,998,779	2,998,779	-
Fund Balance - June 30, 2016	<u>\$ 3,193,795</u>	<u>\$ 3,317,291</u>	<u>\$ 3,695,258</u>	<u>\$ 377,967</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**HOME GRANT FUND**  
**JUNE 30, 2016**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ 84	\$ -
Intergovernmental revenues	478,895	478,895	609,005	-
Program income	105,000	105,000	345,577	240,577
Other revenues	<u>-</u>	<u>-</u>	<u>114</u>	<u>114</u>
Total Revenues	<u>105,000</u>	<u>105,000</u>	<u>954,780</u>	<u>849,780</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Community development	<u>461,143</u>	<u>461,143</u>	<u>742,311</u>	<u>(281,168)</u>
Total Expenditures	<u>461,143</u>	<u>461,143</u>	<u>742,311</u>	<u>(281,168)</u>
Excess of revenues over (under) expenditures	<u>(356,143)</u>	<u>(356,143)</u>	<u>212,469</u>	<u>568,612</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(120,705)</u>	<u>(120,705)</u>	<u>(170,069)</u>	<u>(49,364)</u>
Total Other Financing Sources (Uses)	<u>(120,705)</u>	<u>(120,705)</u>	<u>(170,069)</u>	<u>(49,364)</u>
Net Change in Fund Balance	(476,848)	(476,848)	42,400	519,248
Fund Balance - July 1, 2015	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Fund Balance - June 30, 2016	<u>\$ (476,848)</u>	<u>\$ (476,848)</u>	<u>\$ 42,401</u>	<u>\$ 519,249</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**CAL HOME REHABILITATION FUND**  
**JUNE 30, 2016**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ 840	\$ 840
Intergovernmental revenues	500,000	500,000	565,500	65,500
Program Income	<u>-</u>	<u>-</u>	<u>95,887</u>	<u>95,887</u>
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>662,227</u>	<u>162,227</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Community Development	<u>541,650</u>	<u>541,650</u>	<u>520,000</u>	<u>21,650</u>
Total Expenditures	<u>541,650</u>	<u>541,650</u>	<u>520,000</u>	<u>21,650</u>
Exces of revenues over (under) expenditures	<u>(41,650)</u>	<u>(41,650)</u>	<u>142,227</u>	<u>183,877</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(49,000)</u>	<u>(49,000)</u>	<u>(50,309)</u>	<u>(1,309)</u>
Total Other Financing Sources (Uses)	<u>(49,000)</u>	<u>(49,000)</u>	<u>(50,309)</u>	<u>(1,309)</u>
Net Change in Fund Balance	(90,650)	(90,650)	91,918	182,568
Fund Balance - July 1, 2015	<u>156,172</u>	<u>156,172</u>	<u>156,172</u>	<u>-</u>
Fund Balance - June 30, 2016	<u>\$ 65,522</u>	<u>\$ 65,522</u>	<u>\$ 248,090</u>	<u>\$ 182,568</u>

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

<u>Actuarial Valuation Date</u>	<u>Entry Age Normal Cost Actuarial Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Liability as a percentage of Payroll</u>
July 1, 2013	\$ 12,879,056	\$ 56,110	\$ 12,822,946	0.4 %	\$ 4,848,063	264.5 %
July 1, 2014	\$ 12,890,590	\$ 65,993	\$ 12,824,597	0.5 %	\$ 4,848,063	264.5 %
July 1, 2015	\$ 13,561,013	\$ 65,993	\$ 13,495,020	0.5 %	\$ 3,359,897	401.6 %

**TOWN OF PARADISE  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
Prepared for the Town's Miscellaneous and Safety Plans, Cost Sharing Defined Benefit Pension Plans  
As of June 30, 2016  
Last 10 Years \***

	Measurement Period	
	2015	2014
Proportion of the net pension liability	0.21454 %	0.20733 %
Proportionate share of the net pension liability	\$ 14,725,536	\$ 12,901,028
Covered - employee payroll	\$ 3,511,751	\$ 3,474,659
Proportionate share of the net pension liability as a percentage of covered - employee payroll	419.32 %	371.29 %
Plan's fiduciary net position	\$ 52,379,234	\$ 53,254,866
Plan fiduciary net position as a percentage of the total pension liability	355.70 %	412.80 %

\* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

**TOWN OF PARADISE  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS  
Prepared for the Town's Miscellaneous and Cost Sharing Plans,  
Cost Sharing Defined Benefit Pension Plans  
As of June 30, 2016  
Last 10 Years \***

	<u>Fiscal Year-End</u>	
	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 628,975	\$ 563,889
Contributions in relation to the actuarially determined contributions	<u>1,070,254</u>	<u>550,258</u>
Contribution deficiency (excess)	<u>\$ (441,279)</u>	<u>\$ 13,631</u>
Covered - employee payroll	\$ 3,511,751	\$ 3,474,659
Contributions as a percentage of covered - employee payroll	30.48 %	15.84 %

\* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.



**SUPPLEMENTARY INFORMATION**

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2016**

<b>Special Revenue Funds</b>
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	<u>Cluster Septic</u>	<u>Animal Control Shelter</u>	<u>Gas Tax</u>	<u>Traffic Safety</u>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 324,876	\$ 5,708
Accounts receivable	-	17,734	6,610	2,540
Interest receivable	-	-	332	6
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Loans receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 17,734</u>	<u>\$ 331,818</u>	<u>\$ 8,254</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ 2,862	\$ 32,083	\$ -
Accrued wages	-	5,330	28,549	-
Due to other funds	4,339	11,459	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,339</u>	<u>19,651</u>	<u>60,632</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS):</b>				
Restricted	-	-	271,186	8,254
Unassigned	<u>(4,339)</u>	<u>(1,917)</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>(4,339)</u>	<u>(1,917)</u>	<u>271,186</u>	<u>8,254</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 17,734</u>	<u>\$ 331,818</u>	<u>\$ 8,254</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>Special Projects</b>	<b>EDBG Repayment</b>	<b>HUD Revolving Loan</b>	<b>SLESF</b>
<b>ASSETS</b>				
Cash and investments	\$ 255,359	\$ 93,879	\$ 35,911	\$ 37,664
Accounts receivable	-	-	33,609	754
Interest receivable	-	94	74	38
Due from other funds	-	-	-	-
Prepaid items	-	2,394	-	-
Loans receivable	-	-	344,024	-
	-	-	344,024	-
Total Assets	\$ 255,359	\$ 96,367	\$ 413,618	\$ 38,456
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ 2,262	\$ 9,654	\$ -
Accrued wages	-	9,237	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	-	-	-	-
Total Liabilities	-	11,499	9,654	-
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows of resources	-	-	344,024	-
	-	-	344,024	-
<b>FUND BALANCES (DEFICITS):</b>				
Restricted	255,359	84,868	59,940	38,456
Unassigned	-	-	-	-
	-	-	-	-
Total Fund Balances (Deficits)	255,359	84,868	59,940	38,456
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 255,359	\$ 96,367	\$ 413,618	\$ 38,456

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>Citizen Police</b>	<b>Asset Seizure</b>	<b>Highway Safety Improvement</b>	<b>Active Transportation Program</b>
<b>ASSETS</b>				
Cash and investments	\$ 9,264	\$ 3,619	\$ -	\$ -
Accounts receivable	-	-	532,526	109,157
Interest receivable	9	4	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Loans receivable	-	-	-	-
	-	-	-	-
Total Assets	\$ 9,273	\$ 3,623	\$ 532,526	\$ 109,157
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	7,479	-	532,527	109,157
Unearned revenue	-	-	-	-
	-	-	-	-
Total Liabilities	7,479	-	532,527	109,157
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows of resources	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>				
Restricted	1,794	3,623	-	-
Unassigned	-	-	(1)	-
	-	-	(1)	-
Total Fund Balances (Deficits)	1,794	3,623	(1)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,273	\$ 3,623	\$ 532,526	\$ 109,157

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<u><b>95 Impact Signalization</b></u>	<u><b>95 Impact PDFC</b></u>	<u><b>95 Impact FDFC</b></u>	<u><b>95 Impact Road</b></u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 66,868	\$ 7,669	\$ 22,886	\$ 542,882
Accounts receivable	-	-	-	-
Interest receivable	68	8	23	555
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Loans receivable	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u><u>\$ 66,936</u></u>	<u><u>\$ 7,677</u></u>	<u><u>\$ 22,909</u></u>	<u><u>\$ 543,437</u></u>
<b><u>LIABILITIES:</u></b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>				
Deferred inflows of resources	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>FUND BALANCES (DEFICITS):</u></b>				
Restricted	66,936	7,677	22,909	543,437
Unassigned	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances (Deficits)	<u><u>66,936</u></u>	<u><u>7,677</u></u>	<u><u>22,909</u></u>	<u><u>543,437</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 66,936</u></u>	<u><u>\$ 7,677</u></u>	<u><u>\$ 22,909</u></u>	<u><u>\$ 543,437</u></u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>Building Safety and Waste Water Services</b>	<b>Local Transportation</b>	<b>Housing Authority</b>	<b>Abandoned Vehicle</b>
<b>ASSETS</b>				
Cash and investments	\$ 483,061	\$ 158,566	\$ 56,528	\$ 115,420
Accounts receivable	22,172	51,584	-	6,419
Interest receivable	494	704	58	118
Due from other funds	-	530,724	-	-
Prepaid items	36,199	-	-	-
Loans receivable	-	-	314,244	-
Total Assets	<u>\$ 541,926</u>	<u>\$ 741,578</u>	<u>\$ 370,830</u>	<u>\$ 121,957</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 7,952	\$ 3,008	\$ -	\$ 400
Accrued wages	24,083	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	36,886	-	-	-
Total Liabilities	<u>68,921</u>	<u>3,008</u>	<u>-</u>	<u>400</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows of resources	-	-	314,244	-
<b>FUND BALANCES (DEFICITS):</b>				
Restricted	473,005	738,570	56,586	121,557
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>473,005</u>	<u>738,570</u>	<u>56,586</u>	<u>121,557</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 541,926</u>	<u>\$ 741,578</u>	<u>\$ 370,830</u>	<u>\$ 121,957</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>95 Impact Drainage</b>	<b>AVOID</b>	<b>General Plan Fee</b>	<b>Traffic Safety - DUI Impound Fees Fund</b>
<b>ASSETS</b>				
Cash and investments	\$ 685,767	\$ -	\$ 212,650	\$ 47,111
Accounts receivable	-	3,441	-	-
Interest receivable	701	-	217	48
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 686,468</u>	<u>\$ 3,441</u>	<u>\$ 212,867</u>	<u>\$ 47,159</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 10,966	\$ 2,630	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	811	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>10,966</u>	<u>3,441</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS):</b>				
Restricted	675,502	-	212,867	47,159
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>675,502</u>	<u>-</u>	<u>212,867</u>	<u>47,159</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 686,468</u>	<u>\$ 3,441</u>	<u>\$ 212,867</u>	<u>\$ 47,159</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>AB109 State Funds</b>	<b>Clark Road Signal</b>	<b>Improvement Agreements</b>	<b>Tree Replacement in Lieu</b>
<b>ASSETS</b>				
Cash and investments	\$ 214,716	\$ 6,072	\$ 8,000	\$ 2,506
Accounts receivable	173	-	-	-
Interest receivable	219	6	-	3
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 215,108</u>	<u>\$ 6,078</u>	<u>\$ 8,000</u>	<u>\$ 2,509</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 173	\$ -	\$ 8,000	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>173</u>	<u>-</u>	<u>8,000</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows of resources	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>				
Restricted	214,935	6,078	-	2,509
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>214,935</u>	<u>6,078</u>	<u>-</u>	<u>2,509</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 215,108</u>	<u>\$ 6,078</u>	<u>\$ 8,000</u>	<u>\$ 2,509</u>



**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>Hydrant Maintenance</b>	<b>Disability Access and Education</b>	<b>Regional Surface Transportatio n Program</b>	<b>SMIP Fund</b>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 2,051	\$ 80	\$ -	\$ 2,839
Accounts receivable	5,250	-	298,002	-
Interest receivable	-	-	-	3
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 7,301</u>	<u>\$ 80</u>	<u>\$ 298,002</u>	<u>\$ 2,842</u>
<b><u>LIABILITIES:</u></b>				
Accounts payable	\$ -	\$ 5	\$ -	\$ 835
Accrued wages	-	-	-	-
Due to other funds	-	-	298,002	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>5</u>	<u>298,002</u>	<u>835</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>				
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCES (DEFICITS):</u></b>				
Restricted	7,301	75	-	2,007
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>7,301</u>	<u>75</u>	<u>-</u>	<u>2,007</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,301</u>	<u>\$ 80</u>	<u>\$ 298,002</u>	<u>\$ 2,842</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>Police Department Seizures Fund</b>	<b>Police Trading Card Fund</b>	<b>Grants Miscellaneous One Time</b>	<b>Canine Protect Fund</b>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 1,570	\$ 1,762	\$ -	\$ 7,670
Accounts receivable	-	-	-	-
Interest receivable	-	2	-	8
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 1,570</u>	<u>\$ 1,764</u>	<u>\$ -</u>	<u>\$ 7,678</u>
<b><u>LIABILITIES:</u></b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>				
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCES (DEFICITS):</u></b>				
Restricted	1,570	1,764	-	7,678
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>1,570</u>	<u>1,764</u>	<u>-</u>	<u>7,678</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,570</u>	<u>\$ 1,764</u>	<u>\$ -</u>	<u>\$ 7,678</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>Fire Fund</b>	<b>Animal Control Fund</b>	<b>Police Fund</b>	<b>Special Projects Donations Fund</b>
<b>ASSETS</b>				
Cash and investments	\$ 7,226	\$ 46,501	\$ 482	\$ -
Accounts receivable	-	-	-	-
Interest receivable	7	48	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 7,233</u>	<u>\$ 46,549</u>	<u>\$ 482</u>	<u>\$ -</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	609
Unearned revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>609</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS):</b>				
Restricted	7,233	46,549	482	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(609)</u>
Total Fund Balances (Deficits)	<u>7,233</u>	<u>46,549</u>	<u>482</u>	<u>(609)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,233</u>	<u>\$ 46,549</u>	<u>\$ 482</u>	<u>\$ -</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2016**

	Special Revenue Funds	Capital Projects Funds	
	Memorial Trailway	Transportatio n Capital Projects	State Water Board Prop 1 Grant
<b><u>ASSETS</u></b>			
Cash and investments	\$ 3,361	\$ -	\$ -
Accounts receivable	-	-	98,152
Interest receivable	3	-	-
Due from other funds	-	-	-
Prepaid items	-	-	-
Loans receivable	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 3,364</u>	<u>\$ -</u>	<u>\$ 98,152</u>
<b><u>LIABILITIES:</u></b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages	-	825	-
Due to other funds	-	8,196	98,151
Unearned revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>9,021</u>	<u>98,151</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCES (DEFICITS):</u></b>			
Restricted	3,364	-	1
Unassigned	-	(9,021)	-
	<u>-</u>	<u>(9,021)</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>3,364</u>	<u>(9,021)</u>	<u>1</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,364</u>	<u>\$ -</u>	<u>\$ 98,152</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2016**

	<b>Capital Projects Funds</b>	<b>Debt Service Fund</b>	
	<b>Capital Leases</b>	<b>Wastewater Design Assessment District</b>	<b>Total Non- major Governmental Funds</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 6,963	\$ 6,278	\$ 3,483,765
Accounts receivable	-	-	1,188,123
Interest receivable	-	-	3,850
Due from other funds	-	-	530,724
Prepaid items	-	-	38,593
Loans receivable	-	-	658,268
	<u>        </u>	<u>        </u>	<u>        </u>
Total Assets	<u>\$ 6,963</u>	<u>\$ 6,278</u>	<u>\$ 5,903,323</u>
<b><u>LIABILITIES:</u></b>			
Accounts payable	\$ -	\$ -	\$ 80,830
Accrued wages	-	-	68,024
Due to other funds	-	-	1,070,730
Unearned revenue	-	-	36,886
	<u>        </u>	<u>        </u>	<u>        </u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,256,470</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred inflows of resources	-	-	658,268
	<u>        </u>	<u>        </u>	<u>        </u>
<b><u>FUND BALANCES (DEFICITS):</u></b>			
Restricted	6,963	6,278	4,004,472
Unassigned	-	-	(15,887)
	<u>        </u>	<u>        </u>	<u>        </u>
Total Fund Balances (Deficits)	<u>6,963</u>	<u>6,278</u>	<u>3,988,585</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,963</u>	<u>\$ 6,278</u>	<u>\$ 5,903,323</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**JUNE 30, 2016**

<b>Special Revenue Funds</b>
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	<u>Cluster Septic</u>	<u>Animal Control Shelter</u>	<u>Gas Tax</u>	<u>Traffic Safety</u>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ 132,292	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	13,216	-	21,047
Use of money and property	-	-	863	15
Intergovernmental revenues	-	-	590,210	-
Charges for services	-	33,177	333	-
Program Income	-	-	-	-
Other revenues	-	20,594	4,577	-
	-	199,279	595,983	21,062
Total Revenues	-	199,279	595,983	21,062
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	177,852	-	-
Public works	-	-	481,415	-
Streets	-	-	431,961	-
Capital Outlay	-	5,331	27,650	-
Debt service:				
Principal	-	-	17,936	-
	-	-	17,936	-
Total Expenditures	-	183,183	958,962	-
Excess of revenues over (under) expenditures	-	16,096	(362,979)	21,062
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	16,908	395,645	-
Transfers out	-	(41,515)	(199,754)	(30,000)
	-	(24,607)	195,891	(30,000)
Total Other Financing Sources (Uses)	-	(24,607)	195,891	(30,000)
Net Change in Fund Balances	-	(8,511)	(167,088)	(8,938)
Fund Balances (Deficits) - July 1, 2015	(4,339)	6,594	438,274	17,192
Prior period adjustments	-	-	-	-
Fund Balances (Deficits) - July 1, 2015, restated	(4,339)	6,594	438,274	17,192
Fund Balances (Deficits) - June 30, 2016	\$ (4,339)	\$ (1,917)	\$ 271,186	\$ 8,254

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(CONTINUED)**  
**JUNE 30, 2016**

<b>Special Revenue Funds</b>
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	<u>Special Projects</u>	<u>EDBG Repayment</u>	<u>HUD Revolving Loan</u>	<u>SLESF</u>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	245	193	100
Intergovernmental revenues	-	-	155,138	120,848
Charges for services	-	-	-	-
Program Income	-	-	16,062	-
Other revenues	-	2,334	-	-
	<u>-</u>	<u>2,334</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>2,579</u>	<u>171,393</u>	<u>120,948</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	2,500	-	-
Community development	-	216,004	174,196	-
Public safety	-	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	786	72	-
Debt service:				
Principal	-	-	-	24,074
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,074</u>
Total Expenditures	<u>-</u>	<u>219,290</u>	<u>174,268</u>	<u>24,074</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(216,711)</u>	<u>(2,875)</u>	<u>96,874</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	319,077	-	-
Transfers out	-	(35,923)	(98,699)	(75,936)
	<u>-</u>	<u>(35,923)</u>	<u>(98,699)</u>	<u>(75,936)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>283,154</u>	<u>(98,699)</u>	<u>(75,936)</u>
Net Change in Fund Balances	<u>-</u>	<u>66,443</u>	<u>(101,574)</u>	<u>20,938</u>
Fund Balances (Deficits) - July 1, 2015	<u>255,359</u>	<u>18,425</u>	<u>161,514</u>	<u>17,518</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2015, restated	<u>255,359</u>	<u>18,425</u>	<u>161,514</u>	<u>17,518</u>
Fund Balances (Deficits) - June 30, 2016	<u>\$ 255,359</u>	<u>\$ 84,868</u>	<u>\$ 59,940</u>	<u>\$ 38,456</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(CONTINUED)**  
**JUNE 30, 2016**

<b>Special Revenue Funds</b>
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	<u>Citizen Police</u>	<u>Asset Seizure</u>	<u>Highway Safety Improvement</u>	<u>Active Transportation Program</u>
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	25	10	-	-
Intergovernmental revenues	-	-	916,390	305,312
Charges for services	19	-	-	-
Program Income	-	-	-	-
Other revenues	<u>10,513</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>10,557</u>	<u>10</u>	<u>916,390</u>	<u>305,312</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	8,244	1,800	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	23,574	-	-	-
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>31,818</u>	<u>1,800</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(21,261)</u>	<u>(1,790)</u>	<u>916,390</u>	<u>305,312</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(916,391)</u>	<u>(305,312)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(916,391)</u>	<u>(305,312)</u>
Net Change in Fund Balances	<u>(21,261)</u>	<u>(1,790)</u>	<u>(1)</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2015	<u>23,055</u>	<u>5,413</u>	<u>-</u>	<u>-</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2015, restated	<u>23,055</u>	<u>5,413</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - June 30, 2016	<u>\$ 1,794</u>	<u>\$ 3,623</u>	<u>\$ (1)</u>	<u>\$ -</u>



**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(CONTINUED)**  
**JUNE 30, 2016**

<b>Special Revenue Funds</b>
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	<b>95 Impact Signalization</b>	<b>95 Impact PDFC</b>	<b>95 Impact FDFC</b>	<b>95 Impact Road</b>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	2,726	4,989	3,692	33,438
Fines and forfeitures	-	-	-	-
Use of money and property	178	21	60	1,441
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Program Income	-	-	-	-
Other revenues	-	-	-	-
	<u>2,904</u>	<u>5,010</u>	<u>3,752</u>	<u>34,879</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	42,804	-	-
Debt service:				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>42,804</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>2,904</u>	<u>(37,794)</u>	<u>3,752</u>	<u>34,879</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>2,904</u>	<u>(37,794)</u>	<u>3,752</u>	<u>34,879</u>
Fund Balances (Deficits) - July 1, 2015	<u>64,032</u>	<u>45,471</u>	<u>19,157</u>	<u>508,558</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2015, restated	<u>64,032</u>	<u>45,471</u>	<u>19,157</u>	<u>508,558</u>
Fund Balances (Deficits) - June 30, 2016	<u>\$ 66,936</u>	<u>\$ 7,677</u>	<u>\$ 22,909</u>	<u>\$ 543,437</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>Building Safety and Waste Water Services</b>	<b>Local Transportation</b>	<b>Housing Authority</b>	<b>Abandoned Vehicle</b>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	847,329	-	-	-
Fines and forfeitures	30,731	-	-	-
Use of money and property	1,658	1,830	150	374
Intergovernmental revenues	-	872,462	-	31,665
Charges for services	19,860	-	-	-
Program Income	-	-	35,870	-
Other revenues	<u>2</u>	<u>30,338</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>899,580</u>	<u>904,630</u>	<u>36,020</u>	<u>32,039</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,000	-	-	-
Community development	229,325	-	-	451
Public safety	-	-	-	-
Public works	411,112	-	-	-
Streets	-	843,220	-	-
Capital Outlay	6,125	-	-	-
Debt service:				
Principal	<u>640</u>	<u>-</u>	<u>-</u>	<u>322</u>
Total Expenditures	<u>652,202</u>	<u>843,220</u>	<u>-</u>	<u>773</u>
Excess of revenues over (under) expenditures	<u>247,378</u>	<u>61,410</u>	<u>36,020</u>	<u>31,266</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	3,566	-
Transfers out	<u>(165,499)</u>	<u>(80,844)</u>	<u>-</u>	<u>(8,305)</u>
Total Other Financing Sources (Uses)	<u>(165,499)</u>	<u>(80,844)</u>	<u>3,566</u>	<u>(8,305)</u>
Net Change in Fund Balances	<u>81,879</u>	<u>(19,434)</u>	<u>39,586</u>	<u>22,961</u>
Fund Balances (Deficits) - July 1, 2015	<u>391,126</u>	<u>792,629</u>	<u>17,000</u>	<u>98,596</u>
Prior period adjustments	<u>-</u>	<u>(34,625)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2015, restated	<u>391,126</u>	<u>758,004</u>	<u>17,000</u>	<u>98,596</u>
Fund Balances (Deficits) - June 30, 2016	<u>\$ 473,005</u>	<u>\$ 738,570</u>	<u>\$ 56,586</u>	<u>\$ 121,557</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(CONTINUED)**  
**JUNE 30, 2016**

<b>Special Revenue Funds</b>
------------------------------

	<b>95 Impact Drainage</b>	<b>AVOID</b>	<b>General Plan Fee</b>	<b>Traffic Safety - DUI Impound Fees</b>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	19,201	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	1,821	-	565	125
Intergovernmental revenues	-	40,079	-	-
Charges for services	-	-	43,195	12,740
Program Income	-	-	-	-
Other revenues	-	-	-	-
	<u>21,022</u>	<u>40,079</u>	<u>43,760</u>	<u>12,865</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	24,208	-	22,251
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>24,208</u>	<u>-</u>	<u>22,251</u>
Excess of revenues over (under) expenditures	<u>21,022</u>	<u>15,871</u>	<u>43,760</u>	<u>(9,386)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(42,879)	(15,871)	-	-
	<u>(42,879)</u>	<u>(15,871)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(42,879)</u>	<u>(15,871)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(21,857)</u>	<u>-</u>	<u>43,760</u>	<u>(9,386)</u>
Fund Balances (Deficits) - July 1, 2015	<u>697,359</u>	<u>-</u>	<u>169,107</u>	<u>56,545</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2015, restated	<u>697,359</u>	<u>-</u>	<u>169,107</u>	<u>56,545</u>
Fund Balances (Deficits) - June 30, 2016	<u>\$ 675,502</u>	<u>\$ -</u>	<u>\$ 212,867</u>	<u>\$ 47,159</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(CONTINUED)**  
**JUNE 30, 2016**

<b>Special Revenue Funds</b>
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	<b>AB109 State Funds</b>	<b>Clark Road Signal</b>	<b>Improvement Agreements</b>	<b>Tree Replacement in Lieu</b>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	570	17	-	8
Intergovernmental revenues	43,250	-	-	-
Charges for services	-	-	-	-
Program Income	-	-	-	-
Other revenues	-	-	-	-
	-	-	-	-
Total Revenues	43,820	17	-	8
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	453	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	-	-	-	-
Total Expenditures	453	-	-	-
Excess of revenues over (under) expenditures	43,367	17	-	8
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(7,974)	-	-	-
	(7,974)	-	-	-
Total Other Financing Sources (Uses)	(7,974)	-	-	-
Net Change in Fund Balances	35,393	17	-	8
Fund Balances (Deficits) - July 1, 2015	179,542	6,061	-	2,501
Prior period adjustments	-	-	-	-
Fund Balances (Deficits) - July 1, 2015, restated	179,542	6,061	-	2,501
Fund Balances (Deficits) - June 30, 2016	\$ 214,935	\$ 6,078	\$ -	\$ 2,509

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>Hydrant Maintenance</b>	<b>Disability Access and Education</b>	<b>Regional Surface Transportation Program</b>	<b>SMIP Fund</b>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ 298,002	\$ -
Licenses, permits, and impact fees	-	-	-	96
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	8
Intergovernmental revenues	-	-	-	-
Charges for services	-	25	-	-
Program Income	-	-	-	-
Other revenues	1,151	-	-	-
	<u>1,151</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,151</u>	<u>25</u>	<u>298,002</u>	<u>104</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>1,151</u>	<u>25</u>	<u>298,002</u>	<u>104</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(298,002)	-
	<u>-</u>	<u>-</u>	<u>(298,002)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(298,002)</u>	<u>-</u>
Net Change in Fund Balances	<u>1,151</u>	<u>25</u>	<u>-</u>	<u>104</u>
Fund Balances (Deficits) - July 1, 2015	<u>6,150</u>	<u>50</u>	<u>-</u>	<u>1,903</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2015, restated	<u>6,150</u>	<u>50</u>	<u>-</u>	<u>1,903</u>
Fund Balances (Deficits) - June 30, 2016	<u>\$ 7,301</u>	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ 2,007</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>Police Department Seizures Fund</b>	<b>Police Department Trading Card Fund</b>	<b>Grants Miscellaneous One Time</b>	<b>Canine Protect Fund</b>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	5	-	20
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Program Income	-	-	-	-
Other revenues	<u>253</u>	<u>-</u>	<u>(259)</u>	<u>4,130</u>
Total Revenues	<u>253</u>	<u>5</u>	<u>(259)</u>	<u>4,150</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	2,068
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,068</u>
Excess of revenues over (under) expenditures	<u>253</u>	<u>5</u>	<u>(259)</u>	<u>2,082</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(217,741)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(217,741)</u>	<u>-</u>
Net Change in Fund Balances	<u>253</u>	<u>5</u>	<u>(218,000)</u>	<u>2,082</u>
Fund Balances (Deficits) - July 1, 2015	<u>1,317</u>	<u>1,759</u>	<u>218,000</u>	<u>5,596</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2015, restated	<u>1,317</u>	<u>1,759</u>	<u>218,000</u>	<u>5,596</u>
Fund Balances (Deficits) - June 30, 2016	<u>\$ 1,570</u>	<u>\$ 1,764</u>	<u>\$ -</u>	<u>\$ 7,678</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(CONTINUED)**  
**JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>Fire Fund</b>	<b>Animal Control Fund</b>	<b>Police Fund</b>	<b>Special Projects Donations Fund</b>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	19	124	1	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	1,900
Program Income	-	-	-	-
Other revenues	<u>1,000</u>	<u>3,090</u>	<u>100</u>	<u>-</u>
Total Revenues	<u>1,019</u>	<u>3,214</u>	<u>101</u>	<u>1,900</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	1,782
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,782</u>
Excess of revenues over (under) expenditures	<u>1,019</u>	<u>3,214</u>	<u>101</u>	<u>118</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>(16,908)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(16,908)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>1,019</u>	<u>(13,694)</u>	<u>101</u>	<u>118</u>
Fund Balances (Deficits) - July 1, 2015	<u>6,214</u>	<u>60,243</u>	<u>381</u>	<u>(727)</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2015, restated	<u>6,214</u>	<u>60,243</u>	<u>381</u>	<u>(727)</u>
Fund Balances (Deficits) - June 30, 2016	<u>\$ 7,233</u>	<u>\$ 46,549</u>	<u>\$ 482</u>	<u>\$ (609)</u>

**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(CONTINUED)**  
**JUNE 30, 2016**

	Special Revenue Funds	Capital Projects Funds	
	Memorial Trailway	Transportation Capital Projects	State Water Board Prop 1 Grant
<b>REVENUES</b>			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-
Fines and forfeitures	-	-	-
Use of money and property	9	-	-
Intergovernmental revenues	-	-	98,151
Charges for services	-	-	-
Program Income	-	-	-
Other revenues	-	-	-
Total Revenues	9	-	98,151
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Community development	-	-	-
Public safety	-	-	-
Public works	-	14,478	-
Streets	-	3,764	-
Capital Outlay	-	-	-
Debt service:			
Principal	-	-	-
Total Expenditures	-	18,242	-
Excess of revenues over (under) expenditures	9	(18,242)	98,151
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from the issuance of debt	-	-	-
Transfers in	-	80,844	-
Transfers out	-	(163,691)	(98,150)
Total Other Financing Sources (Uses)	-	(82,847)	(98,150)
Net Change in Fund Balances	9	(101,089)	1
Fund Balances (Deficits) - July 1, 2015	3,355	57,443	-
Prior period adjustments	-	34,625	-
Fund Balances (Deficits) - July 1, 2015, restated	3,355	92,068	-
Fund Balances (Deficits) - June 30, 2016	\$ 3,364	\$ (9,021)	\$ 1



**TOWN OF PARADISE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(CONTINUED)**  
**JUNE 30, 2016**

	<b>Capital Projects Funds</b>	<b>Debt Service Fund</b>	
	<b>Capital Leases</b>	<b>Wastewater Design Assessment District</b>	<b>Total Non- major Governmental Funds</b>
<b><u>REVENUES</u></b>			
Taxes and assessments	\$ -	\$ -	\$ 430,294
Licenses, permits, and impact fees	-	-	911,471
Fines and forfeitures	-	-	64,994
Use of money and property	1	-	10,456
Intergovernmental revenues	-	-	3,173,505
Charges for services	-	-	111,249
Program Income	-	-	51,932
Other revenues	-	-	<u>77,823</u>
Total Revenues	<u>1</u>	<u>-</u>	<u>4,831,724</u>
<b><u>EXPENDITURES</u></b>			
Current:			
General government	-	-	9,282
Community development	-	-	619,976
Public safety	-	-	236,876
Public works	-	-	907,005
Streets	-	-	1,278,945
Capital Outlay	759,243	-	865,585
Debt service:			
Principal	-	-	<u>42,972</u>
Total Expenditures	<u>759,243</u>	<u>-</u>	<u>3,960,641</u>
Excess of revenues over (under) expenditures	<u>(759,242)</u>	<u>-</u>	<u>871,083</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Proceeds from the issuance of debt	759,243	-	759,243
Transfers in	-	-	816,040
Transfers out	<u>(3,658)</u>	<u>-</u>	<u>(2,823,052)</u>
Total Other Financing Sources (Uses)	<u>755,585</u>	<u>-</u>	<u>(1,247,769)</u>
Net Change in Fund Balances	<u>(3,657)</u>	<u>-</u>	<u>(376,686)</u>
Fund Balances (Deficits) - July 1, 2015	<u>10,620</u>	<u>6,278</u>	<u>4,365,271</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2015, restated	<u>10,620</u>	<u>6,278</u>	<u>4,365,271</u>
Fund Balances (Deficits) - June 30, 2016	<u>\$ 6,963</u>	<u>\$ 6,278</u>	<u>\$ 3,988,585</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 CLUSTER SEPTIC FUND  
 JUNE 30, 2016

	<b>Original Budget*</b>	<b>Final Budget*</b>	<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b><u>REVENUES:</u></b>				
Total revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
<b><u>EXPENDITURES:</u></b>				
Total expenditures	_____ -	_____ -	_____ -	_____ -
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2015	_____ (4,339)	_____ (4,339)	_____ (4,339)	_____ -
Fund balance (deficit), June 30, 2016	<u>\$ _____ (4,339)</u>	<u>\$ _____ (4,339)</u>	<u>\$ _____ (4,339)</u>	<u>\$ _____ -</u>

\* The Town did not adopt a budget for the Cluster Septic Fund for the year ended June 30, 2016.

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**ANIMAL CONTROL SHELTER FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Taxes and assessments	\$ 132,362	\$ 132,362	\$ 132,292	\$ (70)
Fines and forfeitures	8,500	12,000	13,216	1,216
Charges for services	36,696	35,596	33,177	(2,419)
Other revenues	<u>11,900</u>	<u>11,900</u>	<u>20,594</u>	<u>8,694</u>
Total revenues	<u>189,458</u>	<u>191,858</u>	<u>199,279</u>	<u>7,421</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
Public Safety	171,783	173,077	177,852	(4,775)
Capital outlay	<u>-</u>	<u>786</u>	<u>5,331</u>	<u>(4,545)</u>
Total expenditures	<u>171,783</u>	<u>173,863</u>	<u>183,183</u>	<u>(9,320)</u>
Excess of revenues over (under) expenditures	<u>17,675</u>	<u>17,995</u>	<u>16,096</u>	<u>(1,899)</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers in	15,817	14,021	16,908	2,887
Transfers out	<u>(38,933)</u>	<u>(38,612)</u>	<u>(41,515)</u>	<u>(2,903)</u>
Total other financing sources (uses)	<u>(23,116)</u>	<u>(24,591)</u>	<u>(24,607)</u>	<u>(16)</u>
Net change in Fund balance	(5,441)	(6,596)	(8,511)	(1,915)
Fund balance (deficit), July 1, 2015	<u>6,594</u>	<u>6,594</u>	<u>6,594</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 1,153</u>	<u>\$ (2)</u>	<u>\$ (1,917)</u>	<u>\$ (1,915)</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**GAS TAX FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 100	\$ 863	\$ 763
Charges for services	150	350	333	(17)
Intergovernmental revenues	604,424	622,426	590,210	(32,216)
Other revenues	<u>7,000</u>	<u>5,856</u>	<u>4,577</u>	<u>(1,279)</u>
Total revenues	<u>611,574</u>	<u>628,732</u>	<u>595,983</u>	<u>(32,749)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	531,746	511,969	481,415	30,554
Streets	420,732	405,605	431,961	(26,356)
Capital outlay	2,000	8,287	27,650	(19,363)
Debt service:				
Principal	<u>27,678</u>	<u>17,608</u>	<u>17,936</u>	<u>(328)</u>
Total expenditures	<u>982,156</u>	<u>943,469</u>	<u>958,962</u>	<u>(15,493)</u>
Excess of revenues over (under) expenditures	<u>(370,582)</u>	<u>(314,737)</u>	<u>(362,979)</u>	<u>(48,242)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	412,624	412,624	395,645	(16,979)
Transfers out	<u>(236,035)</u>	<u>(235,203)</u>	<u>(199,754)</u>	<u>35,449</u>
Total other financing sources (uses)	<u>176,589</u>	<u>177,421</u>	<u>195,891</u>	<u>18,470</u>
Net change in Fund balance	(193,993)	(137,316)	(167,088)	(29,772)
Fund balance (deficit), July 1, 2015	<u>438,274</u>	<u>438,274</u>	<u>438,274</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 244,281</u>	<u>\$ 300,958</u>	<u>\$ 271,186</u>	<u>\$ (29,772)</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 TRAFFIC SAFETY FUND  
 JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Fines and forfeitures	\$ 22,000	\$ 22,000	\$ 21,047	\$ (953)
Use of money and property	<u>20</u>	<u>20</u>	<u>15</u>	<u>(5)</u>
Total revenues	<u>22,020</u>	<u>22,020</u>	<u>21,062</u>	<u>(958)</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net change in Fund balance	(7,980)	(7,980)	(8,938)	(958)
Fund balance (deficit), July 1, 2015	<u>17,192</u>	<u>17,192</u>	<u>17,192</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 9,212</u>	<u>\$ 9,212</u>	<u>\$ 8,254</u>	<u>\$ (958)</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 SPECIAL PROJECTS FUND  
 JUNE 30, 2016

<u>EXPENDITURES:</u>	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Total expenditures	-	-	-	-
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2015	<u>255,359</u>	<u>255,359</u>	<u>255,359</u>	-
Fund balance (deficit), June 30, 2016	<u>\$ 255,359</u>	<u>\$ 255,359</u>	<u>\$ 255,359</u>	<u>\$ -</u>

\* The Town did not adopt a budget for the Special Projects Fund for the year ended June 30, 2016.

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**EDBG REPAYMENT FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Use of money and property	\$ -	\$ -	\$ 245	\$ 245
Other revenues	<u>450</u>	<u>450</u>	<u>2,334</u>	<u>1,884</u>
Total revenues	<u>450</u>	<u>450</u>	<u>2,579</u>	<u>2,129</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
General government	-	-	2,500	(2,500)
Community development	223,504	223,504	216,004	7,500
Capital outlay	<u>-</u>	<u>-</u>	<u>786</u>	<u>-</u>
Total expenditures	<u>223,504</u>	<u>223,504</u>	<u>219,290</u>	<u>4,214</u>
Excess of revenues over (under) expenditures	<u>(223,054)</u>	<u>(223,054)</u>	<u>(216,711)</u>	<u>6,343</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers in	270,936	270,936	319,077	48,141
Transfers out	<u>(37,280)</u>	<u>(38,423)</u>	<u>(35,923)</u>	<u>2,500</u>
Total other financing sources (uses)	<u>233,656</u>	<u>232,513</u>	<u>283,154</u>	<u>50,641</u>
Net change in Fund balance	10,602	9,459	66,443	56,984
Fund balance (deficit), July 1, 2015	<u>18,425</u>	<u>18,425</u>	<u>18,425</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 29,027</u>	<u>\$ 27,884</u>	<u>\$ 84,868</u>	<u>\$ 56,984</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**HUD REVOLVING LOAN FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Use of money and property	\$ 180	\$ 180	\$ 193	\$ 13
Intergovernmental revenues	223,513	217,451	155,138	(62,313)
Program income	<u>2,494</u>	<u>2,494</u>	<u>16,062</u>	<u>13,568</u>
Total revenues	<u>226,187</u>	<u>220,125</u>	<u>171,393</u>	<u>(48,732)</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
Community development	119,922	113,860	174,196	(60,336)
Capital outlay	<u>2,360</u>	<u>2,360</u>	<u>72</u>	<u>2,288</u>
Total expenditures	<u>122,282</u>	<u>116,220</u>	<u>174,268</u>	<u>(58,048)</u>
Excess of revenues over (under) expenditures	<u>103,905</u>	<u>103,905</u>	<u>(2,875)</u>	<u>(106,780)</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(101,231)</u>	<u>(101,231)</u>	<u>(98,699)</u>	<u>2,532</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(98,699)</u>	<u>2,532</u>
Net change in Fund balance	103,905	103,905	(101,574)	(205,479)
Fund balance (deficit), July 1, 2015	<u>161,514</u>	<u>161,514</u>	<u>161,514</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 265,419</u>	<u>\$ 265,419</u>	<u>\$ 59,940</u>	<u>\$ (205,479)</u>



**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**SLESF FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Use of money and property	\$ 10	\$ 10	\$ 100	\$ 90
Intergovernmental revenues	<u>100,000</u>	<u>100,000</u>	<u>120,848</u>	<u>20,848</u>
Total revenues	<u>100,010</u>	<u>100,010</u>	<u>120,948</u>	<u>20,938</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
Debt service:				
Principal	<u>24,074</u>	<u>24,074</u>	<u>24,074</u>	<u>-</u>
Total expenditures	<u>24,074</u>	<u>24,074</u>	<u>24,074</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>75,936</u>	<u>75,936</u>	<u>96,874</u>	<u>20,938</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(75,936)</u>	<u>(75,936)</u>	<u>(75,936)</u>	<u>-</u>
Total other financing sources (uses)	<u>(75,936)</u>	<u>(75,936)</u>	<u>(75,936)</u>	<u>-</u>
Net change in Fund balance	-	-	20,938	20,938
Fund balance (deficit), July 1, 2015	<u>17,518</u>	<u>17,518</u>	<u>17,518</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 17,518</u>	<u>\$ 17,518</u>	<u>\$ 38,456</u>	<u>\$ 20,938</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**CITIZEN POLICE FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Charges for services	\$ 5	\$ 5	\$ 19	\$ 14
Use of money and property	17	17	25	8
Other revenues	<u>5,500</u>	<u>5,500</u>	<u>10,513</u>	<u>5,013</u>
Total revenues	<u>5,522</u>	<u>5,522</u>	<u>10,557</u>	<u>5,035</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
Public safety	4,150	4,150	8,244	(4,094)
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>23,574</u>	<u>(18,574)</u>
Total expenditures	<u>9,150</u>	<u>9,150</u>	<u>31,818</u>	<u>(22,668)</u>
Excess of revenues over (under) expenditures	<u>(3,628)</u>	<u>(3,628)</u>	<u>(21,261)</u>	<u>(17,633)</u>
Net change in Fund balance	(3,628)	(3,628)	(21,261)	(17,633)
Fund balance (deficit), July 1, 2015	<u>23,055</u>	<u>23,055</u>	<u>23,055</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 19,427</u>	<u>\$ 19,427</u>	<u>\$ 1,794</u>	<u>\$ (17,633)</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**ASSET SEIZURE FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Use of money and property	\$ 5	\$ 5	\$ 10	\$ 5
Total revenues	<u>5</u>	<u>5</u>	<u>10</u>	<u>5</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
Public safety	-	-	1,800	1,800
Total expenditures	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>1,800</u>
Excess of revenues over (under) expenditures	<u>5</u>	<u>5</u>	<u>(1,790)</u>	<u>(1,795)</u>
Net change in Fund balance	5	5	(1,790)	(1,795)
Fund balance (deficit), July 1, 2015	<u>5,413</u>	<u>5,413</u>	<u>5,413</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 5,418</u>	<u>\$ 5,418</u>	<u>\$ 3,623</u>	<u>\$ (1,795)</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 HIGHWAY SAFETY IMPROVEMENT FUND  
 JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 1,092,103	\$ 1,092,103	\$ 916,390	\$ (175,713)
Total revenues	<u>1,092,103</u>	<u>1,092,103</u>	<u>916,390</u>	<u>(175,713)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(1,092,103)</u>	<u>(1,092,103)</u>	<u>(916,391)</u>	<u>175,712</u>
Total other financing sources (uses)	<u>(1,092,103)</u>	<u>(1,092,103)</u>	<u>(916,391)</u>	<u>175,712</u>
Net change in Fund balance	-	-	(1)	(1)
Fund balance (deficit), July 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 ACTIVE TRANSPORTATION PROGRAM  
 JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Intergovernmental revenues	\$ <u>289,388</u>	\$ <u>289,388</u>	\$ <u>305,312</u>	\$ <u>15,924</u>
Total revenues	<u>289,388</u>	<u>289,388</u>	<u>305,312</u>	<u>15,924</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(289,388)</u>	<u>(289,388)</u>	<u>(305,312)</u>	<u>(15,924)</u>
Total other financing sources (uses)	<u>(289,388)</u>	<u>(289,388)</u>	<u>(305,312)</u>	<u>(15,924)</u>
Net change in Fund balance	289,388	289,388	-	(289,388)
Fund balance (deficit), July 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 289,388</u>	<u>\$ 289,388</u>	<u>\$ -</u>	<u>\$ (289,388)</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**95 IMPACT SIGNALIZATION FUND**  
**JUNE 30, 2016**

<b><u>REVENUES:</u></b>	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Favorable (Unfavorable)</u></b>
Licenses, permits, and impact fees	\$ 1,500	\$ 1,500	\$ 2,726	\$ 1,226
Use of money and property	<u>80</u>	<u>80</u>	<u>178</u>	<u>98</u>
Total revenues	<u>1,580</u>	<u>1,580</u>	<u>2,904</u>	<u>1,324</u>
Net change in Fund balance	1,580	1,580	2,904	1,324
Fund balance (deficit), July 1, 2015	<u>64,032</u>	<u>64,032</u>	<u>64,032</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 65,612</u>	<u>\$ 65,612</u>	<u>\$ 66,936</u>	<u>\$ 1,324</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**95 IMPACT PDFC FUND**  
**JUNE 30, 2016**

<b>REVENUES:</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
Licenses, permits, and impact fees	\$ 4,000	\$ 4,000	\$ 4,989	\$ 989
Use of money and property	<u>50</u>	<u>50</u>	<u>21</u>	<u>(29)</u>
Total revenues	<u>4,050</u>	<u>4,050</u>	<u>5,010</u>	<u>960</u>
Capital outlay	<u>42,000</u>	<u>42,000</u>	<u>42,804</u>	<u>-</u>
Total expenditures	<u>42,000</u>	<u>42,000</u>	<u>42,804</u>	<u>(804)</u>
Excess of revenues over (under) expenditures	<u>(37,950)</u>	<u>(37,950)</u>	<u>(37,794)</u>	<u>156</u>
Net change in Fund balance	(37,950)	(37,950)	(37,794)	156
Fund balance (deficit), July 1, 2015	<u>45,471</u>	<u>45,471</u>	<u>45,471</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 7,521</u>	<u>\$ 7,521</u>	<u>\$ 7,677</u>	<u>\$ 156</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 95 IMPACT FDFC FUND  
 JUNE 30, 2016

<b>REVENUES:</b>	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Favorable (Unfavorable)</u></b>
Licenses, permits, and impact fees	\$ 2,500	\$ 2,500	\$ 3,692	\$ 1,192
Use of money and property	<u>20</u>	<u>20</u>	<u>60</u>	<u>40</u>
Total revenues	<u>2,520</u>	<u>2,520</u>	<u>3,752</u>	<u>1,232</u>
Net change in Fund balance	2,520	2,520	3,752	1,232
Fund balance (deficit), July 1, 2015	<u>19,157</u>	<u>19,157</u>	<u>19,157</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 21,677</u>	<u>\$ 21,677</u>	<u>\$ 22,909</u>	<u>\$ 1,232</u>



**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 95 IMPACT ROAD FUND  
 JUNE 30, 2016

<b>REVENUES:</b>	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Favorable (Unfavorable)</u></b>
Licenses, permits, and impact fees	\$ 20,000	\$ 20,000	\$ 33,438	\$ 13,438
Use of money and property	<u>500</u>	<u>500</u>	<u>1,441</u>	<u>941</u>
Total revenues	<u>20,500</u>	<u>20,500</u>	<u>34,879</u>	<u>14,379</u>
Net change in Fund balance	20,500	20,500	34,879	14,379
Fund balance (deficit), July 1, 2015	<u>508,558</u>	<u>508,558</u>	<u>508,558</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 529,058</u>	<u>\$ 529,058</u>	<u>\$ 543,437</u>	<u>\$ 14,379</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**BUILDING SAFETY & WASTE WATER SERVICES FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Licenses, permits, and impact fees	\$ 765,222	\$ 808,325	\$ 847,329	\$ 39,004
Fines and forfeitures	15,000	20,000	30,731	10,731
Use of money and property	-	-	1,658	1,658
Charges for services	7,500	11,503	19,860	8,357
Other Revenues	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Total revenues	<u>787,722</u>	<u>839,830</u>	<u>899,580</u>	<u>59,750</u>
<b><u>EXPENDITURES</u></b>				
General government	-	-	5,000	(5,000)
Community development	250,613	234,574	229,325	5,249
Public works	407,220	407,968	411,112	(3,144)
Capital outlay	-	2,359	6,125	-
Debt service				
Principal	<u>1,215</u>	<u>655</u>	<u>640</u>	<u>15</u>
Total expenditures	<u>659,048</u>	<u>645,556</u>	<u>652,202</u>	<u>(6,646)</u>
Excess of revenues over (under) expenditures	<u>128,674</u>	<u>194,274</u>	<u>247,378</u>	<u>53,104</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(165,436)</u>	<u>(172,982)</u>	<u>(165,499)</u>	<u>7,483</u>
Total Other Financing Sources (Uses)	<u>(165,436)</u>	<u>(172,982)</u>	<u>(165,499)</u>	<u>7,483</u>
Net change in Fund balance	(36,762)	21,292	81,879	60,587
Fund balance (deficit), July 1, 2015	<u>391,126</u>	<u>391,126</u>	<u>391,126</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 354,364</u>	<u>\$ 412,418</u>	<u>\$ 473,005</u>	<u>\$ 60,587</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**LOCAL TRANSPORTATION FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Use of money and property	\$ 500	\$ 500	\$ 1,830	\$ 1,330
Intergovernmental revenues	872,461	872,461	872,462	1
Other revenue	<u>29,000</u>	<u>29,000</u>	<u>30,338</u>	<u>1,338</u>
Total revenues	<u>901,961</u>	<u>901,961</u>	<u>904,630</u>	<u>2,669</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
Streets	<u>925,360</u>	<u>925,360</u>	<u>843,220</u>	<u>82,140</u>
Total expenditures	<u>925,360</u>	<u>925,360</u>	<u>843,220</u>	<u>82,140</u>
Excess of revenues over (under) expenditures	<u>(23,399)</u>	<u>(23,399)</u>	<u>61,410</u>	<u>84,809</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(354,428)</u>	<u>(354,607)</u>	<u>(80,844)</u>	<u>273,763</u>
Total Other Financing Sources (Uses)	<u>(354,428)</u>	<u>(354,607)</u>	<u>(80,844)</u>	<u>273,763</u>
Net change in Fund balance	(377,827)	(378,006)	(19,434)	358,572
Fund balance (deficit), July 1, 2015	<u>792,629</u>	<u>792,629</u>	<u>792,629</u>	<u>-</u>
Prior period adjustment	-	-	(34,625)	-
Fund balance (deficit), July 1, 2015 restated	<u>792,629</u>	<u>792,629</u>	<u>758,004</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 414,802</u>	<u>\$ 414,623</u>	<u>\$ 738,570</u>	<u>\$ 323,947</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**HOUSING AUTHORITY FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Program Income	\$ -	\$ -	\$ 35,870	\$ 35,870
Use of money and property	<u>-</u>	<u>-</u>	<u>150</u>	<u>150</u>
Total revenues	<u>-</u>	<u>-</u>	<u>36,020</u>	<u>36,020</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>-</u>	<u>3,566</u>	<u>3,566</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>3,566</u>	<u>3,566</u>	<u>-</u>
Net change in Fund balance	-	3,566	39,586	36,020
Fund balance (deficit), July 1, 2015	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 17,000</u>	<u>\$ 20,566</u>	<u>\$ 56,586</u>	<u>\$ 36,020</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**ABANDONED VEHICLE FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Use of money and property	\$ 110	\$ 110	\$ 374	\$ 264
Intergovernmental revenues	<u>24,000</u>	<u>24,000</u>	<u>31,665</u>	<u>7,665</u>
Total revenues	<u>24,110</u>	<u>24,110</u>	<u>32,039</u>	<u>7,929</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
Community development	191	191	451	(260)
Debt service:				
Principal	<u>322</u>	<u>322</u>	<u>322</u>	<u>-</u>
Total expenditures	<u>513</u>	<u>513</u>	<u>773</u>	<u>(260)</u>
Excess of revenues over (under) expenditures	<u>23,597</u>	<u>23,597</u>	<u>31,266</u>	<u>7,669</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(8,305)</u>	<u>(3,305)</u>
Total other financing sources (uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(8,305)</u>	<u>(3,305)</u>
Net change in Fund balance	18,597	18,597	22,961	4,364
Fund balance (deficit), July 1, 2015	<u>98,596</u>	<u>98,596</u>	<u>98,596</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 117,193</u>	<u>\$ 117,193</u>	<u>\$ 121,557</u>	<u>\$ 4,364</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**95 IMPACT DRAINAGE FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Licenses, permits, and impact fees	\$ 20,000	\$ 20,000	\$ 19,201	\$ (799)
Use of money and property	<u>800</u>	<u>800</u>	<u>1,821</u>	<u>1,021</u>
Total revenues	<u>20,800</u>	<u>20,800</u>	<u>21,022</u>	<u>222</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(42,879)</u>	<u>7,121</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(42,879)</u>	<u>7,121</u>
Net change in Fund balance	(29,200)	(29,200)	(21,857)	7,343
Fund balance (deficit), July 1, 2015	<u>697,359</u>	<u>697,359</u>	<u>697,359</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 668,159</u>	<u>\$ 668,159</u>	<u>\$ 675,502</u>	<u>\$ 7,343</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**AVOID FUND**  
**JUNE 30, 2016**

	<u>Final Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Intergovernmental	\$ 56,600	\$ 56,600	\$ 40,079	\$ (16,521)
Total revenues	<u>56,600</u>	<u>56,600</u>	<u>40,079</u>	<u>(16,521)</u>
<b><u>EXPENDITURES</u></b>				
Public Safety	<u>35,600</u>	<u>35,600</u>	<u>24,208</u>	<u>11,392</u>
Total expenditures	<u>35,600</u>	<u>35,600</u>	<u>24,208</u>	<u>11,392</u>
Excess revenues over (under) expenditures	<u>21,000</u>	<u>21,000</u>	<u>15,871</u>	<u>(5,129)</u>
Transfers out	<u>-</u>	<u>-</u>	<u>(15,871)</u>	<u>(15,871)</u>
Net change in Fund balance	21,000	21,000	-	(21,000)
Fund balance (deficit), July 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 21,000</u>	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ (21,000)</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 GENERAL PLAN FEE FUND  
 JUNE 30, 2016

<b>REVENUES:</b>	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Favorable (Unfavorable)</u></b>
Use of money and property	\$ 150	\$ 150	\$ 565	\$ 415
Charges for services	<u>30,000</u>	<u>30,000</u>	<u>43,195</u>	<u>13,195</u>
Total revenues	<u>30,150</u>	<u>30,150</u>	<u>43,760</u>	<u>13,610</u>
Net change in Fund balance	30,150	30,150	43,760	13,610
Fund balance (deficit), July 1, 2015	<u>169,107</u>	<u>169,107</u>	<u>169,107</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 199,257</u>	<u>\$ 199,257</u>	<u>\$ 212,867</u>	<u>\$ 13,610</u>



**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 TRAFFIC SAFETY-DUI IMPOUND FEES FUND  
 JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Use of money and property	\$ 50	\$ 50	\$ 125	\$ 75
Charges for services	<u>15,000</u>	<u>15,000</u>	<u>12,740</u>	<u>(2,260)</u>
Total revenues	<u>15,050</u>	<u>15,050</u>	<u>12,865</u>	<u>(2,185)</u>
<b><u>EXPENDITURES</u></b>				
Public Safety	<u>3,500</u>	<u>3,500</u>	<u>22,251</u>	<u>(18,751)</u>
Total Expenditures	<u>3,500</u>	<u>3,500</u>	<u>22,251</u>	<u>(18,751)</u>
Excess of revenue over (under) expenditures	<u>11,550</u>	<u>11,550</u>	<u>(9,386)</u>	<u>(20,936)</u>
Net change in Fund balance	11,550	11,550	(9,386)	(20,936)
Fund balance (deficit), July 1, 2015	<u>56,545</u>	<u>56,545</u>	<u>56,545</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 68,095</u>	<u>\$ 68,095</u>	<u>\$ 47,159</u>	<u>\$ (20,936)</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**AB109 STATE FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Use of money and property	\$ 100	\$ 100	\$ 570	\$ 470
Intergovernmental revenues	<u>-</u>	<u>-</u>	<u>43,250</u>	<u>43,250</u>
Total revenues	<u>100</u>	<u>100</u>	<u>43,820</u>	<u>43,720</u>
<b><u>EXPENDITURES:</u></b>				
Public Safety	<u>6,841</u>	<u>6,841</u>	<u>453</u>	<u>6,388</u>
Total expenditures	<u>6,841</u>	<u>6,841</u>	<u>453</u>	<u>6,388</u>
Excess of revenue over (under) expenditures	<u>(6,741)</u>	<u>(6,741)</u>	<u>43,367</u>	<u>50,108</u>
Net change in Fund balance	(87,706)	(12,991)	35,393	48,384
Fund balance (deficit), July 1, 2015	<u>179,542</u>	<u>179,542</u>	<u>179,542</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 91,836</u>	<u>\$ 166,551</u>	<u>\$ 214,935</u>	<u>\$ 48,384</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 CLARK ROAD SIGNAL FUND  
 JUNE 30, 2016

<b>REVENUES:</b>	<b><u>Original Budget*</u></b>	<b><u>Final Budget*</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Favorable (Unfavorable)</u></b>
Use of money and property	-	-	17	17
Total revenues	-	-	17	17
Net change in Fund balance	-	-	17	17
Fund balance (deficit), July 1, 2015	6,061	6,061	6,061	-
Fund balance (deficit), June 30, 2016	<u>\$ 6,061</u>	<u>\$ 6,061</u>	<u>\$ 6,078</u>	<u>\$ 17</u>

\* The Town did not adopt a budget for the Clark Road Signal Fund for the year ended June 30, 2016.

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 IMPROVEMENT AGREEMENTS FUND  
 JUNE 30, 2016

<u>REVENUES:</u>	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Total revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2015	_____ -	_____ -	_____ -	_____ -
Fund balance (deficit), June 30, 2016	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>

\* The Town did not adopt a budget for the Improvement Agreements Fund for the year ended June 30, 2016.

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 TREE REPLACEMENT IN LIEU FUND  
 JUNE 30, 2016

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Use of money and property	\$ _____ -	\$ _____ -	\$ _____ 8	\$ _____ 8
Total revenues	_____ -	_____ -	_____ 8	_____ 8
Net change in Fund balance	-	-	8	8
Fund balance (deficit), July 1, 2015	_____ 2,501	_____ 2,501	_____ 2,501	-
Fund balance (deficit), June 30, 2016	\$ _____ 2,501	\$ _____ 2,501	\$ _____ 2,509	\$ _____ 8

\* The Town did not adopt a budget for the CalHome Grant Fund for the year ended June 30, 2016.

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**HYDRANT MAINTENANCE FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Other revenues	\$ 1,429	\$ 1,429	\$ 1,151	\$ (278)
Total revenues	<u>1,429</u>	<u>1,429</u>	<u>1,151</u>	<u>(278)</u>
<b><u>EXPENDITURES:</u></b>				
Public safety	<u>1,000</u>	<u>1,000</u>	-	<u>1,000</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	-	<u>1,000</u>
Excess of revenue over (under) expenditures	<u>429</u>	<u>429</u>	<u>1,151</u>	<u>722</u>
Net change in Fund balance	429	429	1,151	722
Fund balance (deficit), July 1, 2015	<u>6,150</u>	<u>6,150</u>	<u>6,150</u>	-
Fund balance (deficit), June 30, 2016	<u>\$ 6,579</u>	<u>\$ 6,579</u>	<u>\$ 7,301</u>	<u>\$ 722</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 DISABILITY ACCESS AND EDUCATION FUND  
 JUNE 30, 2016

<b><u>REVENUES:</u></b>	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Favorable (Unfavorable)</u></b>
Charges for services	\$ <u>15</u>	\$ <u>15</u>	\$ <u>25</u>	\$ <u>10</u>
Total revenues	<u>15</u>	<u>15</u>	<u>25</u>	<u>10</u>
Net change in Fund balance	15	15	25	10
Fund balance (deficit), July 1, 2015	<u>50</u>	<u>50</u>	<u>50</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 65</u>	<u>\$ 65</u>	<u>\$ 75</u>	<u>\$ 10</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 REGIONAL SURFACE TRANSPORTATION PROGRAM FUND  
 JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Taxes and assessments	\$ 300,000	\$ 300,000	\$ 298,002	\$ (1,998)
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>298,002</u>	<u>(1,998)</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(298,002)</u>	<u>1,998</u>
Total other financing sources (uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(298,002)</u>	<u>1,998</u>
Net change in Fund balance	-	-	-	-
Fund balance (deficit), July 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**SMIP FUND**  
**JUNE 30, 2016**

<b>REVENUES:</b>	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Favorable (Unfavorable)</u></b>
Use of money and property	\$ -	\$ -	\$ 8	\$ 8
Licenses and permits	<u>250</u>	<u>250</u>	<u>96</u>	<u>(154)</u>
Total revenues	<u>250</u>	<u>250</u>	<u>104</u>	<u>(146)</u>
Net change in Fund balance	250	250	104	(146)
Fund balance (deficit), July 1, 2015	<u>1,903</u>	<u>1,903</u>	<u>1,903</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u><u>\$ 2,153</u></u>	<u><u>\$ 2,153</u></u>	<u><u>\$ 2,007</u></u>	<u><u>\$ (146)</u></u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 POLICE DEPARTMENT SEIZURES FUND  
 JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Other revenues	\$ 500	\$ 500	\$ 253	\$ (247)
Total revenues	<u>500</u>	<u>500</u>	<u>253</u>	<u>(247)</u>
Net change in Fund balance	500	500	253	(247)
Fund balance (deficit), July 1, 2015	<u>1,317</u>	<u>1,317</u>	<u>1,317</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 1,817</u>	<u>\$ 1,817</u>	<u>\$ 1,570</u>	<u>\$ (247)</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**POLICE TRADING CARDS FUND**  
**JUNE 30, 2016**

<b><u>REVENUES:</u></b>	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Favorable (Unfavorable)</u></b>
Use of money and property	\$ <u>2</u>	\$ <u>2</u>	\$ <u>5</u>	\$ <u>3</u>
Total revenues	<u>2</u>	<u>2</u>	<u>5</u>	<u>3</u>
Net change in Fund balance	2	2	5	3
Fund balance (deficit), July 1, 2015	<u>-</u>	<u>-</u>	<u>1,759</u>	<u>1,759</u>
Fund balance (deficit), June 30, 2016	<u><u>2</u></u>	<u><u>2</u></u>	<u><u>1,764</u></u>	<u><u>1,762</u></u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 GRANTS MISCELLANEOUS ONE TIME  
 JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Other revenues	\$ 25,000	\$ 25,000	\$ (259)	\$ 25,259
	<u>(243,000)</u>	<u>(243,000)</u>	<u>(217,741)</u>	<u>(25,259)</u>
Total other financing sources (uses)	(243,000)	(243,000)	(217,741)	(25,259)
Net change in Fund balance	(218,000)	(218,000)	(218,000)	-
Fund balance (deficit), July 1, 2015	<u>-</u>	<u>-</u>	<u>218,000</u>	<u>218,000</u>
Fund balance (deficit), June 30, 2016	<u>\$ (218,000)</u>	<u>\$ (218,000)</u>	<u>\$ -</u>	<u>\$ 218,000</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 CANINE PROTECT FUND  
 JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Use of money and property	\$ 30	\$ 30	\$ 20	\$ (10)
Other Revenues	<u>2,500</u>	<u>2,500</u>	<u>4,130</u>	<u>1,630</u>
Total revenues	<u>2,530</u>	<u>2,530</u>	<u>4,150</u>	<u>1,620</u>
<b>EXPENDITURES:</b>				
Public Safety	<u>-</u>	<u>-</u>	<u>2,068</u>	<u>(2,068)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,068</u>	<u>(2,068)</u>
Excess of revenue over (under) expenditures	<u>2,530</u>	<u>2,530</u>	<u>2,082</u>	<u>(448)</u>
Net change in Fund balance	2,530	2,530	2,082	(448)
Fund balance (deficit), July 1, 2015	<u>5,596</u>	<u>5,596</u>	<u>5,596</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 8,126</u>	<u>\$ 8,126</u>	<u>\$ 7,678</u>	<u>\$ (448)</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 FIRE FUND  
 JUNE 30, 2016

<b>REVENUES:</b>	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Favorable (Unfavorable)</u></b>
Use of money and property	\$ 7	\$ 7	\$ 19	\$ 12
Other revenues	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total revenues	<u>7</u>	<u>7</u>	<u>1,019</u>	<u>1,012</u>
Net change in Fund balance	7	7	1,019	1,012
Fund balance (deficit), July 1, 2015	<u>6,214</u>	<u>6,214</u>	<u>6,214</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 6,221</u>	<u>\$ 6,221</u>	<u>\$ 7,233</u>	<u>\$ 1,012</u>

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**ANIMAL CONTROL FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Use of money and property	\$ 70	\$ 70	\$ 124	\$ 54
Other revenues	<u>5,000</u>	<u>5,000</u>	<u>3,090</u>	<u>(1,910)</u>
Total revenues	<u>5,070</u>	<u>5,070</u>	<u>3,214</u>	<u>(1,856)</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(15,817)</u>	<u>(14,021)</u>	<u>(16,908)</u>	<u>(2,887)</u>
Total other financing sources (uses)	<u>(15,817)</u>	<u>(14,021)</u>	<u>(16,908)</u>	<u>(2,887)</u>
Net change in Fund balance	(10,747)	(8,951)	(13,694)	(4,743)
Fund balance (deficit), July 1, 2015	<u>60,243</u>	<u>60,243</u>	<u>60,243</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 49,496</u>	<u>\$ 51,292</u>	<u>\$ 46,549</u>	<u>\$ (4,743)</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 POLICE FUND  
 JUNE 30, 2016

<b>REVENUES:</b>	<b><u>Original Budget*</u></b>	<b><u>Final Budget*</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Favorable (Unfavorable)</u></b>
Use of money and property	\$ -	\$ -	\$ 1	\$ 1
Other revenues	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>
Total revenues	<u>-</u>	<u>-</u>	<u>101</u>	<u>101</u>
Net change in Fund balance	-	-	101	101
Fund balance (deficit), July 1, 2015	<u>381</u>	<u>381</u>	<u>381</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 381</u>	<u>\$ 381</u>	<u>\$ 482</u>	<u>\$ 101</u>

\* The Town did not adopt a budget for the Police Fund for the year ended June 30, 2016.



**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**SPECIAL PROJECTS DONATIONS FUND**  
**JUNE 30, 2016**

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Charges for services	\$ _____ -	\$ _____ -	\$ _____ 1,900	\$ _____ 1,900
Total revenues	_____ -	_____ -	_____ 1,900	_____ 1,900
<b><u>EXPENDITURES:</u></b>				
General government	_____ -	_____ -	_____ 1,782	_____ (1,782)
Total Expenditures	_____ -	_____ -	_____ 1,782	_____ (1,782)
Excess of revenue over (under) expenditures	_____ -	_____ -	_____ 118	_____ 118
Net change in Fund balance	-	-	118	118
Fund balance (deficit), July 1, 2015	_____ (727)	_____ (727)	_____ (727)	_____ -
Fund balance (deficit), June 30, 2016	\$ _____ (727)	\$ _____ (727)	\$ _____ (609)	\$ _____ 118

\* The Town did not adopt a budget for the Special Projects Donation Fund for the year ended June 30, 2016.

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 MEMORIAL TRAILWAY  
 JUNE 30, 2016

<b>REVENUES:</b>	<b><u>Original Budget*</u></b>	<b><u>Final Budget*</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Favorable (Unfavorable)</u></b>
Use of money and property	\$ _____ -	\$ _____ -	\$ _____ 9	\$ _____ (9)
Total revenues	_____ -	_____ -	_____ 9	_____ (9)
Net change in fund balance	-	-	9	9
Fund balance (deficit), July 1, 2015	_____ -	_____ -	_____ 3,355	_____ 3,355
Fund balance (deficit), June 30, 2016	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ 3,364</u>	<u>\$ _____ 3,364</u>

\* The Town did not adopt a budget for the Memorial Trailway Fund for the year ended June 30, 2016.

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**TRANSPORTATION CAPITAL PROJECTS FUND**  
**JUNE 30, 2016**

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>EXPENDITURES:</u></b>				
Public works	\$ -	\$ -	\$ 14,478	\$ (14,478)
Streets	-	-	3,764	(3,764)
Total Expenditures	-	-	18,242	(18,242)
Excess of revenue over (under) expenditures	-	-	(18,242)	(18,242)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	-	-	80,844	80,844
Transfers out	-	-	(163,691)	(163,691)
Total other financing sources (uses)	-	-	(82,847)	(82,847)
Net change in Fund balance	-	-	(101,089)	(101,089)
Fund balance (deficit), July 1, 2015	57,443	57,443	57,443	-
Prior period adjustment	-	-	34,625	34,625
Fund balance (deficit), July 1, 2015 restated	57,443	57,443	92,068	34,625
Fund balance (deficit), June 30, 2016	<u>\$ 57,443</u>	<u>\$ 57,443</u>	<u>\$ (9,021)</u>	<u>\$ (66,464)</u>

\* The Town did not adopt a budget for the Transportation Capital Projects Fund for the year ended June 30, 2016.

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 STATE WATER BOARD PROP 1 GRANT FUND  
 JUNE 30, 2016

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Intergovernmental revenues	\$ _____ -	\$ _____ -	\$ 98,151	\$ 98,151
Total revenues	_____ -	_____ -	98,151	98,151
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	_____ -	_____ -	(98,150)	(98,150)
Total other financing sources (uses)	_____ -	_____ -	(98,150)	(98,150)
Net change in Fund balance	-	-	1	1
Fund balance (deficit), July 1, 2015	_____ -	_____ -	-	-
Fund balance (deficit), June 30, 2016	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

\* The Town did not adopt a budget for the State Water Board Prop 1 Grant Fund for the year ended June 30, 2016.

**TOWN OF PARADISE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**CAPITAL LEASES FUND**  
**JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>REVENUES:</u></b>				
Use of money and property	\$ 30	\$ 30	\$ 1	\$ (29)
Total revenues	<u>30</u>	<u>30</u>	<u>1</u>	<u>(29)</u>
<b><u>EXPENDITURES:</u></b>				
Capital outlay	<u>775,259</u>	<u>759,243</u>	<u>759,243</u>	<u>-</u>
Total Expenditures	<u>775,259</u>	<u>759,243</u>	<u>759,243</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>(775,229)</u>	<u>(759,213)</u>	<u>(759,242)</u>	<u>(29)</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Proceeds from the issuance of debt	764,952	764,952	759,243	(5,709)
Transfers out	<u>(4,405)</u>	<u>(4,405)</u>	<u>(3,658)</u>	<u>747</u>
Total other financing sources (uses)	<u>764,952</u>	<u>764,952</u>	<u>755,585</u>	<u>(9,367)</u>
Net change in Fund balance	(10,277)	5,739	(3,657)	(9,396)
Fund balance (deficit), July 1, 2015	<u>-</u>	<u>-</u>	<u>10,620</u>	<u>10,620</u>
Fund balance (deficit), June 30, 2016	<u>\$ (10,277)</u>	<u>\$ 5,739</u>	<u>\$ 6,963</u>	<u>\$ 1,224</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 WASTEWATER DESIGN ASSESSMENT DISTRICT FUND  
 JUNE 30, 2016

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Net change in Fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance (deficit), July 1, 2015	<u>6,278</u>	<u>6,278</u>	<u>6,278</u>	<u>-</u>
Fund balance (deficit), June 30, 2016	<u>\$ 6,278</u>	<u>\$ 6,278</u>	<u>\$ 6,278</u>	<u>\$ -</u>

\* The Town did not adopt a budget for the Wastewater Design Assessment District Fund for the year ended June 30, 2016.

**TOWN OF PARADISE**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	<u>General Trust</u>	<u>Successor RDA Fund</u>	<u>RDA Debt Service Obligation Retirement Fund</u>	<u>Totals</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 2,350	\$ 4,157	\$ 224,610	\$ 231,117
Restricted cash and investments with fiscal agents	<u>-</u>	<u>373,052</u>	<u>-</u>	<u>373,052</u>
Total assets	<u>2,350</u>	<u>377,209</u>	<u>224,610</u>	<u>604,169</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	2,350	-	-	2,350
Accrued payroll payable	-	429	-	429
Interest payable	-	22,211	-	22,211
Long-term debt, due within one year	-	-	-	-
Long-term debt, due in more than one year	<u>-</u>	<u>7,670,237</u>	<u>-</u>	<u>7,670,237</u>
Total liabilities	<u>2,350</u>	<u>7,692,877</u>	<u>-</u>	<u>7,695,227</u>
<b><u>NET POSITION</u></b>				
Unrestricted	<u>-</u>	<u>(7,315,668)</u>	<u>224,610</u>	<u>(7,091,058)</u>
Total net position (deficit)	<u>\$ -</u>	<u>\$ (7,315,668)</u>	<u>\$ 224,610</u>	<u>\$ (7,091,058)</u>

**TOWN OF PARADISE**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**JUNE 30, 2016**

	<u>General Trust</u>	<u>Successor RDA Fund</u>	<u>RDA Debt Service Obligation Retirement Fund</u>	<u>Totals</u>
<b><u>ADDITIONS</u></b>				
Taxes and assessments	\$ -	\$ -	\$ 407,691	\$ 407,691
Investment revenue	-	1,933	-	1,933
Intergovernmental revenue	-	<u>183,081</u>	-	<u>183,081</u>
Total additions	<u>-</u>	<u>185,014</u>	<u>407,691</u>	<u>592,705</u>
<b><u>DEDUCTIONS</u></b>				
Interest expense	-	326,937	-	326,937
Intergovernmental expense	-	<u>11,476</u>	<u>183,081</u>	<u>194,557</u>
Total deductions	<u>-</u>	<u>338,413</u>	<u>183,081</u>	<u>521,494</u>
Change in Net position	-	(153,399)	224,610	71,211
Net position - July 1, 2015	<u>-</u>	<u>(7,162,269)</u>	<u>-</u>	<u>(7,162,269)</u>
Net position (deficit) - June 30, 2016	<u>\$ -</u>	<u>\$ (7,315,668)</u>	<u>\$ 224,610</u>	<u>\$ (7,091,058)</u>



**TOWN OF PARADISE**  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 JUNE 30, 2016

	<u>Employee BankFund</u>	<u>BC Jail Impact Fee</u>	<u>Police Department Found Money Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ <u>442</u>	\$ <u>1,824</u>	\$ <u>5,585</u>	\$ <u>7,851</u>
Total assets	\$ <u>442</u>	\$ <u>1,824</u>	\$ <u>5,585</u>	\$ <u>7,851</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	-	1,824	-	1,824
Due to others	\$ <u>442</u>	\$ <u>-</u>	\$ <u>5,585</u>	\$ <u>6,027</u>
Total liabilities	\$ <u>442</u>	\$ <u>1,824</u>	\$ <u>5,585</u>	\$ <u>7,851</u>

**TOWN OF PARADISE**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**JUNE 30, 2016**

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2016</b>
<b>EMPLOYEE BANK FUND</b>				
<b>ASSETS</b>				
Cash and investments	\$ <u>435</u>	\$ <u>58</u>	\$ <u>(50)</u>	\$ <u>443</u>
Total Assets	\$ <u>435</u>	\$ <u>58</u>	\$ <u>(50)</u>	\$ <u>443</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 50	\$ (50)	\$ -
Due to others	<u>435</u>	<u>58</u>	<u>(50)</u>	<u>443</u>
Total liabilities	\$ <u>435</u>	\$ <u>58</u>	\$ <u>(50)</u>	\$ <u>443</u>
<b>POLICE DEPARTMENT FOUND</b>				
<b>MONEY FUND</b>				
<b>ASSETS</b>				
Cash and investments	\$ <u>5,513</u>	\$ <u>71</u>	\$ <u>-</u>	\$ <u>5,584</u>
Total assets	\$ <u>5,513</u>	\$ <u>71</u>	\$ <u>-</u>	\$ <u>5,584</u>
<b>LIABILITIES</b>				
Due to others	\$ <u>5,513</u>	\$ <u>71</u>	\$ <u>-</u>	\$ <u>5,584</u>
Total liabilities	\$ <u>5,513</u>	\$ <u>71</u>	\$ <u>-</u>	\$ <u>5,584</u>