



# Town of Paradise

## Town Council Meeting Agenda

### 6:00 P.M. - March 14, 2017

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Date/Time: 2<sup>nd</sup> Tuesday of each month at 6:00 p.m.  
Location: Town Hall Council Chamber, 5555 Skyway, Paradise, CA

Mayor, Scott Lotter  
Vice Mayor, Jody Jones  
Council Member, Greg Bolin  
Council Member, Melissa Schuster  
Council Member, Mike Zuccolillo

Town Manager, Lauren Gill  
Town Attorney, Dwight L. Moore  
Town Clerk, Dina Volenski  
Community Development Director, Craig Baker  
Finance Director/Town Treasurer, Gina Will  
Public Works Director/Town Engineer, Marc Mattox  
Division Chief, CAL FIRE/Paradise Fire, David Hawks  
Chief of Police, Gabriela Tazzari-Dineen

### Meeting Procedures

- I. The Mayor is the Presiding Chair and is responsible for maintaining an orderly meeting. The Mayor calls the meeting to order and introduces each item on the agenda.
- II. The Town staff then provides a report to Council and answers questions from the Council.
- III. Citizens are encouraged to participate in the meeting process and are provided several opportunities to address Council. Any speaker addressing the Council is limited to three minutes per speaker - fifteen minutes per agenda item
  - A. If you wish to address the Council regarding a specific agenda item, please complete a "Request to Address Council" card and give it to the Town Clerk prior to the beginning of the meeting. This process is voluntary and allows for citizens to be called to the speaker podium in alphabetical order. Comments and questions from the public must be directed to the Presiding Chair and Town Council Members (please do not address staff.) Town staff is available to address citizen concerns Monday through Thursday at Town Hall between the hours of 8am and 5pm.
  - B. If you wish to address Council regarding an item not on the agenda, you may do so under Item 4, "Public Communication." Again, please fill out a card and give it to the Town Clerk before the meeting. State Law prohibits Council action on items not listed on a public agenda.

In compliance with the Americans with Disabilities Act (ADA) Compliance, persons who need special accommodations to participate in the Town Council meeting may contact the Town Clerk at least three business days prior to the date of the meeting to provide time for any such accommodation.

## 1. OPENING

- 1a. Call to Order
- 1b. Pledge of Allegiance to the Flag of the United States of America
- 1c. Invocation
- 1d. Roll Call
- 1e. Update on the Caltrans State Route 191 Curve Realignment Project - Tom Brannon, Deputy District Director, Caltrans District 3
- [1f.](#) p4 Volunteers in Police Service (VIPS) 2016 Annual Report - Presented by VIP Chuck Topalian
- 1g. Town of Paradise Employees of the Year - Presented by Mayor Scott Lotter
  - Colette Curtis - Administrative Analyst II
  - Dina Volenski - Town Clerk
- 1h. Town Council Recognitions of Employee Service to the Town of Paradise Presented by Mayor Scott Lotter

### 25 Years

Craig Baker – Community Development

### 15 years

Robert Grignon – Public Works  
Candace Mays-Keillor – Public Works  
Valerie Lynch – Police Department  
Charles Rollo – Police Department

### 10 year

Robert Wright – Police Department

## 2. CONSENT CALENDAR

One roll call vote is taken for all items. Consent items are considered to be routine business that does not call for discussion.

- [2a.](#) p16 Approve Minutes of the February 14, 2017 and February 28, 2017 Special, Regular and Adjourned Town Council Meetings.
- [2b.](#) p27 Approve February 2017 Cash Disbursements in the amount of \$1,606,981.24.
- [2c.](#) p35 Review and file the 1st Quarter Investment Report for the Fiscal Year Ending June 30, 2017.
- [2d.](#) p40 Receive and file the 2016/17 NCCSIF annual report.
- [2e.](#) p67 Adopt Resolution No.17-07, A Resolution of the Town Council of the Town of Paradise Amending and Restating the Community Action Volunteer Worker Program.

## 3. ITEMS REMOVED FROM CONSENT CALENDAR

**4. PUBLIC COMMUNICATION**

For matters that are not on the Council business agenda, speakers are allowed three (3) minutes to address the Council. The Town Council is prohibited from taking action on matters that are not listed on the public agenda. The Council may briefly respond for clarification and may refer the matter to the Town staff.

**5. PUBLIC HEARINGS - None.**

**6. COUNCIL CONSIDERATION**

Action items are presented by staff and the vote of each Council Member must be announced. A roll call vote is taken for each item on the action calendar. Citizens are allowed three (3) minutes to comment on agenda items.

6a. p74 Following a presentation, consider receiving and acknowledging receipt of the Fiscal Year 2015/16 Financial Statement Audit report as submitted.

**7. COUNCIL INITIATED ITEMS AND REPORTS**

- 7a. Council initiated agenda items
  - P225 Request that Town Council support a letter in favor of AB 496. (JONES)
- 7b. Council reports on committee representation
- 7c. Future Agenda Items

**8. STAFF COMMUNICATION**

- 8a. Town Manager Report
  - Community Development Director

**9. CLOSED SESSION**

9a. Pursuant to Government Code section 54957, the Town Council will hold a closed session discussion relating to a performance evaluation of the Town Manager.

**10. ADJOURNMENT**

10a. Adjourn to March 21, 2017 at 3:00 p.m., Paradise Town Hall, 5555 Skyway, Paradise, CA 95969, for the purpose of holding a Regular Adjourned meeting pursuant to Government Code Section 54955.

STATE OF CALIFORNIA ) COUNTY OF BUTTE )	SS.
I declare under penalty of perjury that I am employed by the Town of Paradise in the Town Clerk's Department and that I posted this Agenda on the bulletin Board both inside and outside of Town Hall on the following date:	
_____	
TOWN/ASSISTANT TOWN CLERK SIGNATURE	

# **ANNUAL REPORT - 2016**

# **VIPS**



**Volunteers in Police Service  
Paradise Police Department**



Forty VIPS (Volunteers in Police Service) assist the Police Department with Patrol, Traffic and Disaster, Communications, and Special Events.

Patrol currently has 12 weekly patrols available Monday through Friday as well as Thursday and Sunday evenings. This reflects a 50% increase over 8 weekly patrols in 2015.

Traffic and Disaster volunteers are available to respond to problems that occur during off duty hours.

Communications work the lobby detail Monday through Friday and are responsible for administering Live Scan.

VIPS handled over 28 Special Events in 2016.

# ANNUAL REPORT SUMMARY

## VIPS donated a total of 10,015.5 hours during 2016

These hours are equal to **4.82** full time staff members, which reflects a dollar benefit to the town of **\$126,396**. The dollar value of a volunteer is calculated at the rate of **\$12.62** per hour (Clerk Entry Wage).

## PATROL UNIT ACTIVITIES PERFORMED

Vacation House Checks	2316
Handheld Radar Gun	11
Radar Trailer deployment	117
Emergency Business Contacts	22
Handicap Parking Notices	207
Burglary Follow-up	114
Neighborhood Watch Checks	6323

**Patrol volunteers logged in 4013.5 hours  
and Traffic and Disaster an additional 357 hours  
for a total of 4370.5 hours**

# COMMUNICATIONS UNIT ACTIVITIES

Front Counter Service 2058.5 hours

Live Scan 285 Live Scan and rolled prints completed

Revenue generated for Town of Paradise  
from Live Scan \$5302.50

## SPECIAL EVENTS

Paradise Elementary 2<sup>nd</sup> grade  
tours

Cub Scout PD tour

Paradise Eagles –VIPS speaker

Gold Nugget Parade

Gold Nugget craft Fair Patrol

Chocolate Fest

Chocolate Thunder Run

Girl Scout PD tour

Cemetery Flags- Memorial Day

Parade of Flags – Memorial Day

PHS Graduation

Party in the Park

Parade of Flags – July 4<sup>th</sup>

Paradise Piranhas Swim Meet

PPOA BBQ

K-9 Fundraiser

Strides for Diabetes walk/run

Community Halloween Festival

Magalia Adventist School PD tour

PHS football games-Oct 14 and  
Nov 4

Paradise of Flags – Veterans Day

Paradise Gun Show

Paradise Elementary PD tour –  
Nov

Salvation Army food drive – Tri  
Counties Bank

Assist Chico VIPS at Chico Nut  
Company – Christmas light show

FRH Hospice – Light Up a Life

Paradise United Methodist Church  
– Drive through Nativity

Butte County Toy Run

# **PATROL**

The Patrol Unit currently has 5 morning patrol teams, 4 afternoon patrol teams, 1 evening patrol and 1 Sunday patrol.

Some of their duties include: Vacation House Checks, patrol Neighborhood Watch areas, patrol Mobile Home Parks, update Emergency Business Contact information, distribute Handicap Violation flyers, and transportation of mail between PD, Town Hall and Animal Control.

They also deploy the Radar Trailer on a 10 times per month schedule, weather permitting. Some patrol members are trained in the use of hand held radar guns. Excessive speeders are identified and a warning letter is sent to them.

While on patrol, teams are frequently called on to direct traffic at accident scenes, pick up found property, transport vehicles and other duties as assigned.

# **TRAFFIC AND DISASTER UNIT**

The 2016 Traffic and Disaster Unit (T&D) consists of 12 members of the VIPS Patrol unit. Their primary function is to provide assistance to Police and/or Fire in the event of traffic accidents, fire, downed trees and power lines, crime scene security, evidence searches, missing persons searches and other special assignments.

Members of the T&D unit have specialized training in traffic control and must meet training and experience requirements before becoming a member of the unit. Safety of the members is a top priority.

Individual members are equipped with emergency equipment, usually purchased from their own funds. Traffic and Disaster members make themselves available 24 hours a day for call outs.

In 2016, T&D responded to traffic accidents, trees/power lines down, weather related events, and fire evacuations for a total of 357 Hours.

# COMMUNICATIONS

Communication VIPS handle front counter duties from 9-4 weekdays.

Duties include:

1. Respond to questions and requests from the public to keep dispatchers free to answer phone calls or radio traffic.
2. Handle paper work for Business Licenses, Vacation House Checks, Special Events, etc.
3. Take phone requests for Live Scan appointments.
4. Work with Investigations to input Pawn Slip information into RIMS
5. Accept payments and make receipts for various charges- Report, Incidents, donations, Live Scan, cite sign offs, impounds, etc.
6. Assist Records clerks in various clerical duties

Over 2000 hours were volunteered to assist citizens at the front counter.

**Besides the three main VIPS Units, there are special units which include:**

## Live Scan

To free up Police personnel, VIPS have taken over administering Live Scan and rolled finger prints. Appointments or walk-ups are available Monday-Thursday afternoons.

The Town fee schedule for this service is \$21.28. Because of some in-house (PPD/PSD/FPD) prints for which we do not charge, it is estimated this service generated \$5302.50 for the Town.

## Pawn Ticket

VIPS are currently entering Pawn ticket information into RIMS. Information can then be accessed by officers during investigations

## Special Events

Special Event Requests are submitted to the Police Department. Signups are taken at monthly meeting for VIPS needed to cover requests. (Example: Gold Nugget Days parade and Park patrol, Johnny Appleseed, Toy Run, Chocolate Fest, assist Chico VIPS)

## **Finance**

Monthly reports are received from Town Hall and receipts and donations are verified. Currently the account includes records of loan payments owed the Town for the VIPS car.

## **Recruitment**

VIPS take advantage of recruitment opportunities at public events throughout the year. They contact local TV and radio stations, newspapers, the movie theater and local groups to recruit. Interviews and background checks are conducted for each applicant. Academy curriculum is coordinated with Administration for class dates, schedules, and officer involvement.

## **Neighborhood Watch**

VIPS are contacted by citizens interested in establishing a Neighborhood Watch Program for their area. Meetings are held to give information on home safety, burglary, vandalism, and scams. A Neighborhood Watch list is used by Patrol VIPS to routinely tour the areas.

## **459 Follow-up**

Recent residential burglary victims are visited and given packets including an informational CD and pamphlets. Information includes how to burglar proof a house, what to do as a victim, how to start a Neighborhood Watch program, where to obtain reflective signs and a brochure on Paradise evacuation routes.

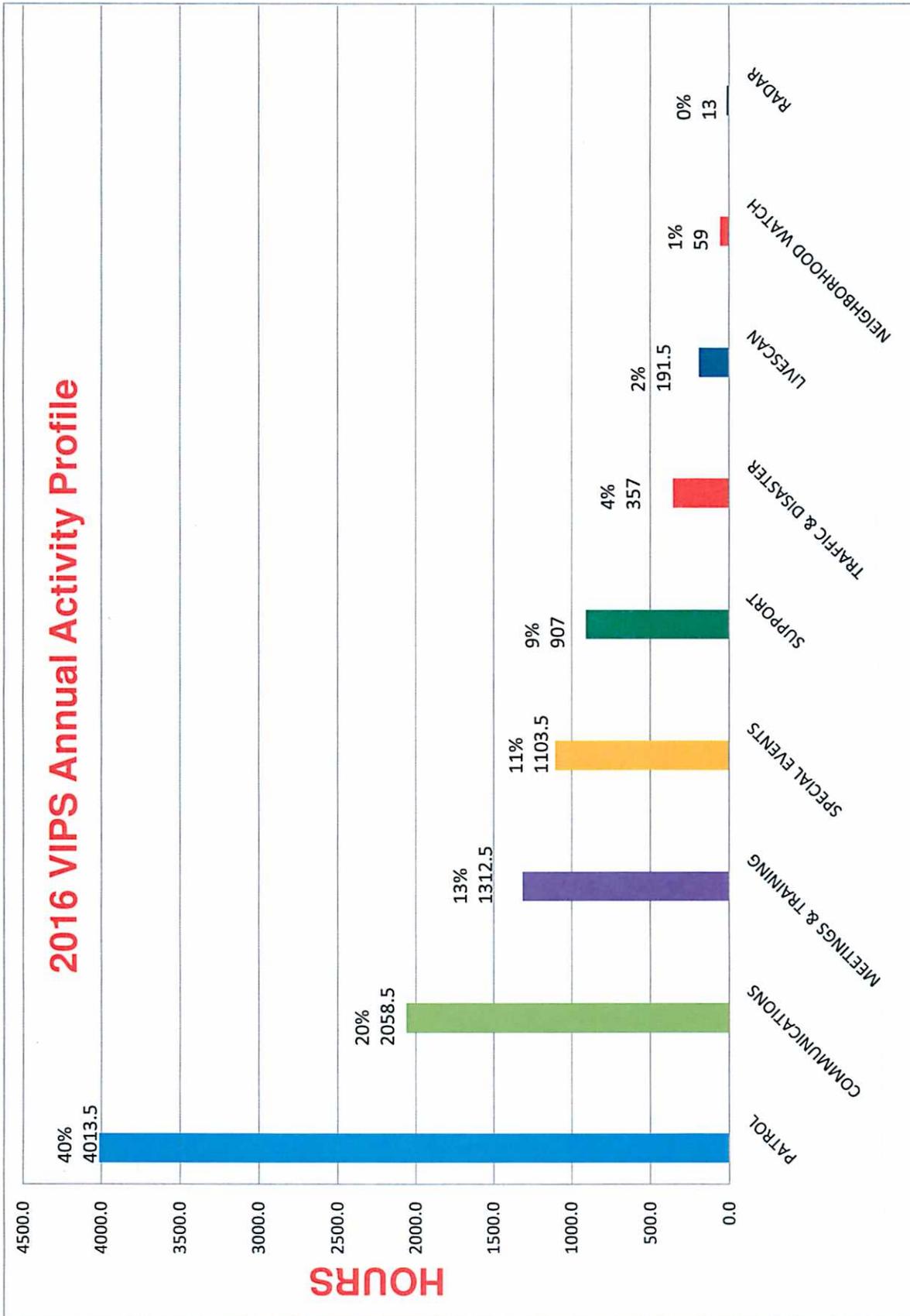
## **Reflective Signs**

VIPS have long offered the service of making low cost Reflective Signs for the community. Signs are encouraged because finding addresses in Paradise are difficult. Green or Blue signs are available in either one or two sided.

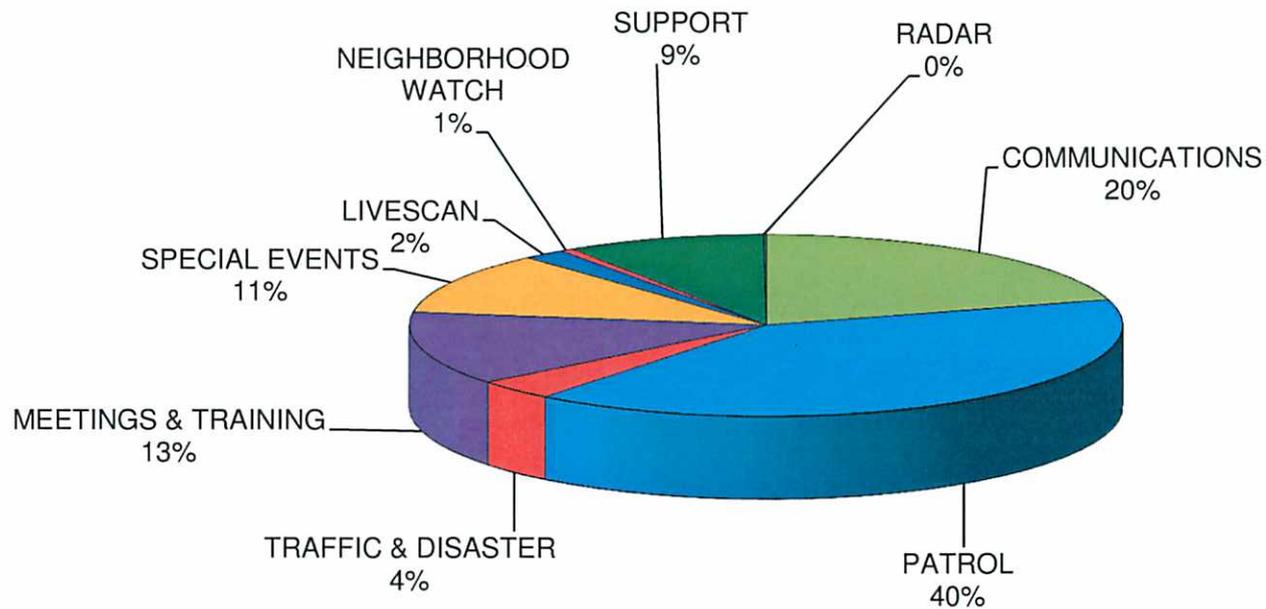
## **Cell Phones for Life**

Cell phones are available to citizens for 911 calls. Community members turn in phones which are refurbished and can connect to 911 without cell phone service as long as the phone is kept charged.

## 2016 VIPS Annual Activity Profile

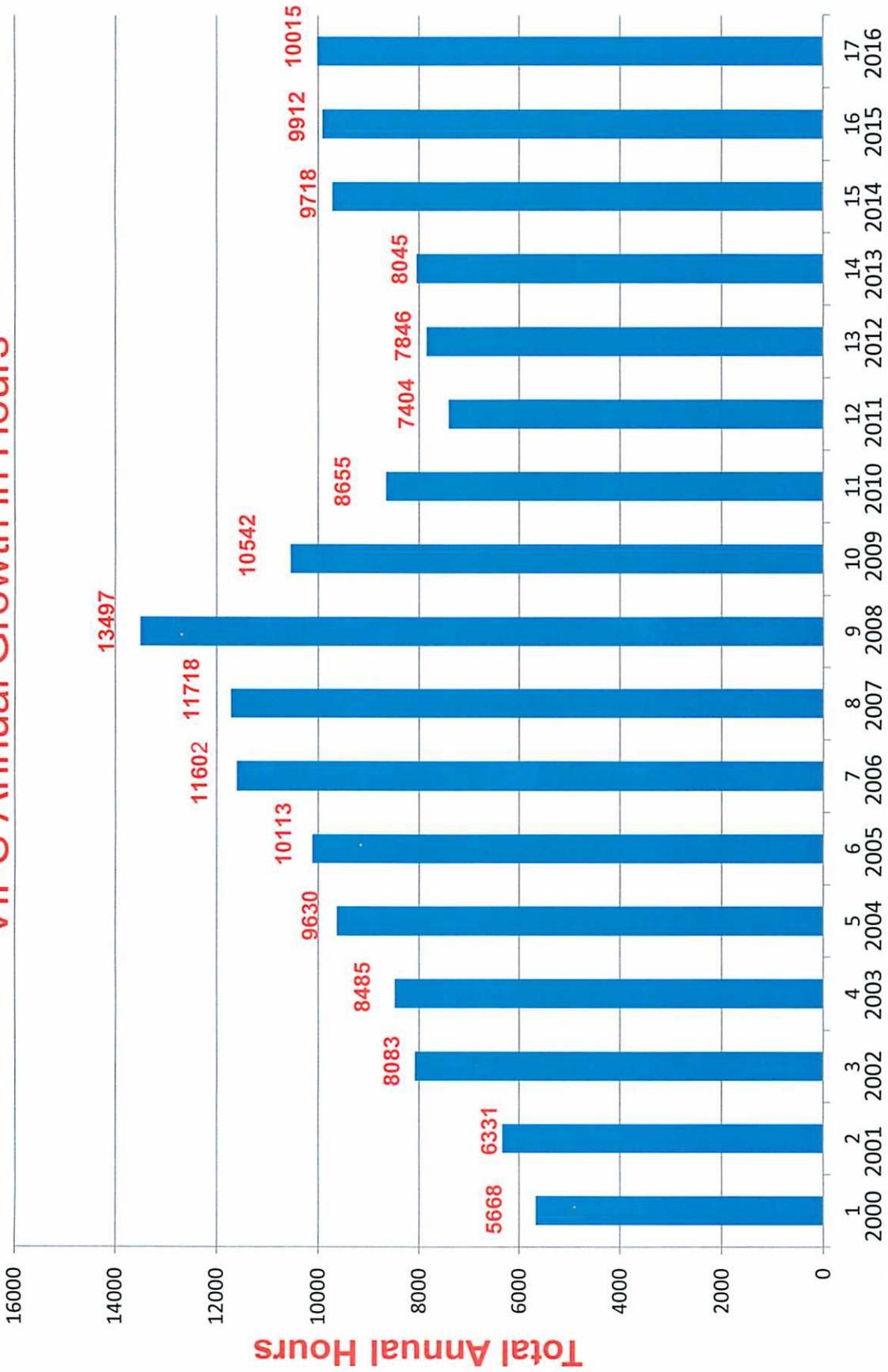


## VIPS Annual Activity Profile 2016



HOURS		
PATROL = 4013.5	COMMUNICATIONS = 2058.5	MEETINGS & TRAINING = 1312.5
SPECIAL EVENTS = 1103.5	SUPPORT = 907	TRAFFIC & DISASTER = 357
LIVESCAN = 191.5	NEIGHBORHOOD WATCH = 59	RADAR = 13
		<b>TOTAL = 10015.5</b>

# VIPS Annual Growth in Hours



## 2016 VIPS FINANCIAL REPORT

	Income	Expenses	Beginning Balance
			<b>\$9,186.95</b>
January	\$455.00	\$840.08	
February	\$233.75	\$277.85	
March	\$109.35	\$2,297.25	
April	\$313.75	\$465.84	
May	\$585.00	\$555.00	
June	\$192.50	\$96.75	
July	\$925.00	\$465.84	
August	\$95.00	\$0.00	
September	\$558.75	\$660.00	
October	\$325.00	\$465.84	
November	\$569.60	\$2,104.43	
December	\$3,477.75	\$264.00	
	<b>\$7,840.45</b>	<b>\$8,492.88</b>	<b>\$8,534.52</b>

**Net** **-\$652.43**

**Total amount raised for current patrol vehicle:**  
**\$12,788.10**

### Car Expenses

#### 2015

October	\$2,196.77	Equipment
	\$12,500.00	Downpayment
	\$465.84	Payment

**\$15,162.61** Total for 2015

#### 2016

January	\$465.84	Payment
February	\$277.85	floor mats
March	\$2,297.25	Upgrades
April	\$465.84	Payment
July	\$465.84	Payment
Oct	\$465.84	Payment

**\$4,438.46** Total for 2016

# Loan Amortization Schedule

VIPS Car Loan

Enter values	
Loan amount	\$ 8,877.00
Annual interest rate	2.06 %
Loan period in years	5
Number of payments per year	4
Start date of loan	10/15/2015
Optional extra payments	

Loan summary	
Scheduled payment	\$ 465.84
Scheduled number of payments	20
Actual number of payments	20
Total early payments	\$ -
Total interest	\$ 439.85

Lender name: Town of Paradise - Asset Replacement Fund (7615)

Lendee name: VIPS (Volunteers in Police Service) Fund 7805

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	✓ 10/15/2015	\$ 8,877.00	\$ 465.84	\$ -	\$ 465.84	\$ 465.84	\$ -	\$ 8,411.16	\$ -
2	✓ 1/15/2016	\$ 8,411.16	\$ 465.84	\$ -	\$ 465.84	\$ 422.52	\$ 43.32	\$ 7,988.64	\$ 43.32
3	✓ 4/15/2016	\$ 7,988.64	\$ 465.84	\$ -	\$ 465.84	\$ 424.70	\$ 41.14	\$ 7,563.94	\$ 84.46
4	✓ 7/15/2016	\$ 7,563.94	\$ 465.84	\$ -	\$ 465.84	\$ 426.89	\$ 38.95	\$ 7,137.05	\$ 123.41
5	✓ 10/15/2016	\$ 7,137.05	\$ 465.84	\$ -	\$ 465.84	\$ 429.08	\$ 36.76	\$ 6,707.97	\$ 160.17
6	1/15/2017	\$ 6,707.97	\$ 465.84	\$ -	\$ 465.84	\$ 431.29	\$ 34.55	\$ 6,276.68	\$ 194.72
7	4/15/2017	\$ 6,276.68	\$ 465.84	\$ -	\$ 465.84	\$ 433.52	\$ 32.32	\$ 5,843.16	\$ 227.04
8	7/15/2017	\$ 5,843.16	\$ 465.84	\$ -	\$ 465.84	\$ 435.75	\$ 30.09	\$ 5,407.41	\$ 257.13
9	10/15/2017	\$ 5,407.41	\$ 465.84	\$ -	\$ 465.84	\$ 437.99	\$ 27.85	\$ 4,969.42	\$ 284.98
10	1/15/2018	\$ 4,969.42	\$ 465.84	\$ -	\$ 465.84	\$ 440.25	\$ 25.59	\$ 4,529.17	\$ 310.57
11	4/15/2018	\$ 4,529.17	\$ 465.84	\$ -	\$ 465.84	\$ 442.51	\$ 23.33	\$ 4,086.66	\$ 333.90
12	7/15/2018	\$ 4,086.66	\$ 465.84	\$ -	\$ 465.84	\$ 444.79	\$ 21.05	\$ 3,641.86	\$ 354.94
13	10/15/2018	\$ 3,641.86	\$ 465.84	\$ -	\$ 465.84	\$ 447.08	\$ 18.76	\$ 3,194.78	\$ 373.70
14	1/15/2019	\$ 3,194.78	\$ 465.84	\$ -	\$ 465.84	\$ 449.39	\$ 16.45	\$ 2,745.39	\$ 390.15
15	4/15/2019	\$ 2,745.39	\$ 465.84	\$ -	\$ 465.84	\$ 451.70	\$ 14.14	\$ 2,293.69	\$ 404.29
16	7/15/2019	\$ 2,293.69	\$ 465.84	\$ -	\$ 465.84	\$ 454.03	\$ 11.81	\$ 1,839.66	\$ 416.10
17	10/15/2019	\$ 1,839.66	\$ 465.84	\$ -	\$ 465.84	\$ 456.37	\$ 9.47	\$ 1,383.30	\$ 425.58
18	1/15/2020	\$ 1,383.30	\$ 465.84	\$ -	\$ 465.84	\$ 458.72	\$ 7.12	\$ 924.58	\$ 432.70
19	4/15/2020	\$ 924.58	\$ 465.84	\$ -	\$ 465.84	\$ 461.08	\$ 4.76	\$ 463.50	\$ 437.46
20	7/15/2020	\$ 463.50	\$ 465.84	\$ -	\$ 465.89	\$ 463.50	\$ 2.39	\$ 0.00	\$ 439.85

Total of 6 payments made total of \$2795.04

**MINUTES  
PARADISE TOWN COUNCIL  
SPECIAL MEETING – 5:55 PM – February 14, 2017**

**1. OPENING**

The Special meeting of the Town Council was called to order by Mayor Scott Lotter at 5:55 p.m. in the Town Council Chamber located at 5555 Skyway, Paradise, California, who led the Pledge of Allegiance to the Flag of the United States of America.

**COUNCIL MEMBERS PRESENT:** Greg Bolin, Jody Jones, Melissa Schuster, Mike Zuccolillo and Scott Lotter, Mayor.

**COUNCIL MEMBERS ABSENT:** None.

**STAFF PRESENT:** Town Manager Lauren Gill, Town Attorney Dwight Moore, Town Clerk Dina Volenski, Finance Director/Town Treasurer Gina Will, Administrative Analyst Colette Curtis, Public Works Director/Town Engineer Marc Mattox, Community Development Services/Planning Director Craig Baker, Police Chief Gabriela Tazzari-Dineen.

**2. COUNCIL CONSIDERATION - ACTION CALENDAR**

1. Ward Habriel stated that this is a serious thing, questioned if there was a plan in place for the potential flooding of Paradise Lake/Magalia Dam and suggested an independent analysis from the State/Federal Government into the dams and requested that Council respond to the State/Federal Government.
  - a. **MOTION by Jones, seconded by Zuccolillo** approved the following:
    - a. Declared the existence of a State of Local Emergency within the Town of Paradise as a result of the evacuation of tens of thousands of residents from Oroville and other nearby communities based on an imminent threat of flooding; and,
    - b. Adopted Resolution No. 17-03, A Resolution of the Town Council of the Town of Paradise Relating to the Declaration of a State of Local Emergency Due to Natural Disaster (Oroville Dam Spillway Failure). (420-20-18)

**3. ADJOURNMENT**

Mayor Lotter adjourned the Council meeting at 6:04 p.m.

Date Approved:

By: \_\_\_\_\_  
Scott Lotter, Mayor

\_\_\_\_\_  
Dina Volenski, CMC, Town Clerk

**MINUTES  
PARADISE TOWN COUNCIL  
REGULAR MEETING – 6:00 PM – February 14, 2017**

**1. OPENING**

The Regular Meeting of the Paradise Town Council was called to order by Mayor Lotter at 6:04 p.m. in the Town Council Chamber at 5555 Skyway, Paradise, California. An invocation was offered by Council Member Bolin.

**COUNCIL MEMBERS PRESENT:** Greg Bolin, Jody Jones, Melissa Schuster, Michael Zuccolillo and Scott Lotter, Mayor.

**COUNCIL MEMBERS ABSENT:** None

**STAFF PRESENT:** Town Manager Lauren Gill, Town Attorney Dwight Moore, Town Clerk Dina Volenski, Administrative Services Director/Town Treasurer Gina Will, Public Works Director/Town Engineer Marc Mattox, Administrative Analyst Colette Curtis, Community Development Services/Planning Director Craig Baker, Police Chief Gabriela Tazzari-Dineen, Division Chief, CAL FIRE/Paradise, David Hawks, Battalion Chief Curtis Lawrie, IT Manager Josh Marquis, Building-Onsite Official/Fire Marshall Tony Lindsey, Senior Accountant Sandi Miller and Business and Housing Coordinator, Kate Anderson.

- 1a. The Proclamation to Catalyst Domestic Violence recognizing Teen Dating Violence Awareness Month was accepted by Sara Whitchurch, Catalyst Advocate. (180-40-26)
- 1b. The Recognition of Quinn Ballou for his Senior Project, IT Internship was presented by Mayor Lotter. (180-40-26)
- 1c. The presentation regarding the Update on Paradise Sewer Project was presented by Town Engineer, Marc Mattox.
- 1d. The Downtown Paradise Safety Project Final Report was presented by Town Engineer, Marc Mattox.

**2. CONSENT CALENDAR**

**MOTION by Bolin, seconded by Schuster,** approved all consent calendar items 2a-2d as presented. Roll call vote was unanimous.

- 2a. Approved Minutes of the January 10, 2017 Regular Town Council Meeting.
- 2b. Approved January 2017 cash disbursements in the amount of \$1,175,039.82. (310-10-32)

- 2c. Adopted Resolution No. 17-04, A Resolution accepting Contract No. 16-11, PD Electrical Emergency Repairs, performed by Chico Electric of Chico, CA. (510-20-136)
- 2d. Adopted Resolution No. 17-05, A Resolution of the Town Council of the Town of Paradise Authorizing Destruction of Certain Town Records Maintained in the Business and Housing and Clerk Departments Pursuant to Government Code Section 34090. The records listed in Exhibit B and C have been retained for the required number of years and are eligible for destruction. (160-20-17)

**3. ITEMS REMOVED FROM CONSENT CALENDAR – NONE.**

**4. PUBLIC COMMUNICATION**

- 1. Claudia Benike - invited Council to attend a fundraiser for the Paradise Symphony on February 19, 2017.
- 2. Helena Stevens – informed Council about the flooding of property off of Dean Road and requested that Council do something about the drainage.
- 3. Dan Wentland – informed Council about the poor conditions of Dean Road, stated that PG&E uses the road heavily and there are a lot kids drinking down at the river.
- 4. Pat Zinn – informed Council about the water flooding the roadway on Dean Road that is causing it to disintegrate and that there is a lot of traffic on the road due to a care home and the flume at the end of the road.
- 5. Keith Holden – commented on the number of stores closing in Paradise and suggested starting an economic development committee to bring in new manufacturing and/or distributors into town.
- 6. Ronald Stanley – commented on the Oroville Dam failure and how he is concerned with erosion and how the incident was handled.

**5. PUBLIC HEARINGS**

For items that require a published legal notice and/or a mailed notice.

**Public Hearing Procedure:**

- A. Staff Report
- B. Mayor opens the hearing for public comment in the following order:
  - i. Project proponents (in favor of proposal)
  - ii. Project opponents (against proposal)
  - iii. Rebuttals – if requested
- C. Mayor closes the hearing
- D. Council discussion and vote

- 5a. Mayor Lotter announced that the Town would conduct the 2nd public hearing to solicit comments and/or suggestions regarding the 2017-2018 Annual Plan funding priorities. Community Development Block Grant (CDBG) funds are awarded for the purpose of community development activities that are directed toward revitalizing neighborhoods, for economic development and providing improved community facilities and services. Final action is scheduled for approval at the April 11, 2017 Council Meeting.

Administrative Analyst Colette Curtis informed Council that seven qualified applications were received for subrecipient funding and that the selection of the recipients will be in March.

The public hearing was opened at 7:03 p.m.

There was no public comment.

The public hearing was closed at 7:04 p.m.

## 6. COUNCIL CONSIDERATION

- 6a. **MOTION by Bolin, seconded by Jones**, reviewed the 2016/17 Operating and Capital Budget Status update and approved the recommended mid-year budget adjustments including the Fire Prevention Inspector position; and, provided direction to staff for scheduling a Town Council goal setting workshop to discuss 2017/18 budget priorities. Roll call vote was unanimous. (340-40-14; 610-10-17; 610-10-18)
- 6b. Marc Mattox, Town Engineer provided a report to Council regarding the request from Northern Recycling and Waste Services to extend their contract for ten years, through 2027, and to include a small amount for street sweeping services. The current Franchise Agreement has a three-year extension beyond April 2017 if certain conditions of operation are met. There is currently no street sweeping program in Paradise and this would provide street sweeping for 1,300 miles of public roads annually, remove litter and debris from roads, reduce storm hazards and flooding and keep the road reflective markers and lines visible.
1. Ward Habriel – stated that it was a wise decision ten years ago to contract with NRWS, that they have provided extra services, are a leader in the North State and that we should extend their contract.
  2. Claudia Beneke - asked how long the program will last.
    - A schedule is included in the agenda packet indicating the eight months of the year that the streets will be swept, October through April and once in July.

3. Doug Speicher – thanked the Town Council for the opportunity to work with the community the last 10 years and would like the opportunity to continue to serve the community.

**MOTION by Jones, seconded by Schuster,** Authorized Northern Recycling and Waste Services (NRWS) to mail a Proposition 218 Notice to all property owners and ratepayers relating to the following:

- a. Extend the existing Franchise Agreement between the Town of Paradise and NRWS for ten years effective May 1, 2017 through April 30, 2027, adding a small charge for street sweeping services

Ayes of Bolin, Jones, Schuster and Mayor Lotter; Noes of Zuccolillo.  
Motion passed by a vote of four to one.

Mayor Lotter took a recess at 8:08 p.m. and the meeting was resumed at 8:19 p.m.

- 6c. Colette Curtis reported to Council regarding the business registration ordinance proposed for inclusion in the Paradise Municipal Code. Implementing a business registration program could establish a public safety link as well as a business data base that would provide information on business activity being conducted in the Town of Paradise.

Police Chief Gabriella Tazzarri-Dineen and CAL FIRE Division Chief David Hawks were both in support of the registration program.

Mayor Lotter opened the matter for public comment:

1. Cliff Jacobson – Stated that it was about time for a business license program, wondered why there was not one in town; thinks that from a safety standpoint it seems imperative; thinks that businesses don't even know they are in violation by not listing dangerous chemicals and suggested changing the fee structure.
2. Dan Wentland – Disagrees with the program, has lived in Paradise over 44 years and has never changed anything, doesn't need Fire Department to check on him and thinks it is a tax. Suggested breaking the charge down to something smaller, questioned why the registration needed to be paid every year, if nothing changed. Thinks that it has never been a problem to not have a business license program, why should there be one now.
3. Steve Crowder – Stated that Paradise is the first town that did not require a business license, thinks it is important for public safety and that it is important to know who your neighbor is or is going to be.

Council Members brought up several questions regarding the business registration:

- What is the definition of a business?

- Should the fee structure be based on the size of the business or be a sliding scale?
  - If there are several locations for one business does each location need to be registered?
  - Do churches/non profits need a registration?
  - If someone lives in Paradise and the business is located outside of Paradise, do they need a business registration?
  - The fee should be as low as possible.
  - How will registration be used, before or after business is established?
  - What is the difference between a fee and a tax?
  - There is a benefit to knowing who is in business and what businesses have closed.
4. Ward Habriel – Stated that 501(c)3’s should not have to pay since they are nonprofits and most don’t own property.
  5. Dan Wentland – suggested that instead of \$40 each time, he would be willing to pay \$75 one-time fee and notify the Town if there are any changes in the business.
  6. Cliff Jacobson – stated that there are probably a lot of people who don’t know that they are not in compliance until there’s a problem; thinks fees should vary depending on what is required to be done and non profits should be exempt.

After discussion the Council referred the matter back to staff to create an ad hoc committee to clarify and bring the item back to Council for discussion at the March or April meeting.

- 6d. **MOTION by Zuccolillo, seconded by Bolin.** adopted Resolution No. 17-06, A Resolution of the Town Council of the Town of Paradise, California, Reporting Unexpended Development Impact Fees in Accordance with Government Code Section 66006. Roll call vote was unanimous. (740-10-15)
- 6e. Marc Mattox, Town Engineer, reported on the recommendation to modify the Ponderosa Elementary SR2S Project scope to include a Class I Mixed-Use Pathway on the west side of Pentz Road between Bille Road and Wagstaff Road. (950-40-032, 510-20-131)

1. Keith Holden – asked what the purpose of a bike lane on Pentz Road was if the children weren’t able to walk on Bille or Wagstaff to access the bike path.

Town Council unanimously concurred with the staff recommendation to modify the Ponderosa Elementary SR2S Project scope to include a Class I Mixed-Use Pathway on the west side of Pentz Road between Bille Road and Wagstaff Road.

## **7. COUNCIL INITIATED ITEMS AND REPORTS**

7a. Council initiated agenda items - None

7b. Council reports on committee representation

Council Member Zuccolillo attended a groundwater meeting.

Council Member Bolin attended the NRWS meeting regarding extending the franchise agreement and thanked all Council members for assistance during the Oroville Dam Evacuation incident.

Council Member Schuster attended the TBID meeting and presented the Alice Smith Award to Bill Hartley.

Mayor Lotter stated that Buddy Nottingham passed away on February 8<sup>th</sup> 2017, he was an asset to the community and mentored many onsite vendors; attended a LAFCo meeting; stated that Dean Road has been on the repair list for some time and that since PG&E uses Dean Road to work on the flume it may be a good time to try to coordinate with them to fix the road and asked the Town Manager to set up a meeting to discuss Dean Road.

7c. Future Agenda Items

Council Member Schuster would like staff to look at when road work is being done, to require conduit be laid for future development, such as Broadband lines. After discussion, it was determined that this item will be included in the goal setting session.

Council Member Bolin would like to have staff review real estate that is purchased, septic clearance issues and how to determine if a structure is permitted and how the buyer would be notified of such an issue early in the purchasing process. Council determined that this issue could be addressed through the Onsite Committee.

## **8. STAFF COMMUNICATION**

8a. Town Manager Report – None

Community Development Director Baker reported on Safeway/Black Olive Center project, the finalization of the Eye Life Institute, new subdivision map for six lots on Indian Springs Lane and 2 map extensions that will be heard by the Planning Commission.

**9. CLOSED SESSION - None.**

**10. ADJOURNMENT**

At 9:39 p.m. Mayor Lotter adjourned the February 14, 2017 to February 28, 2017 at 6:30, Paradise Performing Arts Center, 777 Nunneley Road, Paradise, California 95969 for the purpose of holding a Regular Adjourned meeting pursuant to Government Code Section 54955.

Date Approved:

By: \_\_\_\_\_  
Scott Lotter, Mayor

Attest:  
\_\_\_\_\_  
Dina Volenski, CMC, Town Clerk

**MINUTES**  
**PARADISE TOWN COUNCIL**  
**ADJOURNED REGULAR MEETING – 6:30 PM – February 28, 2017**

**1. OPENING**

The Regular Adjourned meeting of the Paradise Town Council was called to order by Mayor Lotter at 6:30 p.m. in the Paradise Performing Arts Center located at 777 Nunneley Road, Paradise California who led the Pledge of Allegiance to the Flag of the United States of America.

**COUNCIL MEMBERS PRESENT:** Greg Bolin, Jody Jones, Melissa Schuster, Michael Zuccolillo and Scott Lotter, Mayor.

**COUNCIL MEMBERS ABSENT:** None.

**STAFF PRESENT:** Town Manager Lauren Gill, Town Attorney Dwight Moore, Town Clerk Dina Volenski, Public Works Director/Town Engineer Marc Mattox, Administrative Analyst Colette Curtis and Community Development Director Craig Baker.

- d. Mayor Lotter announced that the Draft Sewer Report would be presented by Bennett Engineering. There will be no decisions made tonight by the Town Council. There will be a 30-day review and comment period with several opportunities for the public to address the Town Council about the project.

The Draft Sewer report may be viewed at Town Hall in the Clerk's Department, the Butte County Public Library- Paradise Branch and online at the Town's Website, [www.townofparadise.com](http://www.townofparadise.com).

Comments or questions must be submitted by March 31, 2017 and must be in writing. Comments or questions can be dropped off in person or submitted via USPS mail to Town of Paradise, 5555 Skyway, Paradise, CA 95969

You may also submit comments through email at [info@paradisesewer.com](mailto:info@paradisesewer.com)

At 6:33 p.m. Council Member Bolin and Council Member Zuccolillo recused themselves from discussion and voting on the Sewer Report due to a ruling by the Fair Political Practices Commission (FPPC) that there was a conflict of interest because of the amount of property owned by the two Council Members in the proposed sewer district.

Town of Paradise Attorney Dwight Moore provided a brief explanation of the information received from the FPPC stating that the two Council Members owned an amount of property in the proposed sewer district that created a potential conflict of interest, therefore excluding them from voting on the item.

At 6:36 Town Manager Gill introduced Bennett Engineering who came onto the stage and the remaining Town Council and staff left the stage to sit in the audience.

Bennett Engineer staff introduced themselves, Orin Bennett, Trin Campos, Stacey Bennett-Lynch and Dave Harden.

Trin Campos from Bennett Engineering presented an overview of the Draft Sewer Report that was released to the public on February 23, 2017.

The Town of Paradise has sought a formal wastewater treatment solution since its incorporation in 1979. This feasibility study is the 7<sup>th</sup> in the Town's history to assess the problem, review prior work and develop alternative options for the Town of Paradise. The conclusion is that the Town of Paradise is running out of time to address the problem and that something must be done or businesses and residential septic systems will continue to fail decreasing property values.

The consultants provided five options for consideration:

- a. Localized Wastewater Treatment Plant with Effluent Land Application
- b. Localized Wastewater Treatment Plant with Surface Water Discharge Location
- c. Regional Connection to the City of Chico Water Pollution Control Plant
- d. Wastewater Treatment with Beneficial Reuse.
- e. No Project.

The feasibility study identified the best long term solution for the Town as Option C due to life cycle cost, environmental impacts, public impacts and long term operational burden. This option requires negotiations with the City of Chico to attain a memorandum of understanding before moving forward. This was only the recommendation by the consultants, nothing has been approved at this time.

There was a question and answer session after the presentation which will be included in the Final Sewer Report.

The public comment period will be open to the public until March 31, 2017 at which time all comments and suggestions will be incorporated into the final report.

At 7:57 p.m. the three voting Council Members returned to the stage.

## **2. PUBLIC COMMUNICATION**

1. Dean Fender stated that he does not like Franchise Agreements, thinks it eliminates competition, raises cost and does not support the proposed Franchise agreement extension with Northern Recycling and Waste Services.

## **3. ADJOURNMENT**

Mayor Lotter adjourned the Council meeting at 8:00 p.m.

Date Approved:

By:

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Scott Lotter, Mayor

Attest:

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Dina Volenski, CMC, Town Clerk

# **TOWN OF PARADISE**

## **CASH DISBURSEMENTS REPORT**

FOR THE PERIOD OF  
FEBRUARY 1, 2017 - FEBRUARY 28, 2017

February 1, 2017 - February 28, 2017

<b>Check Date</b>	<b>Pay Period End</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
02/10/17	02/05/17	Net Payroll - Direct Deposits & Checks	\$ 111,494.72
02/24/17	02/19/17	Net Payroll - Direct Deposits & Checks	\$ 112,593.01
<b>TOTAL NET WAGES PAYROLL</b>			<b>\$224,087.73</b>

**Accounts Payable**

PAYROLL VENDORS: TAXES, PERS, DUES, INSURANCE, ETC.	\$258,595.67
OPERATIONS VENDORS: SUPPLIES, CONTRACTS, UTILITIES, ETC.	\$1,124,297.84
<b>TOTAL CASH DISBURSEMENTS - ACCOUNTS PAYABLE</b> (Detail attached)	<b><u>\$1,382,893.51</u></b>
<b>GRAND TOTAL CASH DISBURSEMENTS</b>	<b><u><u>\$1,606,981.24</u></u></b>

APPROVED BY: \_\_\_\_\_  
LAUREN GILL, TOWN MANAGER

APPROVED BY: \_\_\_\_\_  
GINA S. WILL, FINANCE DIRECTOR/TOWN TREASURER

TOWN OF PARADISE

# CASH DISBURSEMENTS REPORT

From Payment Date: 2/1/2017 - To Payment Date: 2/28/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - US Bank TOP AP Checking									
<u>Check</u>									
66335	02/01/2017	Open			Accounts Payable	BRUNO, SHERRY	\$213.63		
66336	02/01/2017	Open			Accounts Payable	BUZZARD , CHRIS	\$520.78		
66337	02/01/2017	Open			Accounts Payable	DELONG, SHELLEY	\$213.63		
66338	02/01/2017	Open			Accounts Payable	EVERBANK COMMERCIAL FINANCE, INC	\$845.93		
66339	02/01/2017	Open			Accounts Payable	GALLAGHER, CRAIG	\$458.71		
66340	02/01/2017	Open			Accounts Payable	HAUNSCHILD, MARK	\$291.55		
66341	02/01/2017	Open			Accounts Payable	HONEYWELL, JANICE, J.	\$955.41		
66342	02/01/2017	Open			Accounts Payable	JEFFORDS, ROBERT, D.	\$478.07		
66343	02/01/2017	Open			Accounts Payable	MOORE, DWIGHT, L.	\$14,076.00		
66344	02/01/2017	Open			Accounts Payable	SBA Monarch Towers III LLC	\$131.59		
66345	02/01/2017	Open			Accounts Payable	WESTAMERICA BANK	\$30,354.00		
66346	02/01/2017	Open			Accounts Payable	WESTAMERICA BANK	\$195.03		
66347	02/01/2017	Open			Accounts Payable	Aflac	\$189.92		
66348	02/01/2017	Open			Accounts Payable	BLOOD SOURCE	\$57.00		
66349	02/01/2017	Open			Accounts Payable	Met Life	\$8,625.17		
66350	02/01/2017	Open			Accounts Payable	OPERATING ENGINEERS	\$893.00		
66351	02/01/2017	Open			Accounts Payable	PARADISE POLICE OFFICERS ASSOCIATION	\$2,192.74		
66352	02/01/2017	Open			Accounts Payable	SUN LIFE INSURANCE	\$4,339.40		
66353	02/01/2017	Open			Accounts Payable	SUPERIOR VISION SVC NGLIC	\$675.14		
66354	02/01/2017	Open			Accounts Payable	TOP CONFIDENTIAL MID MGMT ASSOCIATION	\$100.00		
66355	02/02/2017	Open			Accounts Payable	A Stitch Above Embroidery & Shirt Printing	\$19.37		
66356	02/02/2017	Open			Accounts Payable	AgendaPal Corporation	\$399.00		
66357	02/02/2017	Open			Accounts Payable	Akin, David	\$792.00		
66358	02/02/2017	Open			Accounts Payable	ANDERSON, KATE	\$21.28		
66359	02/02/2017	Open			Accounts Payable	ARAMARK UNIFORM SERV. INC.	\$61.99		
66360	02/02/2017	Open			Accounts Payable	AT&T MOBILITY	\$83.70		
66361	02/02/2017	Open			Accounts Payable	BATTERIES PLUS	\$1,094.98		
66362	02/02/2017	Open			Accounts Payable	Bauer Compressors	\$1,239.30		
66363	02/02/2017	Open			Accounts Payable	Bear Electric Solutions	\$1,425.00		
66364	02/02/2017	Open			Accounts Payable	Bennett Engineering Services Inc	\$34,760.93		
66365	02/02/2017	Open			Accounts Payable	Big O Tires	\$622.89		
66366	02/02/2017	Open			Accounts Payable	BOYS AND GIRLS CLUB	\$46.41		
66367	02/02/2017	Open			Accounts Payable	BUTTE REGIONAL TRANSIT	\$4,223.00		
66368	02/02/2017	Open			Accounts Payable	C E Builders	\$8,325.00		
66369	02/02/2017	Open			Accounts Payable	C E Builders	\$1,363.50		
66370	02/02/2017	Open			Accounts Payable	C E Builders	\$5,868.00		
66371	02/02/2017	Open			Accounts Payable	C E Builders	\$1,665.00		
66372	02/02/2017	Open			Accounts Payable	C E Builders	\$2,655.00		
66373	02/02/2017	Open			Accounts Payable	C E Builders	\$675.00		
66374	02/02/2017	Open			Accounts Payable	C E Builders	\$2,205.00		
66375	02/02/2017	Open			Accounts Payable	C E Builders	\$3,285.00		
66376	02/02/2017	Open			Accounts Payable	C E Builders	\$2,205.00		
66377	02/02/2017	Open			Accounts Payable	Cain, Sara	\$1,020.87		

TOWN OF PARADISE  
**CASH DISBURSEMENTS REPORT**

From Payment Date: 2/1/2017 - To Payment Date: 2/28/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
66378	02/02/2017	Open			Accounts Payable	CALIFORNIA CHAMBER OF COMMERCE	\$129.56		
66379	02/02/2017	Open			Accounts Payable	California State Firefighters' Association	\$631.25		
66380	02/02/2017	Open			Accounts Payable	CATALYST WOMEN'S ADV. INC.	\$1,926.00		
66381	02/02/2017	Open			Accounts Payable	CHICO ELECTRIC	\$50,690.00		
66382	02/02/2017	Open			Accounts Payable	CHICO IMMEDIATE CARE	\$165.00		
66383	02/02/2017	Open			Accounts Payable	COMPANIONS ANIMAL HOSPITAL	\$111.39		
66384	02/02/2017	Open			Accounts Payable	DATCO SERVICES CORPORATION	\$189.00		
66385	02/02/2017	Open			Accounts Payable	DEPARTMENT OF FORESTRY & FIRE PROTECTION	\$748,629.46		
66386	02/02/2017	Open			Accounts Payable	DICK'S FLOOR COVERING	\$4,101.84		
66387	02/02/2017	Open			Accounts Payable	DIVISION OF THE STATE ARCHITECT	\$3.00		
66388	02/02/2017	Open			Accounts Payable	DON'S SAW & MOWER	\$40.00		
66389	02/02/2017	Open			Accounts Payable	ENLOE MEDICAL CENTER, INC.	\$2,417.00		
66390	02/02/2017	Open			Accounts Payable	ENTENMANN-ROVIN COMPANY	\$223.79		
66391	02/02/2017	Open			Accounts Payable	FEATHER RIVER CONSTRUCTION	\$10,891.00		
66392	02/02/2017	Open			Accounts Payable	FEATHER RIVER HOSPITAL	\$264.00		
66393	02/02/2017	Open			Accounts Payable	Gates, Matthew	\$792.00		
66394	02/02/2017	Open			Accounts Payable	GEMINI INC	\$473.74		
66395	02/02/2017	Open			Accounts Payable	GENE'S A-1 GLASS	\$654.18		
66396	02/02/2017	Open			Accounts Payable	GREAT AMERICA LEASING CORP.	\$129.31		
66397	02/02/2017	Open			Accounts Payable	HUNTERS PEST CONTROL	\$55.00		
66398	02/02/2017	Open			Accounts Payable	I.M.P.A.C. PAYMENTS IMPAC GOV SVCS/US BANCORP	\$87.41		
66399	02/02/2017	Open			Accounts Payable	INLAND BUSINESS MACHINES	\$410.51		
66400	02/02/2017	Open			Accounts Payable	INTERSTATE OIL COMPANY	\$553.99		
66401	02/02/2017	Open			Accounts Payable	JAMES RIOTTO & ASSOCIATES	\$225.00		
66402	02/02/2017	Open			Accounts Payable	KEN'S HITCH & WELDING	\$79.99		
66403	02/02/2017	Open			Accounts Payable	LIFETOUCH NATIONAL SCHOOL STUDIOS INC.	\$270.00		
66404	02/02/2017	Open			Accounts Payable	MAGOON SIGNS	\$274.56		
66405	02/02/2017	Open			Accounts Payable	MARIN CONSULTING ASSOCIATES	\$600.00		
66406	02/02/2017	Open			Accounts Payable	NATIONAL BAND & TAG COMPANY	\$256.69		
66407	02/02/2017	Open			Accounts Payable	NORTHGATE PETROLEUM CO	\$182.06		
66408	02/02/2017	Open			Accounts Payable	O'REILLY AUTO PARTS	\$315.96		
66409	02/02/2017	Open			Accounts Payable	OFFICE DEPOT ACCT#36233169	\$318.44		
66410	02/02/2017	Open			Accounts Payable	PACIFIC GAS & ELECTRIC	\$207.92		
66411	02/02/2017	Open			Accounts Payable	PARADISE IRRIGATION DIST	\$1,123.43		
66412	02/02/2017	Open			Accounts Payable	PARADISE POST/NORTH VALLEY COMMTY MEDIA	\$320.41		
66413	02/02/2017	Open			Accounts Payable	Paradise Printing	\$182.10		
66414	02/02/2017	Open			Accounts Payable	PARADISE RECREATION & PARK DISTRICT	\$1,226.00		
66415	02/02/2017	Open			Accounts Payable	PEERLESS BUILDING MAINT	\$880.00		
66416	02/02/2017	Open			Accounts Payable	R. Towne Backflow	\$1,000.00		
66417	02/02/2017	Open			Accounts Payable	Riebes Auto Parts	\$178.09		
66418	02/02/2017	Open			Accounts Payable	SALVATION ARMY	\$600.00		
66419	02/02/2017	Open			Accounts Payable	Shelby's Pest Control, Inc.	\$95.00		
66420	02/02/2017	Open			Accounts Payable	SNAP-ON TOOLS	\$45.22		

TOWN OF PARADISE

# CASH DISBURSEMENTS REPORT

From Payment Date: 2/1/2017 - To Payment Date: 2/28/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
66421	02/02/2017	Open			Accounts Payable	Snowman's Lock and Key	\$70.00		
66422	02/02/2017	Open			Accounts Payable	Sojourner's House on the Ridge	\$842.00		
66423	02/02/2017	Open			Accounts Payable	THOMAS ACE HARDWARE - ENG. DEPT.	\$381.31		
66424	02/02/2017	Open			Accounts Payable	THOMAS ACE HARDWARE - FIRE DEPT.	\$84.23		
66425	02/02/2017	Open			Accounts Payable	THOMAS ACE HARDWARE - MOTORPOOL	\$98.45		
66426	02/02/2017	Open			Accounts Payable	THOMSON-WEST/BARCLAYS	\$384.48		
66427	02/02/2017	Open			Accounts Payable	Tri Flame Propane	\$44.26		
66428	02/02/2017	Open			Accounts Payable	TUCKER PEST CONTROL INC	\$126.00		
66429	02/02/2017	Open			Accounts Payable	UNIFORMS TUXEDOS & MORE	\$1,211.20		
66430	02/02/2017	Open			Accounts Payable	Wells Fargo Bank	\$2,074.00		
66431	02/02/2017	Open			Accounts Payable	YOUTH FOR CHANGE	\$304.08		
66432	02/07/2017	Open			Accounts Payable	M. Roethler General Engineering	\$4,680.00		
66433	02/07/2017	Open			Accounts Payable	RE CONSTRUCTION	\$12,591.00		
66434	02/07/2017	Open			Accounts Payable	RE CONSTRUCTION	\$12,420.00		
66435	02/07/2017	Open			Accounts Payable	Ridge Construction Co	\$4,150.00		
66436	02/07/2017	Open			Accounts Payable	Ridge Construction Co	\$3,800.00		
66437	02/07/2017	Open			Accounts Payable	Ridge Construction Co	\$7,200.00		
66438	02/07/2017	Open			Accounts Payable	Ridge Construction Co	\$7,950.00		
66439	02/07/2017	Open			Accounts Payable	Ridge Construction Co	\$2,325.00		
66440	02/07/2017	Open			Accounts Payable	Ridge Roofing	\$8,379.00		
66441	02/10/2017	Open			Accounts Payable	ICMA 457 - VANTAGEPOINT	\$50.00		
66442	02/10/2017	Open			Accounts Payable	STATE DISBURSEMENT UNIT	\$194.76		
66443	02/10/2017	Open			Accounts Payable	STATE OF CALIFORNIA FRANCHISE TAX BOARD	\$355.90		
66444	02/16/2017	Open			Accounts Payable	49er Communications, Inc	\$2,824.13		
66445	02/16/2017	Open			Accounts Payable	A.C. America Environmental Inc.	\$500.00		
66446	02/16/2017	Open			Accounts Payable	ACCESS INFORMATION PROTECTED	\$50.49		
66447	02/16/2017	Open			Accounts Payable	ALHAMBRA	\$33.32		
66448	02/16/2017	Open			Accounts Payable	ARAMARK UNIFORM SERV. INC.	\$61.99		
66449	02/16/2017	Open			Accounts Payable	Asbury Environmental Services	\$134.69		
66450	02/16/2017	Open			Accounts Payable	AT&T & CALNET3 - CIRCUIT LINES	\$108.65		
66451	02/16/2017	Open			Accounts Payable	AT&T/CALNET3 - REPEATER LINES	\$295.64		
66452	02/16/2017	Open			Accounts Payable	AT&T/CALNET3 - COMMUNITY PARK	\$22.99		
66453	02/16/2017	Open			Accounts Payable	AT&T/CALNET3 - Summary	\$2,528.64		
66454	02/16/2017	Open			Accounts Payable	AT&T/CALNET3 - TH/FDPD FIBER LINES	\$1,109.86		
66455	02/16/2017	Open			Accounts Payable	Biometrics4ALL, Inc	\$19.50		
66456	02/16/2017	Open			Accounts Payable	Borgman, Anthony	\$23.00		
66457	02/16/2017	Open			Accounts Payable	BUTTE CO RECORDER	\$63.00		
66458	02/16/2017	Open			Accounts Payable	CALIFORNIA STATE DEPARTMENT OF JUSTICE	\$758.00		
66459	02/16/2017	Open			Accounts Payable	CHUCK PATERSON TOYOTA	\$433.55		
66460	02/16/2017	Open			Accounts Payable	CLARK ROAD ANIMAL HOSPITAL	\$6.00		
66461	02/16/2017	Open			Accounts Payable	COLYER VET SERVICE	\$21.00		
66462	02/16/2017	Open			Accounts Payable	COMPANIONS ANIMAL HOSPITAL	\$12.00		

## TOWN OF PARADISE

**CASH DISBURSEMENTS REPORT**

From Payment Date: 2/1/2017 - To Payment Date: 2/28/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
66463	02/16/2017	Open			Accounts Payable	CONTRA COSTA COUNTY SHERIFF'S OFFICE	\$648.00		
66464	02/16/2017	Open			Accounts Payable	CONTRA COSTA COUNTY SHERIFF'S OFFICE	\$744.00		
66465	02/16/2017	Open			Accounts Payable	DFM ASSOCIATES	\$53.63		
66466	02/16/2017	Open			Accounts Payable	DON'S SAW & MOWER	\$820.86		
66467	02/16/2017	Open			Accounts Payable	DURHAM PENTZ TRUCK CENTER	\$499.88		
66468	02/16/2017	Open			Accounts Payable	Eagle Security Systems	\$859.74		
66469	02/16/2017	Open			Accounts Payable	ELLIS ART & ENGINEERING	\$1,689.83		
66470	02/16/2017	Open			Accounts Payable	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$1,800.00		
66471	02/16/2017	Open			Accounts Payable	ENLOE MEDICAL CENTER, INC.	\$488.00		
66472	02/16/2017	Open			Accounts Payable	Entersect	\$84.95		
66473	02/16/2017	Open			Accounts Payable	EVERGREEN JANITORIAL SUPPLY, INC.	\$206.19		
66474	02/16/2017	Open			Accounts Payable	EXPERTS IN YOUR HOME	\$11,323.42		
66475	02/16/2017	Open			Accounts Payable	Explore Butte County	\$9,477.53		
66476	02/16/2017	Open			Accounts Payable	FEDERAL EXPRESS	\$43.33		
66477	02/16/2017	Open			Accounts Payable	FRANK'S REFRIGERATION & HEATING INC.	\$670.47		
66478	02/16/2017	Open			Accounts Payable	I.M.P.A.C. PAYMENTS IMPAC GOV SVCS/US BANCORP	\$10,273.02		
66479	02/16/2017	Open			Accounts Payable	INLAND BUSINESS MACHINES	\$280.32		
66480	02/16/2017	Open			Accounts Payable	KNIFE RIVER CONSTRUCTION	\$965.24		
66481	02/16/2017	Open			Accounts Payable	KOEFRAN INDUSTRIES	\$500.00		
66482	02/16/2017	Open			Accounts Payable	LAWRIE, CURTIS	\$68.00		
66483	02/16/2017	Open			Accounts Payable	LIFE ASSIST INC	\$799.66		
66484	02/16/2017	Open			Accounts Payable	LOCATE PLUS CORPORATION	\$25.00		
66485	02/16/2017	Open			Accounts Payable	MANN, URRUTIA, NELSON, CAS & ASSOC, LLP	\$5,000.00		
66486	02/16/2017	Open			Accounts Payable	Meyers Police Canine Training	\$600.00		
66487	02/16/2017	Open			Accounts Payable	MID VALLEY TITLE & ESCROW	\$185.00		
66488	02/16/2017	Open			Accounts Payable	MILLER GLASS INC	\$218.01		
66489	02/16/2017	Open			Accounts Payable	Moskowitz, Danielle	\$23.00		
66490	02/16/2017	Open			Accounts Payable	MUNICIPAL CODE CORP	\$1,926.28		
66491	02/16/2017	Open			Accounts Payable	NORTHSTAR ENGINEERING INC	\$5,428.68		
66492	02/16/2017	Open			Accounts Payable	NORTHSTATE AGGREGATE, INC.	\$479.49		
66493	02/16/2017	Open			Accounts Payable	O'REILLY AUTO PARTS	\$1,420.23		
66494	02/16/2017	Open			Accounts Payable	OFFICE DEPOT ACCT#36233169	\$510.16		
66495	02/16/2017	Open			Accounts Payable	PACIFIC GAS & ELECTRIC	\$10,685.43		
66496	02/16/2017	Open			Accounts Payable	PARADISE SURPLUS	\$36.59		
66497	02/16/2017	Open			Accounts Payable	PEARSON ROAD COLLISION REPAIR	\$3,248.40		
66498	02/16/2017	Open			Accounts Payable	PEERLESS BUILDING MAINT	\$560.00		
66499	02/16/2017	Open			Accounts Payable	QUILL CORPORATION	\$260.97		
66500	02/16/2017	Open			Accounts Payable	RITE AID	\$99.99		
66501	02/16/2017	Open			Accounts Payable	Sigtronics Corporation	\$2,275.44		
66502	02/16/2017	Open			Accounts Payable	SNAP-ON TOOLS	\$158.36		
66503	02/16/2017	Open			Accounts Payable	Storan , William	\$11.84		
66504	02/16/2017	Open			Accounts Payable	SUTPHEN CORPORATION	\$991.58		

TOWN OF PARADISE

# CASH DISBURSEMENTS REPORT

From Payment Date: 2/1/2017 - To Payment Date: 2/28/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
66505	02/16/2017	Open			Accounts Payable	TeleCheck Services, Inc.	\$35.00		
66506	02/16/2017	Open			Accounts Payable	THOMAS ACE HARDWARE - ENG. DEPT.	\$156.72		
66507	02/16/2017	Open			Accounts Payable	THOMAS ACE HARDWARE - FIRE DEPT.	\$70.54		
66508	02/16/2017	Open			Accounts Payable	THOMAS HYDRAULIC & HARDWARE SUPPLY, INC.	\$33.78		
66509	02/16/2017	Open			Accounts Payable	Tri Flame Propane	\$2.00		
66510	02/16/2017	Open			Accounts Payable	Turenne, Andrea	\$23.00		
66511	02/16/2017	Open			Accounts Payable	U.S. Bankcorp Government Leasing and Finance	\$10,992.77		
66512	02/16/2017	Open			Accounts Payable	UNIFORMS TUXEDOS & MORE	\$479.17		
66513	02/16/2017	Open			Accounts Payable	VERIZON WIRELESS	\$377.35		
66514	02/16/2017	Open			Accounts Payable	Wells Fargo Bank	\$2,000.00		
66515	02/16/2017	Open			Accounts Payable	WILGUS FIRE CONTROL INC	\$654.32		
66516	02/16/2017	Open			Accounts Payable	WITTMEIER AUTO CENTER	\$170.36		
66517	02/24/2017	Open			Accounts Payable	ICMA 457 - VANTAGEPOINT	\$50.00		
66518	02/24/2017	Open			Accounts Payable	STATE DISBURSEMENT UNIT	\$194.76		
66519	02/24/2017	Open			Accounts Payable	STATE OF CALIFORNIA FRANCHISE TAX BOARD	\$409.51		
Type Check Totals:					185 Transactions		\$1,142,625.14		
EFT									
545	02/01/2017	Open			Accounts Payable	CALPERS	\$126,908.08		
546	02/10/2017	Open			Accounts Payable	CALPERS - RETIREMENT	\$27,609.19		
547	02/10/2017	Open			Accounts Payable	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$3,903.90		
548	02/10/2017	Open			Accounts Payable	ING LIFE INS & ANNUITY COMPANY	\$6,312.00		
549	02/10/2017	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$18,493.10		
550	02/24/2017	Open			Accounts Payable	CALPERS - RETIREMENT	\$27,647.50		
551	02/24/2017	Open			Accounts Payable	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$4,102.62		
552	02/24/2017	Open			Accounts Payable	ING LIFE INS & ANNUITY COMPANY	\$6,247.41		
553	02/24/2017	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$19,044.57		
Type EFT Totals:					9 Transactions		\$240,268.37		

AP - US Bank TOP AP Checking Totals

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	185	\$1,142,625.14	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	185	\$1,142,625.14	\$0.00
EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	9	\$240,268.37	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Total	9	\$240,268.37	\$0.00
All	Status	Count	Transaction Amount	Reconciled Amount
	Open	194	\$1,382,893.51	\$0.00

# CASH DISBURSEMENTS REPORT

From Payment Date: 2/1/2017 - To Payment Date: 2/28/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
					Reconciled		\$0.00	\$0.00	
					Voided		\$0.00	\$0.00	
					Stopped		\$0.00	\$0.00	
					Total	194	\$1,382,893.51	\$0.00	

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	185	\$1,142,625.14	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	185	\$1,142,625.14	\$0.00
EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	9	\$240,268.37	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Total	9	\$240,268.37	\$0.00
All	Status	Count	Transaction Amount	Reconciled Amount
	Open	194	\$1,382,893.51	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	194	\$1,382,893.51	\$0.00



**Town of Paradise  
Council Agenda Summary  
Date: March 14, 2017**

**Agenda Item: 2(c)**

**Originated by:** Gina S. Will, Administrative Services Director/Town Treasurer  
**Reviewed by:** Lauren Gill, Town Manager  
**Subject:** Quarterly Investment Report

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**Council Action Requested:**

Review and file the 1st Quarter Investment Report for the Fiscal Year Ending June 30, 2017; or,

**Alternatives:**

Give alternative direction for investment or reporting.

**Background:**

Attached is a report on the Town's cash and investments for the quarter ended June 30, 2017.

A US Bank checking account is currently being used for payroll, accounts payable and other operating purposes. Most accounts payable disbursements are drawn through checks, and most payroll disbursements are processed through direct deposit. Deposits are fully collateralized and after reserve requirements, provide an earnings credit rate of 0.22% up to the amount of monthly fees.

The Town uses the State of California managed Local Agency Investment Fund (LAIF) for investment of cash in excess of immediately needed operating capital. With same day liquidity and comparable yields, LAIF is currently the best investment option for the Town. Funds are able to be transferred electronically through computer authorization between LAIF and the Town checking account. The Town will continue to research other investment options that match LAIF's liquidity and security in order to improve investment yield.

In June of 2011, the Town established an irrevocable trust to begin funding the future obligations associated with retiree health as required by GASB 45. The funds are being managed by Self-Insured Schools of California (SISC) and can only be used for the payment of retiree health benefits.

The Town establishes escrow funds at the start of each new lease. The escrow fund is drawn down to zero through the process of purchasing equipment against the lease. Interest is accrued on any unspent escrow balance. The "other" investment type represents these available escrow funds as well as petty cash balances. As of September 30, 2016, there were no available escrow funds.

**Discussion**

The \$2.04 million decreased investment balance as of September 30, 2016 as compared to September 30, 2016 is a direct result in the timing of the Tax Revenue Anticipation Note (TRAN)

issuance for each of the years. The Town is replacing depleted reserves with the goal of reducing and eliminating the need to borrow cash for operations. Last fiscal year the Town needed a \$2.5 million TRAN which was funded September 18, 2015. This fiscal year the Town funded a TRAN of \$2.25 million as of October 19, 2016.

The GASB 45 trust investment managed by SISC experienced a 3.38% return on investment during the 1st quarter of 2016/17. The economy is improving; however, the markets are volatile and interest rates remain historically low. Long term, SISC has been successful with its allocation model of approximately 60% equity and 40% fixed income.

The Town Treasurer has directed the Trustee, Wells Fargo Bank, to invest the reserve funds of the Paradise Redevelopment 2009 Bond and the Pension Obligation Bond in accordance with the Town's investment policy. The reserve funds had been yielding less than 0.01% in mutual funds. The reserve funds are now invested in CD's which will yield between 0.60% and 0.75% over a one year period. While these investments and balances are not part of the Town's idle or operating cash, the yield will ultimately lessen the amount the Town will be required to contribute in future debt service payments.

**Fiscal Impact Analysis:**

Isolating the gain from the GASB 45 trust, the Town earned \$2,136.69 for the quarter ended September 30, 2016. That is compared to \$3,462.91 for the quarter ended September 30, 2015. Again, isolating the GASB 45 return, the Town realized over 6 basis points more in average yield compared to a year ago (LAIF interests rates have improved over 28 basis points compared to a year ago), but had about \$1.9 million less average balances invested because of the TRAN timing difference.

**TOWN OF PARADISE**  
**QUARTERLY SUMMARY OF INVESTMENTS**  
**For Quarter Ended September 30, 2016**

Investment	Type	For Quarter Ended Sept. 30, 2016			For Quarter Ended Sept. 30, 2015			Net Change
		Yield	Book Value	Market Value*	Yield	Book Value	Market Value*	
US Bank	Checking	0.22%	350,359.34	350,359.34	0.50%	1,022,989.31	1,022,989.31	(672,629.97)
Local Agency Investment Fund (LAIF)	Various	0.61%	922,073.67	922,355.85	0.33%	2,319,271.87	2,320,651.02	(1,397,198.20)
SISC GASB 45 Trust B	Various	3.38%	94,038.61	94,038.61	-8.00%	62,222.19	62,222.19	31,816.42
Fiscal Agents & Petty Cash	Other	0.00%	1,750.00	1,750.00	0.06%	1,950.00	1,950.00	(200.00)
Totals			1,368,221.62	1,368,503.80		3,406,433.37	3,407,812.52	(2,038,211.75)
Total Quarterly Earnings on accrual basis			5,212.04		(1,951.15)			
Total Annual Earnings (July 1st - September 30th)			5,212.04		(1,951.15)			

\* Market Value determined by LAIF

**Reserve Funds Invested**

Pension Obligation Bond	\$	954,021.99
Paradise RDA Bond 2009	\$	340,000.00
	\$	<u>1,294,021.99</u>

Issuer	FDIC Number	Yield	Settlement Date	Maturity Date	Type	Investment	Earnings
BMW Bank	35141	0.750%	12/18/15	12/16/16	CD	92,000.00	688.11
Goldman Sachs	33124	0.750%	12/18/15	12/16/16	CD	248,000.00	1,854.90
Zions Bank	2270	0.650%	08/15/16	05/10/17	CD	247,021.99	1,178.94
Santander Bank		0.700%	08/17/16	05/17/17	CD	248,000.00	1,298.43
Northpointe Bank		0.600%	08/22/16	05/22/17	CD	210,000.00	942.41
Enterprise Bank		0.650%	08/24/16	05/24/17	CD	249,000.00	1,210.55
						<u>1,294,021.99</u>	<u>7,173.34</u>

In compliance with the California Code Section 53646; the Treasurer of the Town of Paradise hereby certifies that sufficient investment liquidity and anticipated revenues are available to meet the Town's budgeted expenditure requirements for the next six months.

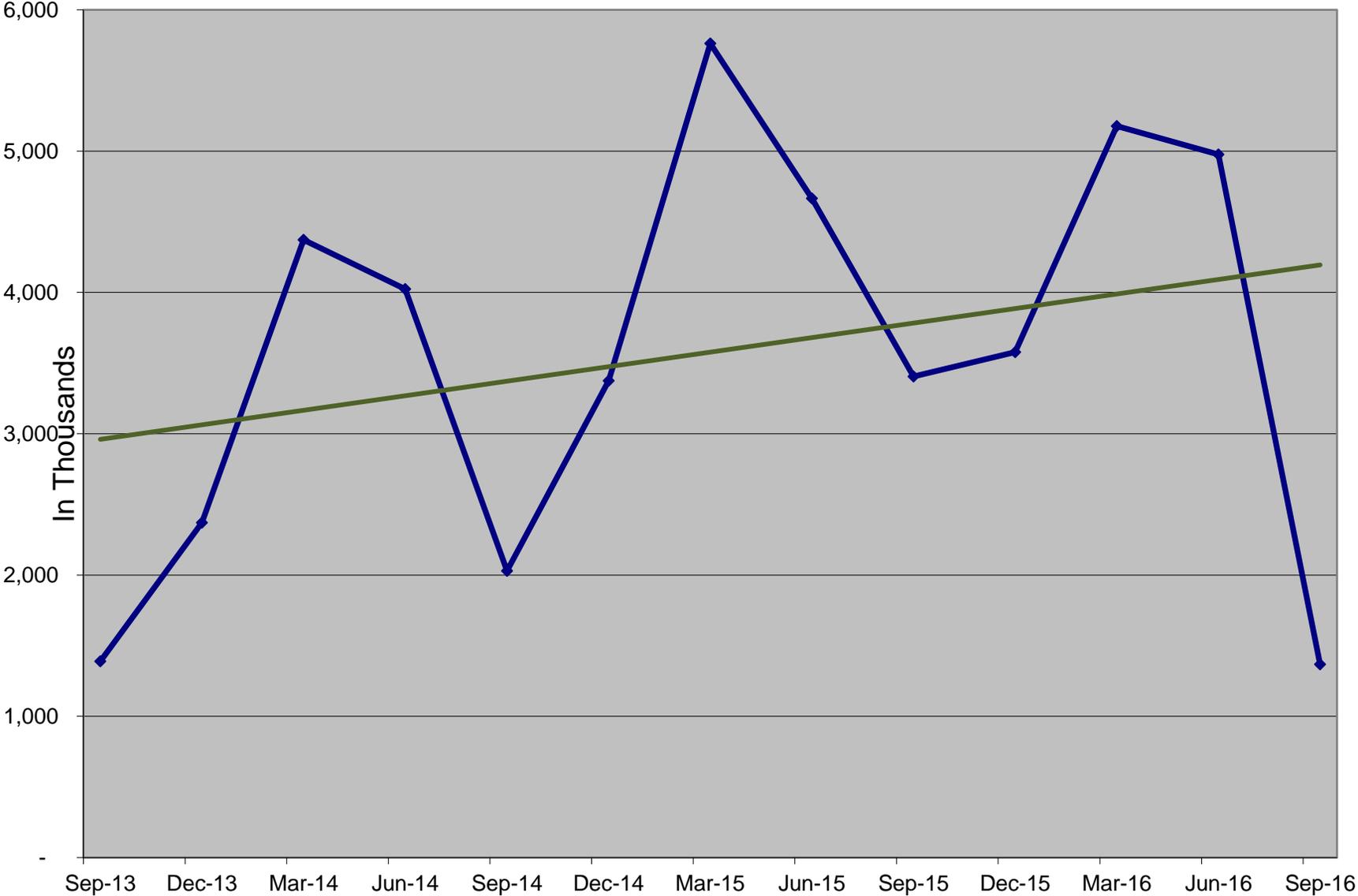
Investments in the report meet the requirements of the Town of Paradise's adopted investment policy.

Respectfully submitted,

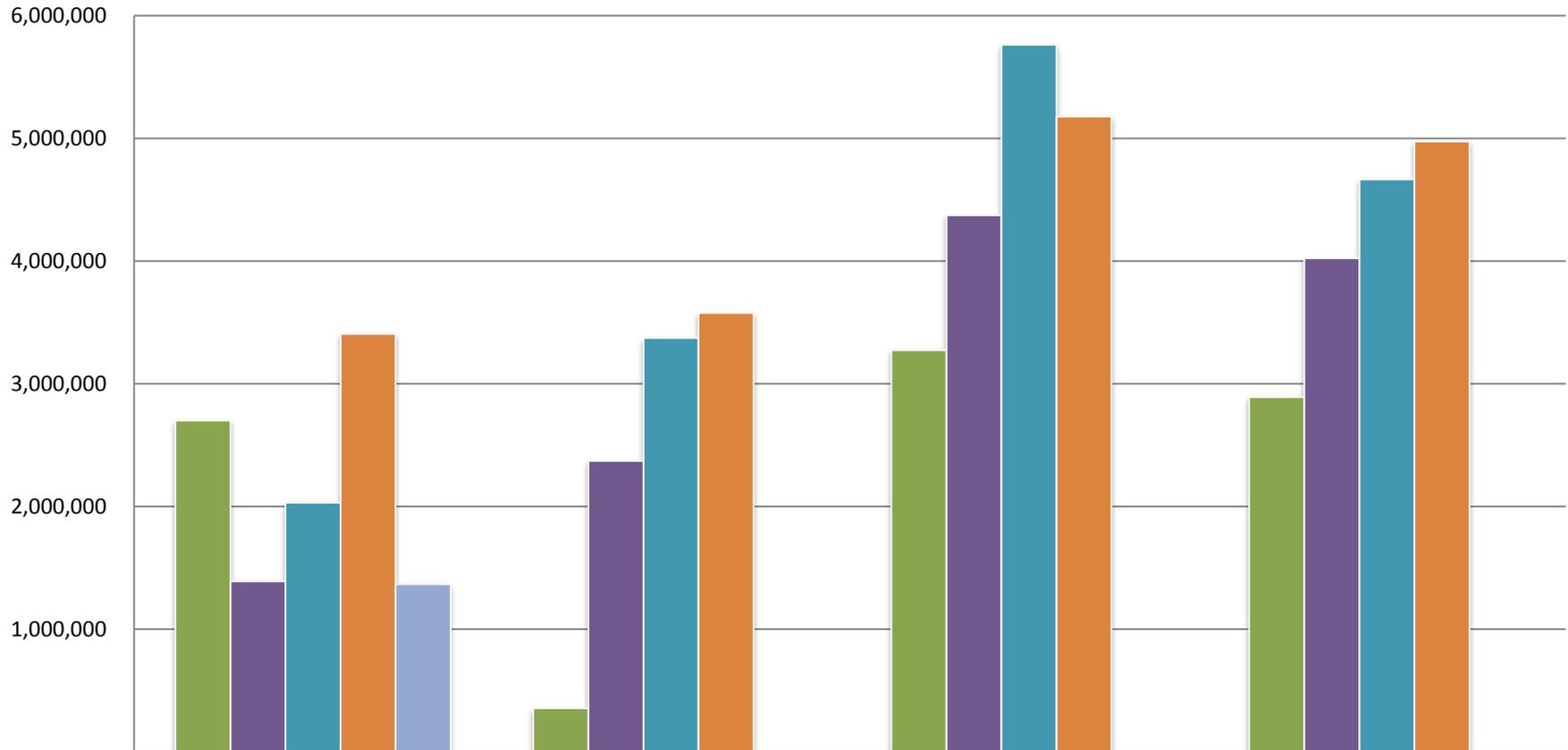
/s/

Gina S. Will  
Finance Director/Town Treasurer

**Town of Paradise  
Investment Balances with Trendline  
September 2013 - September 2016**



## Town of Paradise Investment Balances 2012/13 - 2016/17



	Sept. 30th	Dec. 31st	March 31st	June 30th
■ 2012/13	2,701,104	357,101	3,274,156	2,890,429
■ 2013/14	1,389,733	2,370,880	4,372,599	4,022,638
■ 2014/15	2,029,885	3,375,031	5,764,007	4,665,263
■ 2015/16	3,406,433	3,577,592	5,178,404	4,973,367
■ 2016/17	1,368,222			



**Town of Paradise  
Council Agenda Summary  
Date: March 14, 2017**

**Agenda Item: 2(d)**

**Originated by:** Gina S. Will, Administrative Services Director/Town Treasurer  
**Reviewed by:** Lauren Gill, Town Manager  
**Subject:** Northern California Cities Self Insurance Fund (NCCSIF) Annual Report

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**Council Action Requested:**

1. Receive and file the 2016/17 NCCSIF annual report.

**Background:**

“The Northern California Cities Self Insurance Fund (NCCSIF) is an association of municipalities joined together in 1979 to protect Member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.” There were eight founding members, and today the membership is twenty-two strong with its newest addition in 2013.

Each member has a representative and an alternate that serves on the JPA Board. The Administrative Services Director/Town Treasurer and the HR/Risk Manager are the Town’s current representatives. Members take turns rotating through the executive committee.

The Town of Paradise joined the NCCSIF Liability Program in 1985 and the Workers Compensation program in 1987. Today, the Town participates in the following NCCSIF programs:

***Liability Program***

“The Liability Program provides coverage for losses Member Entities become legally obligated to pay as damages because of bodily injury, property damage, employment practices liability, personal injury and public officials’ errors or omissions.” Coverage is provided through three layers:

<b>Banking Fund</b>	\$0 - \$50,000
<b>Shared Risk</b>	\$50,001 - \$500,000
<b>Excess Coverage</b>	\$500,001 - \$40,000,000

### ***Workers' Compensation***

“California Workers’ Compensation laws require every employer to provide benefits to employees for injury and/or illness arising out of, or in the course of, employment. Statutory benefits prescribed by law include:

- Medical Treatment
- Temporary Disability Payments
- Permanent Disability Compensation
- Rehabilitation
- Death Benefits

Coverage is provided through three layers:

<b>Banking Fund</b>	\$0 - \$100,000
<b>Shared Risk</b>	\$100,001 - \$500,000
<b>Excess Coverage</b>	\$500,001 – Statutory Limit

### ***Property Program***

“NCCSIF continues to offer coverage through the Alliant Property Insurance Program. This group purchase program provides:”

- Broad Replacement Cost coverage
- \$5,000 deductible per claim
- Boiler & Machinery Coverage at a \$100,000,000 limit per occurrence and \$2,500 deductible per claim
- Course of Construction (Builder’s Risk)
- Increased Cost of Construction (Code Upgrade)
- Auto Coverage with optional Replacement Cost
- Rental Income and Tax Interruption
- Flood coverage excess of a deductible of \$100,000, or \$250,000 for Flood Zones A & V

### ***Crime Program***

“The NCCSIF Crime Program provides for coverage of employee theft through the National Union Insurance Company, A.M. Best Rated A++ XV.” It covers theft, forgery and computer fraud up to \$3,000,000 and has a \$5,000 deductible.

### ***Motor Vehicle Program***

This program designed especially for public agencies and rural cities, provides vehicle and mobile equipment protection. It replaces property less than four years old on a

replacement cost basis and everything else at market value. The Town covers vehicles still obligated under lease purchase agreements, fire engines and equipment and other large and expensive vehicles and equipment.

### ***Wellness & Employee Assistance Program***

The Wellness Program includes an annual walking challenge which the Town won last year. “The EAP assists City employees and all of their family members in identifying and resolving personal concerns, including health, marital, family, financial, alcohol, drug, legal, stress, or other personal issues that may affect job performance.”

### ***Identity Fraud Protection***

“Member employees receive protection from the impact of identity fraud with Identity Fraud Reimbursement Coverage and Resolution Services through Travelers Insurance Company, with a limit of up to \$25,000 to reimburse many of the costs and expenses associated with identity recovery, including lost wages, attorney fees, and document replacement fees.”

### **Discussion:**

NCCSIF is a well managed and fiscally conservative JPA. For several years the JPA released over \$15 million in dividends to members to help ease the strain of the recession. The Town received over \$1.1 million in dividends from 2008/09 through 2012/13. Even with such release of dividends, the JPA has maintained adequate cash reserve and equity.

The Liability Program rates, on average, are up 9% this year due to increasing member payroll and an increase in funding confidence levels from 67.5% to 70%. The rates were at historic lows in 2012, and are increasing but are still below 2006/07 rates. Losses are volatile and members and the Town have experienced unusual claims the last couple years.

The Workers’ Compensation program is currently healthy with adequate equity. The rates are competitive and are actually a little less than the State Fund. The rates and payroll went down for several years in alignment with the recession, but are now climbing back up. Fortunately, unlike traditional insurance coverage, the Town has the opportunity to build equity, earn interest on its banking layers, and to receive dividends.

### **Fiscal Analysis:**

There is no fiscal impact to receiving this report.



# 2016/17 Annual Report



NCCSIF Program Administrators  
Alliant Insurance Services, Inc.  
2180 Harvard Street, Suite 460  
Sacramento, California 95815  
Main: (916) 643-2700 – Fax: (916) 643-2750



# NCCSIF 2016/17 Annual Report

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Main Cover Photo: *City of Placerville*

Corner Photo: *City of Rio Vista Bridgewater Causeway*

*Northern California Cities Self Insurance Fund*

*Letter to Our Members*

Dear Members,

Northern California is a wonderful place to live, work, and play. Over the past 37 years, NCCSIF has become the JPA of choice in providing exceptional risk sharing services to NorCal cities and helping them maintain their high quality of life.

I am pleased to present the 2016/17 NCCSIF Annual Report at a time when the group continues to see improved results because of a renewed focus on risk management practices.

Over the last four years, NCCSIF has focused on expanding the Risk Management services and training programs available to Members. In addition to site visits, assessments, and training, Members have begun to track their progress in implementing best practices through a scorecard system that helps prioritize risks and direct scarce resources where they are most needed.

The Police Risk Management Committee has seen increased participation and ideas for training and equipment, including funding for body-worn cameras, which have reduced the frequency and severity of claims, paying dividends almost immediately after their use.

These changes have contributed to NCCSIF's financial stability and the JPA's overall financial condition improved substantially over the last year. Total Assets increased by \$3 million and net position increased almost 50% to \$14 million. This in addition to \$1.1 million returned to members as Dividends last year and \$4 million over the last three years.

The Workers' Compensation Program has seen continued improvement that enabled members to raise the annual funding Confidence Level to 70% while maintaining a 5.3% increase. Members' continued focus on risk management techniques, including return to work and ergonomic programs, have kept rate increases modest. A renewed focus on workers' compensation claim management, with more emphasis on settling claims, has strengthened the program.

While NCCSIF continues to be financially strong, the Liability Program Shared Risk Layer remains in a deficit state. Members have responded by increasing the annual funding confidence level from 65% to 70% over the past two years and charging assessments, demonstrating their commitment to maintaining the health of the program. The JPA is committed to exploring additional measures to further strengthen the Liability Program.

Members will continue to face challenges in managing their operations, and NCCSIF will continue to be a valuable partner in providing them access to broader coverage, lower rates, and more risk management services than they could find elsewhere. I am proud to serve as NCCSIF President and support the continued success of the group in providing exceptional service and sound risk management practices to our members now and into the future.



Dave Warren  
NCCSIF President, Director of Finance - City of Placerville

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*Northern California Cities Self Insurance Fund*

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**MISSION STATEMENT**

The Northern California Cities Self Insurance Fund (NCCSIF) is an association of municipalities joined together in 1979 to protect Member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.

*Protect Member Resources*

*Reliable*

*Economical*

*Stable*

*Broad Coverage*

*Quality Services*

*Risk and Claims Management*

---

*Northern California Cities Self Insurance Fund*

## *History of the JPA*

**Founded in 1979** as the Northern California Cities **Workers' Compensation Fund**

Formed as a Joint Powers Authority (JPA), it is **one of the first pooled municipal programs in California**

**In 1981 members formed the Liability Program** to apply the same concepts of pooling coverage for:

- General and Automobile Liability,
- Personal Injury,
- Errors and Omissions, and
- Employment Practices Liability.

In 1987, NCCSIF began to offer group purchase of:

- Property,
- Crime, and
- Employee Assistance Program (EAP)

The same year the Joint Powers Authority's name was **changed to Northern California Cities Self Insurance Fund (NCCSIF)**.

The group has grown to **twenty-two cities** that **pooled coverage to a limit of \$500,000** for both Workers' Compensation and Liability.

NCCSIF joined CJPRMA in 1993 for Excess Liability Coverage

NCCSIF joined CSAC-EIA in 2003 for Excess Workers' Compensation Pooled Coverage.

NCCSIF started providing Wellness services to Members in 2008.

NCCSIF has been increasing the number and variety of risk management services and resources for members since 2008, including:

- Wellness Services through ACI
- Online training risk management resources through Target Solutions
- Sewer Operations Risk management through DKF Solutions
- Police Policy updates and training through Lexipol
- Comprehensive Risk Assessments, training and consultation from Bickmore Risk Services
- Body-worn camera grants for police agencies
- Risk Management Best Practices and Scorecard to help members benchmark and improve their programs.

**Northern California Cities Self Insurance Fund**

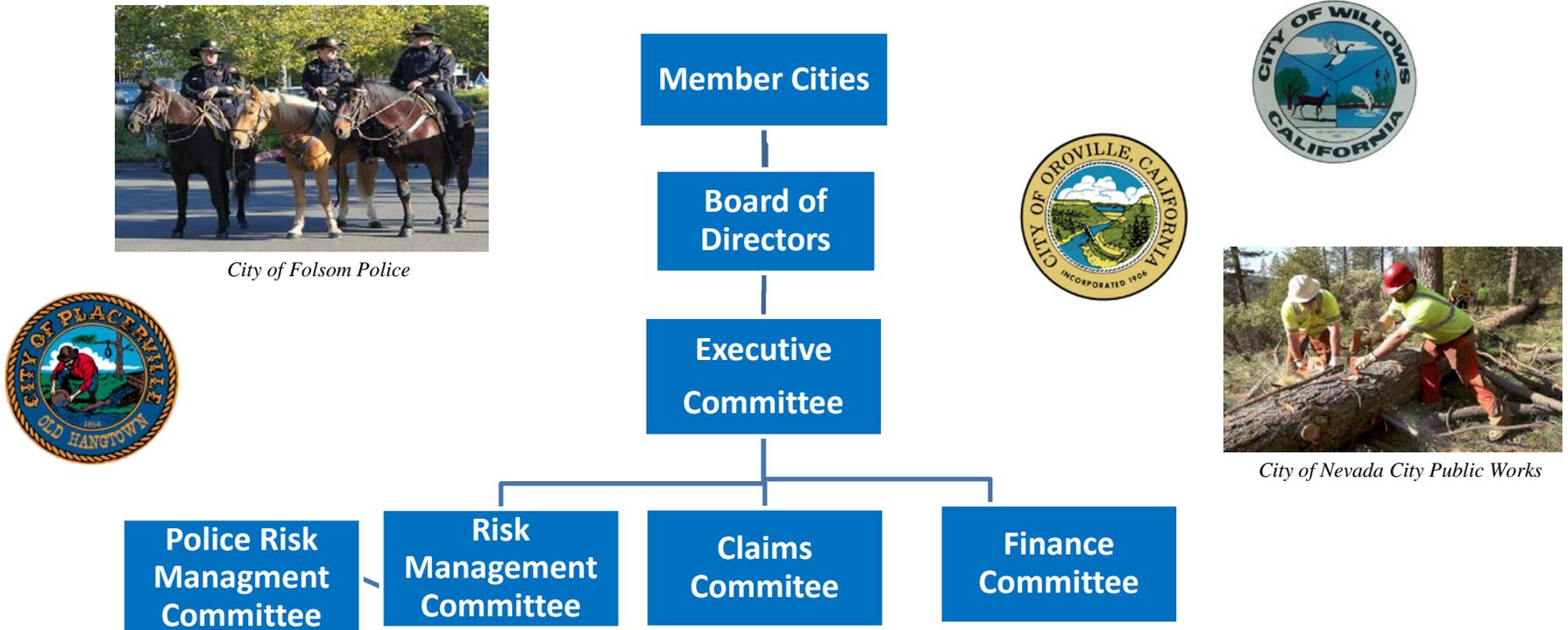
**NCCSIF Historical Timeline**

1979	1980's					
<p>The Northern California Cities Workers' Compensation Fund was formed in early 1979.</p> <p><b>It is one of the oldest pooled municipal insurance programs in the State.</b></p> <p>Members who joined: Anderson, Corning, Folsom, Galt, Jackson, Placerville, Rio Vista, Willows</p>	<p><b>1980</b></p> <p>Additional members join the WC JPA:</p> <p>Gridley Rocklin</p> <p><b>1981</b></p> <p>Auburn</p>	<p><b>1981</b></p> <p>A number of members apply the same concepts of pooling to <b>Automobile and General Liability coverage.</b></p> <p>Anderson, Corning, Folsom, Galt, Gridley, Rocklin, Willows</p>	<p><b>1982</b></p> <p>Nevada City joins the WC JPA</p> <p><b>1983</b></p> <p>Dixon and Red Bluff join the WC JPA</p> <p><b>1984</b></p> <p>Lincoln joins the WC JPA</p>	<p><b>1985</b></p> <p>A number of the member cities join the Liability JPA:</p> <p>Lincoln Oroville Paradise Rio Vista</p> <p><b>1986</b></p> <p>Auburn Red Bluff</p>	<p><b>1987</b></p> <p>The name of the JPA was changed to Northern California Cities Self Insurance Fund (NCCSIF).</p> <p><b>NCCSIF offers group purchase of Property, Crime &amp; EAP programs.</b></p> <p>Additional members join: Jackson - Liability Town of Paradise - WC</p>	<p><b>1988</b></p> <p>Additional members join the Liability JPA:</p> <p>Colusa, Dixon</p>
1990's			2000's			
<p><b>1990</b></p> <p>Oroville joins the WC JPA</p> <p><b>1991</b></p> <p>Marysville joins the Liability JPA</p>	<p><b>1991</b></p> <p><b>NCCSIF begins shared risk program for Liability and Workers' Compensation</b></p> <p>NCCSIF begins a Risk Management Committee</p>	<p><b>1992</b></p> <p>Yuba City joins the Liability JPA</p> <p>Additional members join the WC JPA: Colusa Marysville Yuba City</p>	<p><b>1993</b></p> <p>NCCSIF is <b>one of the first JPAs to achieve CAJPA Accreditation with Excellence</b></p> 	<p><b>1993</b></p> <p>NCCSIF joins CJPRMA for Excess Liability Coverage</p>	<p><b>2003</b></p> <p>NCCSIF joins CPEIA for Excess Workers' Compensation Coverage.</p> <p>In 2007 CPEIA merged into CSAC-EIA.</p>	<p><b>2007</b></p> <p>NCCSIF's Shared Risk Liability Layer changes from \$500,000 to \$1,000,000.</p>
2008	2009	2010's				
<p>NCCSIF Revises its Dividend Formula and <b>Distributes \$6M to Members</b></p> <p>Multiple risk management services are paid for by an administrative surplus.</p>	<p>NCCSIF is once again awarded the CAJPA Accreditation with Excellence</p> <p>Online risk management services are enhanced through partnerships with Target Solutions and Risk Control Online.</p>	<p><b>2010</b></p> <p>Ione joins Liability and Workers' Compensation JPA</p> <p><b>2012</b></p> <p>NCCSIF's Shared Risk Liability Layer changes from \$1,000,000 to \$500,000.</p>	<p><b>2013</b></p> <p>Elk Grove joins WC JPA</p>	<p><b>2014</b></p> <p>Identity Fraud Coverage Provided to Member Employees and Families</p> <p>Grants begun for Police body-worn cameras</p>	<p><b>2015</b></p> <p>CAJPA Accreditation with Excellence</p> <p>Risk Management Scorecard implemented to assess member best practices</p>	<p><b>2016</b></p> <p>Review and Revision of Risk Management Policies and Procedures</p>

*Northern California Cities Self Insurance Fund*

**Governance**

NCCSIF operates under the direction of its 22 Member Cities, with each member represented on the Board of Directors. The Executive Committee consists of nine members that rotate on a geographical basis, with the President, Vice President and Treasurer elected by the Board. Three other committees review and make recommendations regarding risk management, claims, or financial issues.



*Northern California Cities Self Insurance Fund*

*Board of Directors*

The Board of Directors of NCCSIF is composed of a representative appointed by the City Council of each member agency. An Alternate Member is also appointed to serve in the absence of the appointed representative. Only the Board Member - or in the Board Member's absence the Alternate Member - has voting authority.

Current Members are as follows:

<b>Member</b>	<b>Board Director</b>	<b>Alternate</b>	<b>Member</b>	<b>Board Director</b>	<b>Alternate</b>
City of Anderson*	Jeff Kiser	Liz Cottrell	City of Lincoln	Astrida Trupovnieks	Ruthann Codina
City of Auburn	Nita Wracker	<i>Vacant</i>	City of Marysville	Satwant Takhar	Walter Muncheimer
City of Colusa	Toni Benson	<i>Vacant</i>	City of Nevada City	Corey Shaver	Catrina Olson
City of Corning*	Kristina Miller	Tom Watson	City of Oroville	Liz Ehrenstrom	<i>Vacant</i>
City of Dixon	Michelle Pellegrino	Kim Stalie	City of Placerville*	Dave Warren	Cleve Morris
City of Elk Grove	Brad Koehn	Jonathan Hobbs	City of Red Bluff	Sandy Ryan	Cheryl Smith
City of Folsom*	Jim Francis	Kristine Haile	City of Rio Vista*	Donna Lee	Robert Hickey
City of Galt*	Paula Islas	Steven Rudolph	City of Rocklin	Kimberly Sarkovich	Jason Johnson
City of Gridley	Matt Michaelis	Elisa Arteaga	City of Willows*	Tim Sailsbery	<i>Vacant</i>
City of Ione	Jon Hanken	Anna Daneri	City of Yuba City	Natalie Springer	Robin Bertagna
City of Jackson*	Michael Daly	Dalacie Blankenship	Town of Paradise	Gina Will	Crystal Peters

*\*Founding Members*

*Northern California Cities Self Insurance Fund*

## Committees

### Executive

The Executive Committee is a standing committee of the Board that acts as a steering committee for overall operation of the JPA and has been delegated certain duties in the Bylaws. The President of the Board serves as the Chair of the Committee, while the Vice President and the Secretary are voting members of the Committee. Remaining voting seats are selected on a rotating geographical basis. The Treasurer and CJPRMA Board Representative are non-voting members of the Committee.

**Executive Committee Members, as of January 1, 2017**

City of Anderson	Liz Cottrell
City of Colusa	Toni Benson
City of Corning	Kristina Miller
City of Marysville	Satwant Takhar
City of Red Bluff	Sandy Ryan
City of Nevada City	Corey Shaver, <i>Secretary</i>
City of Oroville	Elizabeth Ehrenstrom, <i>Vice President</i>
City of Placerville	Dave Warren, <i>President</i>
City of Yuba City	Natalie Springer
City of Willows	Tim Sailsbery, <i>Treasurer</i>
CJPRMA Representative	Paula Islas, City of Galt

### Claims

The Claims Committee reviews claims in the Shared Risk Layer, authorizes settlements and makes determinations on coverage. Authority is granted to the Executive Committee to act as or appoint members of the Claims Committee. Members have authority to settle claims in their Banking Layer for Liability and Workers' Compensation. The Claims Committee has settlement authority up to \$250,000, and the Board of Directors settles claims over \$250,000 for both Liability and Workers' Compensation.

### Finance

The NCCSIF Board of Directors has delegated financial investment authority and other duties to the Executive Committee. The Executive Committee delegates these duties to the Finance Committee on an as-needed basis. A Treasurer is annually elected by the Board of Directors and serves as the Chair of the Finance Committee.

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*Northern California Cities Self Insurance Fund*

## **Risk Management**

NCCSIF established a formal Risk Management Committee (RMC) in 1991, comprised of one member from each City. Over the years it has been enriched by participation from employees from Public Works, Finance, Human Resources, Police, Fire, and City Management who have contributed a broad range of ideas and best practices to the members.

The Committee's goal is to foster loss control programs to guard against all types of accidents and incidents wherever possible.

Recognizing the above goal, the Committee annually recommends and administers a Risk Management Budget as approved by the Board of Directors. For 2016/17 the total budget is \$478,438, almost 50% of the total program administration expenses, less claims management.

Additionally, the Committee has adopted and frequently reviews policies and procedures on various topics, including most recently:

- **Risk Management Policy & Framework**
- **Driving Standards, Vehicle Use and Operation**
- **ADA Compliance & Transition Plans**
- **Urban Forest Management**

Additional Best Practices will be developed or revised over the next fiscal year.

## **Police Risk Management**

Given the importance of managing public safety risks and the unique nature of their operations, members formed a separate Police Risk Management Committee, and all members with police departments are encouraged to participate. Members meet quarterly to share risk management tips and keep abreast of legislative and case law changes.

A training session is held at each Police Risk Management Committee meeting. Topics for 2016 included:

- 21<sup>st</sup> Century Policing - Lessons Learned: The Case for Change
- Managing Your Message Social Media Style
- Police Use of Force and the Mentally Ill
- Introduction to Legal Marijuana for Law Enforcement

The Committee also reviews major claims for risk management practices that can be shared or improved and evaluates equipment that can prevent or minimize losses. **In the last three years members have approved a total of \$150,000 in grant funds to purchase body-worn cameras** and storage. Each PRMC meeting includes feedback on how effective the cameras have been in **reducing the number of claims and their severity.**

*Northern California Cities Self Insurance Fund*

# Liability Program

The Liability Program provides coverage for damages due to:

- **Bodily Injury & Property Damage,**
- **Employment Practices Liability (EPL),**
- **Personal Injury, and**
- **Public Officials’ Errors or Omissions**

Coverage is included for the Member Entity and its commissions, agencies, districts, authorities, boards, or similar entities coming under the Member Entity's direction or control.

The program is divided into three separate coverage layers - Banking, Shared Risk and Excess, as illustrated. All three coverage layers include self-insurance. The Banking Layer is funded to pay for each Member’s own claims, similar to a deductible. The Shared Risk Layer is funded to pay for claims that are shared by all NCCSIF Members.

The Excess Layer is funded through the California Joint Powers Risk Management Authority (CJPRMA), [www.cjprma.org](http://www.cjprma.org). Since 1993 NCCSIF has participated in CJPRMA, which shares risk up to \$5 Million with three other JPAs and 17 individual cities. CJPRMA purchases excess reinsurance for total limits of \$40 Million, \$10 Million for Employment Practices Liability, inclusive of NCCSIF’s retained limit of \$500,000 per occurrence.

<p align="center"><b><u>Excess Layer</u></b></p> <p align="center">Excess Insurance: \$5,000,000 to \$40,000,000 EPL Coverage Limit: \$10,000,000 CJPRMA Members: \$500,000 to \$5,000,000</p>
<p align="center"><b><u>Shared Risk Layer</u></b></p> <p align="center">Banking Layer Limit to \$500,000</p>
<p align="center"><b><u>Banking Layer</u></b></p> <p align="center">Folsom: \$0 to \$100,000 All Other Members: \$0 to \$50,000</p>

As a result of sharing risk to \$5,000,000, CJPRMA is largely removed from the impact of insurance market conditions. In addition, members share in dividends declared when CJPRMA exceeds its funding goals. **In 2016 NCCSIF received dividends from CJPRMA of \$274,337 which were credited to the liability shared risk assessments.**

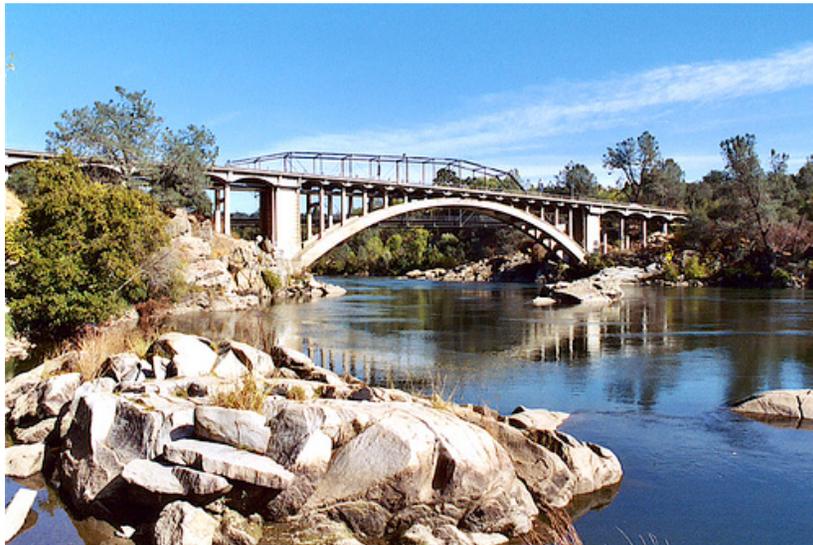
Total 2016/17 funding for the Liability Program is \$5,392,923. This represents a 9% increase in the rate, in addition to a 6% increase in Member payroll and an **increase in the funding Confidence Level from 67.5% to 70%.**

*Northern California Cities Self Insurance Fund*

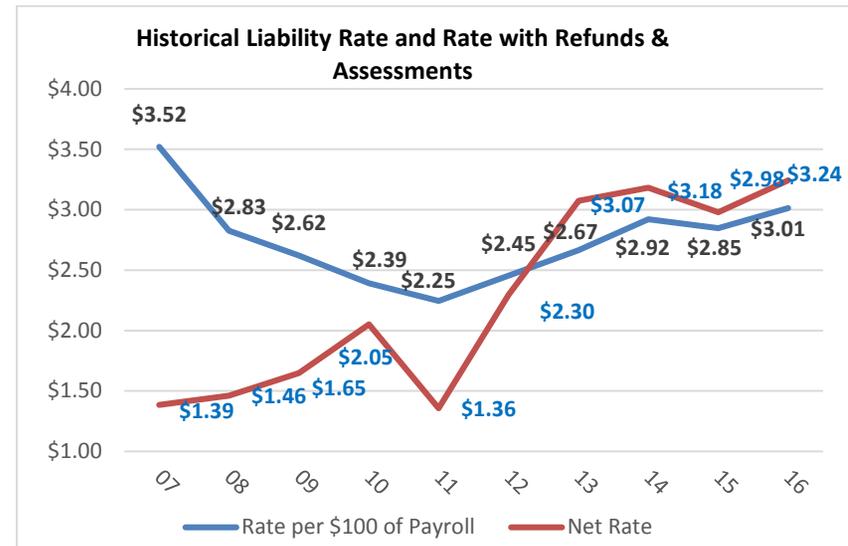
The Board of Directors annually reviews the Banking and Shared Risk financial status to evaluate the appropriateness of declaring either a refund or an assessment. **The Banking Fund returned \$392,022 to Members** who exceeded their target funding levels. **The Shared Risk Layer Fund was assessed \$325,661** this year after application of the CJPRMA refund. The following chart shows the historical rates with and without the impact of refunds and assessments.

Eight years ago the Liability Program net rates reached historic lows due to large dividends that continued for several years. The gross rate hit a low of \$2.26 in 2012 before climbing the last three years, due to an increase in anticipated losses and decreases in payroll. The increase in the net rate is due to the Shared Risk Layer Assessments for the last three years.

The following chart shows historical claims performance and illustrates that liability claims tend to be volatile.



*City of Folsom Rainbow Bridge*



*Northern California Cities Self Insurance Fund*

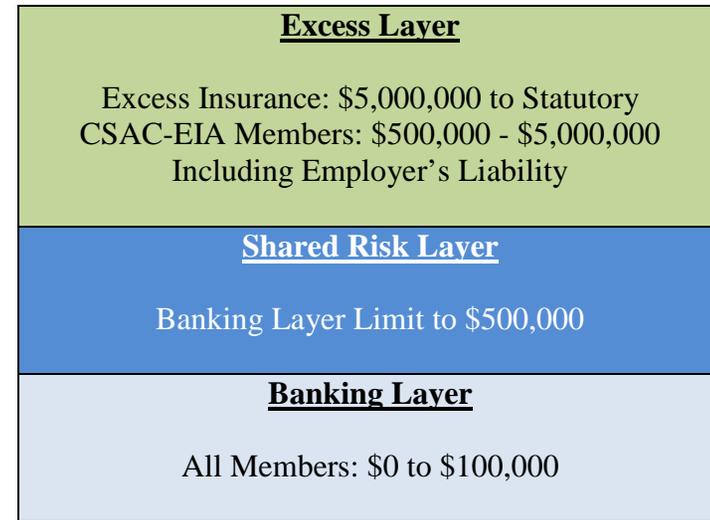
*Workers' Compensation*

California Workers' Compensation (WC) laws require every employer to provide benefits to employees for injury and/or illness arising out of, or in the course of, employment. Statutory benefits prescribed by law include:

- **Medical Treatment**
- **Temporary Disability Payments**
- **Permanent Disability Compensation**
- **Rehabilitation**
- **Death Benefits**

The WC program is also divided into three separate coverage layers - Banking, Shared Risk and Excess, as illustrated. All three coverage layers include self-insurance. The Banking Layer is funded to pay for each Member's own claims, similar to a deductible. The Shared Risk Layer is funded to pay for claims that are shared by all NCCSIF Members.

The Excess Layer is funded through the CSAC Excess Insurance Authority (EIA), [www.csac-eia.org](http://www.csac-eia.org), a risk sharing pool of most of the counties and many cities and special districts in California. Since 2003 NCCSIF has participated in the EIA, currently providing coverage from \$500,000 to \$5 Million and purchasing excess reinsurance to provide Statutory limits. The program also provides Employer's Liability Coverage up to \$5 Million.



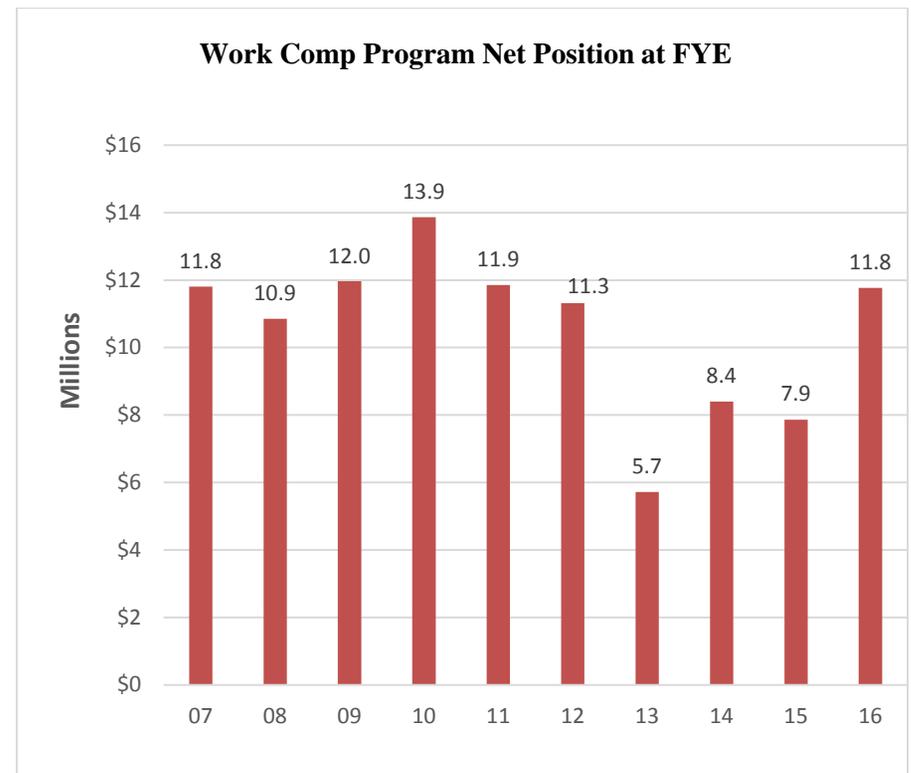
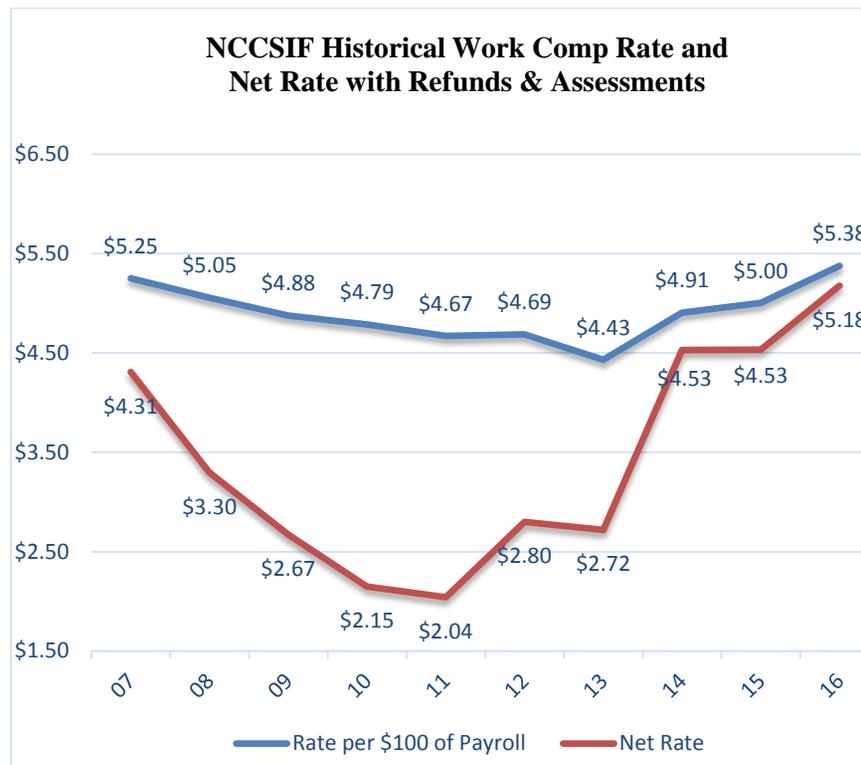
The total cost of the program for 2016/17 is \$10,570,747, before dividends, an increase of 5.3% over the prior year. However, the increase was almost entirely attributable to an **increase in the funding confidence level from 67.5% to 70%**. The funding has remained relatively stable over the last ten years, with a difference of \$0.95, or 21%, from the highest to the lowest rate.

Annually, the Board of Directors reviews the Program's financial status to evaluate the appropriateness of declaring either a refund or an assessment. In 2016 NCCSIF **returned \$280,809 in Shared Layer dividends** to its members **and \$524,915 in dividends in the Banking Layer**.

*Northern California Cities Self Insurance Fund*

The following chart shows the historical rates with and without the impact of refunds and assessments. The rates steadily declined from 2007 to 2013 and have been increasing since then, though members have also increased the Confidence Level from 60% to 70% over the last few years, increasing the financial stability of the pool. Factoring in the refunds and assessments over the years results in a **net rate that has dipped as low as \$2.04 per \$100 of payroll.**

These results are due to a combination of NCCSIF cost containment strategies, including encouraging return to work modified duty placement for injured workers, increased loss control training for the members, and quality claims management from York Risk Services.



Northern California Cities Self Insurance Fund

Property Program

NCCSIF continues to offer coverage through the Alliant Property Insurance Program (APIP). This group purchase program provides:

- Broad Replacement Cost coverage
- \$5,000 deductible per claim
- Boiler & Machinery Coverage at a \$100,000,000 limit per occurrence and \$2,500 deductible per claim
- Course of Construction (Builder’s Risk)
- Increased Cost of Construction (Code Upgrade)
- Auto Coverage with optional Replacement Cost
- Rental Income and Tax Interruption
- Flood coverage excess of a deductible of \$100,000, or \$250,000 for Flood Zones A & V

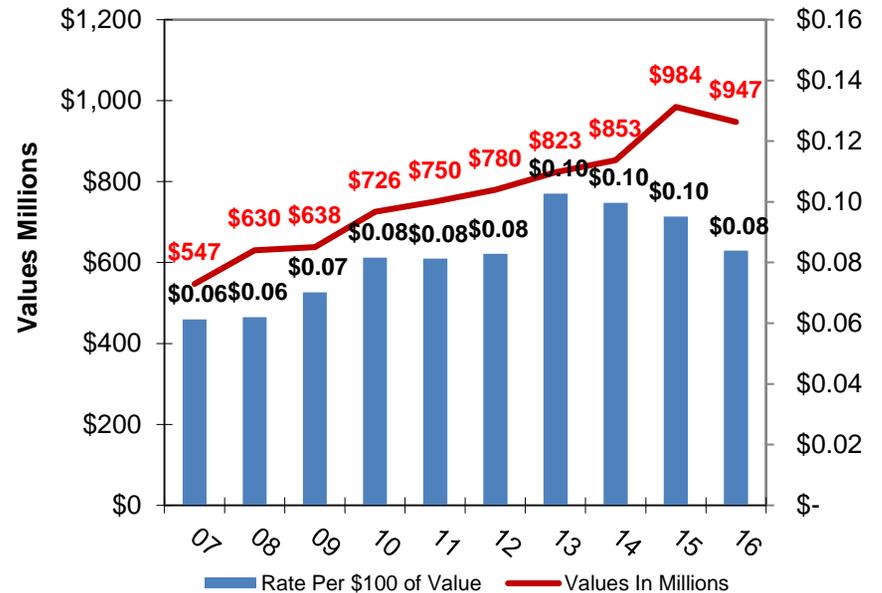
Plus Additional Liability Coverage Unique to APIP:

- Pollution Liability, and
- Cyber Liability

Property appraisals are conducted on a regular schedule to maintain accurate valuations for NCCSIF members and as needed for new properties over \$5 million.

For 2016/17 NCCSIF saw both the total insured values and the rate decrease. The values decreased to \$947 million after years of steadily rising to almost \$1 billion. The rate decreased to \$0.08 per \$100 of value, a level not seen since 2012, due largely to improved loss results.

NCCSIF Total Insured Property Values and Rates



Northern California Cities Self Insurance Fund

Crime Program

NCCSIF Member Crime Insurance was improved in 2016/17 by participation in the Alliant Crime Insurance Program (ACIP), though the coverage is still provided by National Union Insurance Company, A.M. Best Rated A++ XV.

**Coverage Includes:**

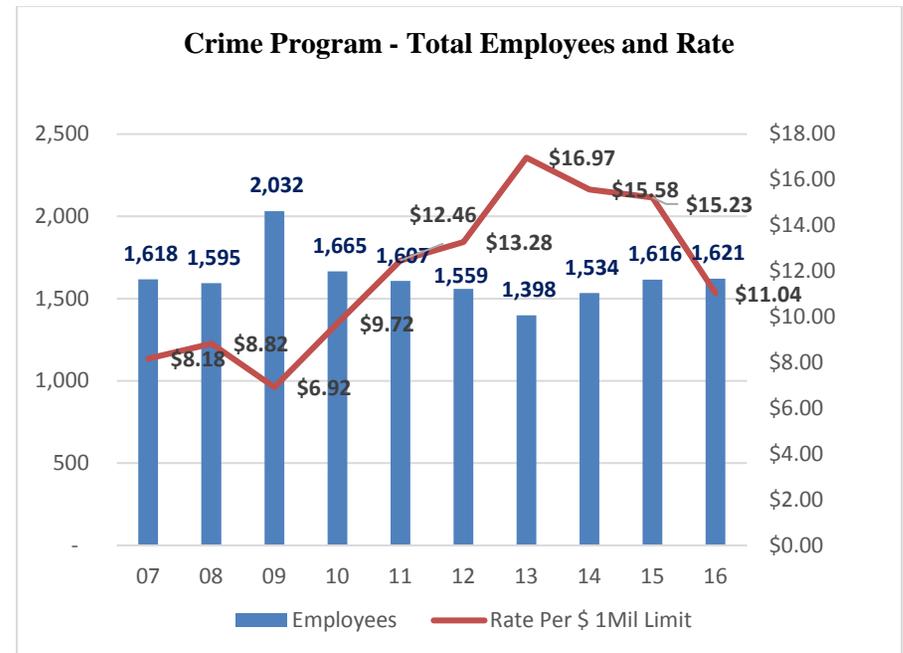
- Employee Theft
- Forgery or Alteration
- Robbery or Safe Burglary
- Computer Fraud
- Volunteers and Committee Members
- **Treasurer/Tax Collector and Bonded Employees**
- **Faithful Performance of Duty**
- \$5,000 Deductible



City of Rocklin

**Program Changes & Highlights:**

- **Increased per occurrence limit from \$1 to \$3 Million**
- Increased Investigative Expenses from \$50,000 to \$75,000
- **Added Impersonation Fraud** –
  - \$250,000 Limit with a \$25,000 deductible.
 Covers loss from a fraudulent instruction to transfer funds from a Member’s account or to change accounts for payments to a vendor.



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*Northern California Cities Self Insurance Fund*

## *Other Programs*

### **Motor Vehicle Program**

Currently eleven Members are enrolled in the Alliant Motor Vehicle Program (AMVP), initially designed specifically for public agencies with a limited number of higher-valued vehicles or special equipment. The program has expanded to include all types of vehicles and mobile equipment.

It provides an All Risk Equipment Floater including earthquake and flood for scheduled equipment. Claims valuation is on a replacement cost basis for vehicles or equipment less than four years old, otherwise the policy pays to repair or replace damaged property on a like kind and quality basis (not new for old).

### **Wellness & Employee Assistance Program (EAP)**

ACI Specialty Benefits provides all NCCSIF members a comprehensive Wellness Program that includes an annual Walking Challenge competition. Eighteen members also participate in the group purchase of ACI's Employee Assistance Program (EAP). The EAP assists City employees and all of their family members in identifying and resolving personal concerns, including health, marital, family, financial, alcohol, drug, legal, stress, or other personal issues that may affect job performance.

The program features a benefit package which includes:

- **Counseling and training**
- **Critical Incident Stress Debriefing (CISD)**
- **Childcare and eldercare resources**
- **Legal and financial consultation**

### **Identity Fraud Protection**

Member employees receive protection from the impact of identity fraud with Identity Fraud Reimbursement Coverage and Resolution Services through Travelers Insurance Company, with a limit of up to \$25,000 to reimburse many of the costs and expenses associated with identity recovery, including lost wages, attorney fees, and document replacement fees.

Employees have access to a fraud specialist who will provide unlimited assistance to restore a victim's identity. They also have access to exclusive online educational resources providing tips, information and steps to avoid becoming a victim of identity theft.

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*Northern California Cities Self Insurance Fund*

## Services

### **Program Administration**

Alliant Insurance Services provides overall program administration, including meeting agendas, underwriting, and management of governing documents and policies. In addition, Alliant provides consultation and advice regarding:

- **Insurance requirements in contracts**
- **Certificates of insurance and endorsements**
- **Safety Grant administration**
- **Best Practices for Municipal Risk Management**

### **Claims Management**

The York claims examiner is responsible for advising the member on the merits of each claim and the appropriate action to be taken, as well as providing for necessary investigation of claims and oversight of legal defense. York manages litigated claims based on NCCSIF's Litigation Management Guidelines using a group of select attorneys chosen for their skill in public entity defense of Liability and Workers' Compensation claims.

### **Risk Management**

NCCSIF hired Bickmore in 2012 as their Risk Control Services provider to perform a Hazard and Risk Assessment for each member and recommend policies, procedures, and training to address their individual needs. As a result, members are receiving more direct assistance in managing their operations in ways that reduce the frequency and severity of claims.

Consulting by Bickmore Risk Services includes:

- **Hotline Services – call with any safety question**
- **Hazard & Safety Assessments**
- **Program/Policy Development**
- **On-site Training**
- **Safety Materials**
- **Webinars – on a variety of Risk Management Topics**
- **Training Matrix – details the type and frequency of training required for member employees**

*Northern California Cities Self Insurance Fund*

**Other Risk Management Services**

**Safety Library**

On-line Video Libraries are available through the Bickmore website, riskcontrol.brsrisk.com as well as the CSAC- EIA website, csac-eia.org.

**Conference Attendance**

Sponsorship of members for attendance at the Annual PARMA, CAJPA or CalPELRA Risk Management Conferences.

**Seminars and Training Sessions**

Selection of topics determined annually by the Risk Management Committee including:

- Bickmore: on-site sessions covering employment issues such as Harassment, Skills for Supervisors, and e-mail communications
- TargetSolutions: online training services on a variety of topics including OSHA Compliance and Employment Practices
- DKF Solutions: updates wastewater safety policies and provides training at the City level on an as-needed basis

- Regional Workshops: NCCSIF conducts regional workshops on pertinent safety topics. Topics for 2016 consisted of AB 1825: Prevention of Sexual Harassment & Abusive Conduct Training, Traffic Control/Flagger & Excavation Competent Person.

**Website**

NCCSIF website resources, including a Risk Management tab where members can access Risk Management information.



*City of Auburn*

*Northern California Cities Self Insurance Fund*

*Financial Overview*

The following report reflects on the financial condition of Northern California Cities Self Insurance Fund (NCCSIF) for the fiscal year ended June 30, 2016. It is provided to highlight the information in the financial audit and should be reviewed in concert with that report.

**NCCSIF Statements of Revenue, Expenses, and Changes in Net Assets**

	<b>2016</b>	<b>2015</b>	<b>Percentage Change</b>	<b>2015</b>	<b>2014</b>	<b>Percentage Change</b>
Operating Revenues	\$ 16,962,772	\$ 15,802,553	7%	\$ 15,802,553	\$ 15,798,109	0%
Provisions for Claims	7,750,453	10,879,465	-29%	10,879,465	7,773,183	40%
Dividends	1,121,444	1,506,568	-26%	1,506,568	1,445,334	4%
Insurance Premiums	3,004,729	2,654,843	13%	2,654,843	2,735,852	-3%
Administration	2,032,859	2,089,957	-3%	2,089,957	1,950,718	7%
Total Expenses	13,909,485	17,130,833	-19%	17,130,833	13,905,087	23%
Non-operating:						
Investment Income	1,566,145	644,473	143%	644,473	777,402	-17%
Net Income (Loss)	4,619,432	(683,807)	776%	(683,807)	2,670,424	-126%
Beginning Net Position	9,380,125	10,063,932	-7%	10,063,932	7,393,508	36%
Ending Net Position	\$ <b>13,999,557</b>	\$ <b>9,380,125</b>	<b>49%</b>	\$ <b>9,380,125</b>	\$ <b>10,063,932</b>	<b>-7%</b>

*Northern California Cities Self Insurance Fund*

**Financial Highlights, FYE June 30, 2016**

NCCSIF achieved a 49% increase in Net Position during the Fiscal Year Ending on June 30, 2016, from \$9.4 to \$14 Million, due largely to a \$3.1 million decrease in the Provisions for Claims expense and an increase in Investment Income. Net Income increased 776%, to \$4.6 Million, compared to a loss of \$683,807 in FYE 2015. Members also received a total of \$1.1 Million in Dividends.

- **Net Position increased 49%, to almost \$14 Million**
- **Dividends paid of \$1.1 Million**
- **Provisions for claims decreased by \$3.1 Million**
- **Investment income increased 143%**
- **Total Assets increased by \$3 Million**
- **Total Liabilities Decreased by \$1.6 Million**
- **Net Income increased 776%, to \$4.6 Million**
- **Operating Expenses decreased by \$3.2 Million**

**Pool-Wide Financial Analysis**

	<b>June 30, 2016</b>	<b>Percent</b>	<b>June 30, 2015</b>	<b>Percent</b>	<b>June 30, 2014</b>	<b>Percent</b>
Current Assets	\$ 7,684,507	14%	\$ 8,038,589	16%	\$ 12,955,780	28%
Noncurrent Assets	46,395,121	86%	42,988,439	84%	33,984,221	72%
<b>Total Assets</b>	<b>54,079,628</b>	<b>100%</b>	<b>51,027,028</b>	<b>100%</b>	<b>46,940,001</b>	<b>100%</b>
Current Liabilities	335,047	1%	900,740	1%	448,980	1%
Claim Liabilities	39,745,024	73%	40,746,163	80%	36,427,089	78%
<b>Total Liabilities</b>	<b>40,080,071</b>	<b>74%</b>	<b>41,646,903</b>	<b>82%</b>	<b>36,876,069</b>	<b>79%</b>
Net Position	13,999,557	26%	9,380,125	18%	10,063,932	21%
<b>Total Liabilities and Net Position</b>	<b>54,079,628</b>	<b>100%</b>	<b>51,027,028</b>	<b>100%</b>	<b>46,940,001</b>	<b>100%</b>

**Northern California Cities Self Insurance Fund**

Investment revenues are used to offset program costs wherever possible and reduce the required member contributions. The overall investments of the pool increased in 2015-16 from \$51,027,028 to \$54,079,628.

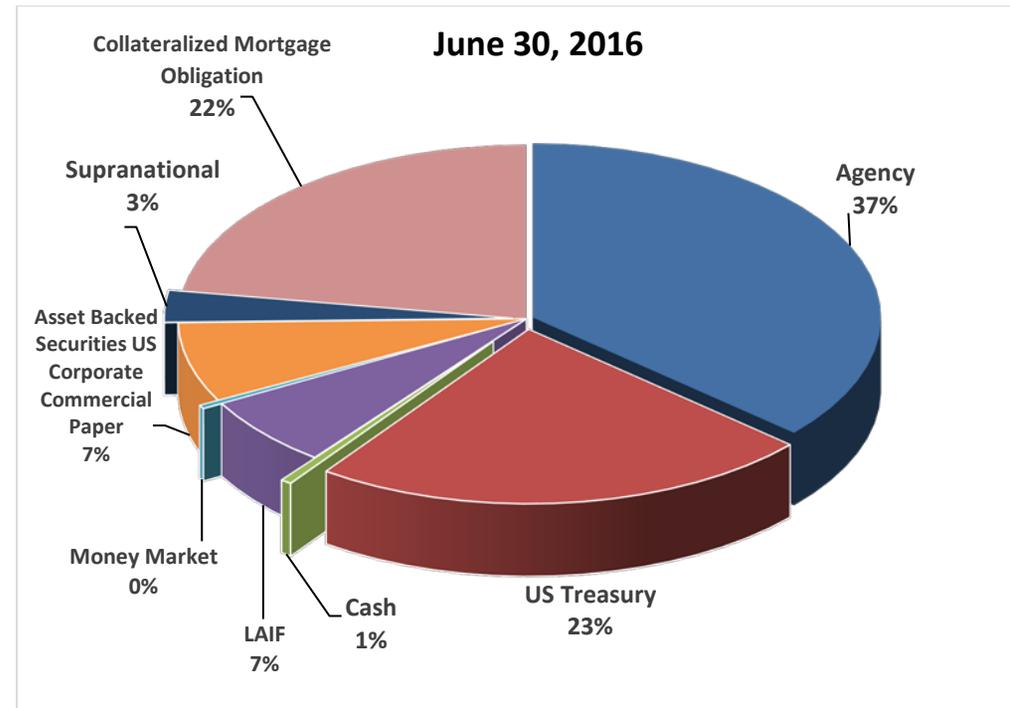
The assets needed for current operations are maintained by the Local Agency Investment Fund (LAIF), administered by the State Treasurer’s Office. Interest rates have remained low in the past two years, for example, the average rate of return for funds invested in LAIF during the fiscal year 2014 was 0.243%, in 2015 it was 0.258%, and in 2016 it was 0.425%.



*City of Oroville - Lake Oroville*

However, the effective **rate of return** for the overall JPA investment portfolio **increased from 1.5% in FY 2015 to 3.2% in FY 2016**. The ability of these funds to earn investment income has a direct effect on rates, as this income is used to discount future liabilities.

**Components of NCCSIF Portfolio at June 30, 2016**



*Northern California Cities Self Insurance Fund*

*Service Providers and Consultants*

**PROGRAM ADMINISTRATORS:**



**Alliant Insurance Services, Inc.**  
Marcus Beverly, First-Vice President  
Raychelle Maranan, Administration Coordinator  
Joan Crossley, Account Executive  
Michael Simmons, Vice Chair (Peer Review)

**INVESTMENT CONSULTANTS:**



**Chandler Asset Management, Inc.**  
Martin Cassell, CFA, EVP and Chief Investment Officer  
Scott Prickett, CFA, SVP, Portfolio Strategist  
Kay Chandler, CFA, President and CEO

**ACCOUNTING SERVICE PROVIDER:**



**James Marta & Company**  
Jim Marta, CPA, ARM  
Alana, Theiss, CPA

**INDEPENDENT FINANCIAL AUDITING SERVICES:**



**Crowe Horwath LLP**  
Matthew Nethaway, Financial Audit

**THIRD PARTY CLAIMS ADMINISTRATION:**



**York Risk Services Group, Inc.**  
Dori Zumwalt, Account Manager  
Cameron Dewey, Claims Manager - GL  
Ben Burg, Claims Manager - WC

**RISK CONTROL AND ACTUARIAL SERVICES:**



**Bickmore Risk Services**  
Henri Castro, Risk Control Consultant  
Tom Kline, Risk Control Consultant  
Jeff Johnston, Director, Risk Control Services  
Mike Harrington, Director, Actuarial Services

***Northern California Cities Self Insurance Fund***

Please see our website at [www.nccsif.org](http://www.nccsif.org)



**NCCSIF**

Northern California Cities Self Insurance Fund  
A Joint Powers Authority

*The Northern California Cities Self Insurance Fund (NCCSIF) is an association of municipalities joined together in 1979 to protect Member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.*



Town of Paradise  
Council Agenda Summary  
March 14, 2017

Agenda No.: 2(e)

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Originated By: Crystal Peters, Human Resources & Risk Manager  
Reviewed By: Lauren Gill, Town Manager  
Subject: Adoption of Resolution No.: 17 - \_\_\_\_\_, A Resolution of the Town Council of the Town of Paradise Amending and Restating the Community Action Volunteer Worker Program

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**Council Action Requested:**

1. Adopt Resolution No.: 17 - \_\_\_\_\_, Amending and Restating the Community Action Volunteer Worker program for the Town of Paradise; or
  2. Provide alternate direction to staff.
- 

**Background:** On occasion, town staff receives inquiries from community-minded individuals interested in volunteering their time and talent. In the past, the Town Council has established the Volunteers in Police Service (VIPS), the Certified Disaster Service Worker Volunteer Program, and the Volunteers Advancing Defensible Space Program (VADS), and The Community Action Volunteer Worker Program.

Recently, staff received an inquiry from a non-resident of the Town who is interested in doing some Community Action Volunteering in the Community Safety Services Department. In an effort to accommodate this request and other anticipated non-resident inquiries into volunteer opportunities, staff is recommending the removal of the requirement that volunteers be a resident of the Town of Paradise.

Two related documents are attached for your convenience. One document is the Short-Term Volunteer Information and Agreement form that is currently in effect under the program. Each volunteer and the applicable town staff will complete this document. It reflects the scope of the volunteer's assignment, provides relevant contact information, as well as the required releases. No changes are recommended to this agreement.

The second document is a copy of Resolution 98-14, declaring workers compensation insurance coverage for volunteers. Although this resolution was adopted in 1998, it has not been revoked or modified and remains in effect.

Therefore, Resolution 11-01 is requested to be amended and restated to remove the word "resident" from the Community Action Volunteer Worker Program.

**Financial Impact:**

While it is generally accepted that volunteer programs save money, it is not possible to project just what those savings may be. Much depends on the nature of the volunteer assignment.

However, it should also be noted that the volunteer program is not without cost. Depending on the nature of the assignment, the quantity of volunteers, etc., workers compensation insurance does have a price tag. In the event that a volunteer is injured in performing his or her assignment, that injury will be a cost to the Town.

The cost of supervision, while a real cost, is also difficult to predict. Much will depend on the qualifications of the volunteer, the scope of the volunteer assignment, and the other demands for the supervisor's time and expertise.

The Town's ability to direct and control the volunteer opportunities and those volunteers wishing to pursue those opportunities is key to a successful and affordable program. While the Town is committed to fostering and maintaining a volunteer spirit, the program must be managed in order to be effective for both the Town and the community-minded individuals who wish to donate their time and talents.



**Consent of Parent or Legal Guardian for Minor's Participation as a Volunteer**

**(All Volunteers Under 18 Years of Age Must Have Parent or Legal Guardian Complete This Section)**

I, \_\_\_\_\_ the parent or legal guardian of \_\_\_\_\_ choose to allow \_\_\_\_\_ to participate in the community action volunteer worker program.

I understand that my child's or ward's services are being offered on a voluntary basis without anticipation of any financial remuneration.

I agree that he/she will abide by any rules and direction provided by those helping to administer the program. I understand that my child is covered under the City's workers' compensation insurance in the event of an injury from rendering a volunteer service. He/She will report any injury or incident to his/her supervisor immediately.

Signature of Parent or Legal Guardian : \_\_\_\_\_ Date: \_\_\_\_\_

**CONSENT OF PARENT OR LEGAL GUARDIAN**

**TO MEDICAL, DENTAL, OR HOSPITAL CARE OF MINOR VOLUNTEER:**

I, \_\_\_\_\_ the parent or legal guardian of \_\_\_\_\_, a minor, who was born on \_\_\_\_\_, authorize medical, dental, surgical or hospital care, treatment, or diagnosis of said minor and I agree to pay for any medical, dental, surgical, or hospital diagnosis, treatment, or care rendered to or for said minor for non-industrial injuries.

Signature of Parent or Legal Guardian: \_\_\_\_\_ Date: \_\_\_\_\_

**Consent of Parent or Legal Guardian to Use of Image of Minor Volunteer in Public Relations**

Photos, videos of \_\_\_\_\_, my child or ward, may be used by the Town of Paradise for public relations purposes.

Signature of Parent or Legal Guardian: \_\_\_\_\_ Date: \_\_\_\_\_

RESOLUTION NO. 98-14  
DECLARING WORKER'S COMPENSATION  
INSURANCE COVERAGE FOR VOLUNTEERS

WHEREAS, from time to time volunteers provide various types of services to the Town;

WHEREAS, except for certain statutory exceptions, volunteers are not covered by the Town's worker's compensation insurance coverage if they are injured as a result of such volunteer services;

WHEREAS, Labor Code section 3363.5 provides that a public agency may declare its volunteers as employees for worker's compensation insurance purposes by adopting resolution authorizing such coverage.

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF PARADISE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Pursuant to Labor Code section 3363.5, the Town Council does hereby declare that any person who performs voluntary service without pay for the Town of Paradise shall be deemed to be an employee of the Town for workers' compensation purposes, provided the volunteer services are authorized by the Town Council.

Section 2. The provisions of this resolution shall be prospective in nature.

PASSED AND ADOPTED by the Town Council of the Town of Paradise this 2nd day of June, 1998.

AYES: Deborah R. Presson, Alice R. Smith, Daniel G. Wentland,  
Alan White and C. L. "Lew" Hubb, Mayor.

NOES: None.

ABSENT: None.

NOT VOTING: None.

[Redacted Signature]  
C. L. "LEW" HUBB, Mayor

Attest:

[Redacted Signature]  
Frankie Rutledge, Town Clerk

Approved as to Form:

[Redacted Signature]  
Dwight L. Moore, Town Attorney

TOWN OF PARADISE  
RESOLUTION NO. ~~11-01-17-~~

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PARADISE  
~~ESTABLISHING-AMENDING AND RESTATING A-THE~~ COMMUNITY ACTION  
VOLUNTEER WORKER PROGRAM

WHEREAS, the Town Council is aware of the exemplary community-minded attitude displayed by the ~~residents-community~~ of the Town of Paradise; and,

WHEREAS, the Town Council wishes to encourage and support the spirit of volunteerism by providing community service opportunities; and,

WHEREAS, the Town Council is aware that on occasion ~~residents-individuals~~ wish to engage in volunteer service to the community by offering their time and talents to the Town of Paradise; and,

WHEREAS, the Town Council wishes to support that community commitment by providing volunteer service opportunities ~~to its residents~~;

NOW, THEREFORE, BE IT RESOLVED, by the Town Council of the Town of Paradise to establish a community action volunteer worker program as outlined:

1. On occasion, the Town of Paradise may have opportunities for ~~community residents-individuals~~ who wish volunteer their services.
2. The Town of Paradise reserves the right to define the available volunteer opportunities and select from among ~~community residents-individuals~~ who have expressed an interest in volunteering for that assignment.
3. Volunteers may not be used to replace paid Town of Paradise employees.
4. The Town shall not compensate the Volunteer for his or her participation in or services connected with the assignment. Nor shall the Town reimburse the Volunteer for out-of-pocket expenses associated with such participation of services.
5. The Town shall provide workers compensation benefits for the Volunteer if he or she is injured as a direct result of Town authorized activities.
6. The Town will provide direct supervision of the Volunteer during the performance of their service for the Town.

TOWN OF PARADISE

RESOLUTION NO. 17- 11-01

7. The Volunteer agrees that, except for workers compensation benefits, the Volunteer and on behalf of the Volunteer's parents, guardian, spouse, heirs, assigns and legal representatives, waive any claim of liability against the Town for any tort claim for personal injury or property damage or costs as a result of participating in the Town's Community Action Volunteer Worker Program.
8. Volunteers selected for an assignment must execute an agreement with the Town covering the scope of their assignment and the terms and conditions of their service with the Town of Paradise.
9. Volunteers are subject to a background check. The degree of the background check is related to the assignment. The Town will bear the cost of the background check.
10. The Town reserves the right to decline a Volunteer workers application and is not required to state the reason for such a decision.

PASSED AND ADOPTED by the Town Council of the Town of Paradise on this 11th

day of ~~January, 2011~~March 14, 2017, by the following vote:

AYES:

NOES:

ABSENT:

NOT VOTING:

\_\_\_\_\_  
Scott Lotter, Mayor

ATTEST:

By: \_\_\_\_\_  
Dina Volenski, CMC, Town Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Dwight L. Moore, Town Attorney



**Town of Paradise  
Council Agenda Summary  
Date: March 14, 2017**

**Agenda Item: 6(a)**

**Originated by:** Gina S. Will, Administrative Services Director/Town Treasurer

**Reviewed by:** Lauren Gill, Town Manager

**Subject:** Presentation of Fiscal Year 2015/16 Financial Statement Audit

---

**Council Action Requested:**

Following the Town Council's review of the Fiscal year 2015/16 financial statement audit report, staff recommends that the Council receive and file the Report, as submitted.

**Background:**

Mann, Urrutia, Nelson CPAs & Associates, LLP (MUN CPAs) have completed the annual audit for Fiscal Year 2015/16. MUN CPAs indicated that the financial statements 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.

This was the third independent audit conducted by MUN CPAs for the Town of Paradise. The team of auditors that Town staff worked with this year were professional and thorough in their review of transactions and presentation of financial statements. Their few recommendations were thoughtful and will ultimately be helpful to the understanding of the Town's financial statements.

Town Management did a thorough analysis of the financial statements and that analysis is included in the financial statements as "Management's Discussion and Analysis" on pages 3 through 9. Council is encouraged to read the financial statements in their entirety, but staff has highlighted some key results and elements of the financial statements below.

**Discussion:**

**Net Position:**

The Town continues to improve its financial position, rebuilding cash reserves and ending fund balances. Cash and investments increased 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.

<b>Net Position</b>		
	<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>

General Fund:

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.

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.

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. 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

**Outstanding 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 are due within one year.

**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>
<b>Total Liabilities</b>	<b>\$33,190,535</b>	<b>\$30,800,743</b>

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.

**Conclusion:**

The 2015/16 audit confirms the progress the Town continues to make toward financial stability. Staff would be remiss however, not to focus Council and the community on the areas of continued weakness. The Town's total net position is weak. Town assets exceed liabilities by only \$1.7 million. The Town has an aged infrastructure that continues to depreciate and has limited means of rebuilding. There is over \$14 million of unfunded pension liability and over \$5 million in other post-employment benefits on the balance sheet. This of course does not mean that the Town will have to pay these obligations in one year, but does mean that nearly all of the Town's available assets would be used to retire these liabilities. While these obligations are not an annual requirement, the Town would be prudent to fund whatever possible toward reducing these obligations or at least creating assets that can fund them in the future.

Measure C funds are extremely helpful in addressing deferred maintenance and equipment replacement deficiencies in the general fund the next several years. However, true fiscal health will not be obtained until revenues are diversified and the Town can fund asset replacement without the aid of Measure C. Also reserve balances have improved, but continued strong leadership requires guarded and careful spending and investment in the Town's future stability. The general fund budget is balanced on a thin margin and in the event of an emergency or another economic downturn, the Town general fund would be limited to what it could endure.

**Fiscal Impact Analysis:**

The action to receive and file the 2015/16 audit report does not in itself result in a cost to the Town of Paradise. Recommendations contained in the management letter have no costs associated with their implementation. The recommendations are procedural in nature and do not carry implementation costs.

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

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

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**ANNUAL FINANCIAL REPORT**  
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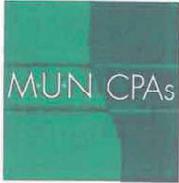
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## INDEPENDENT AUDITOR'S REPORT

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.

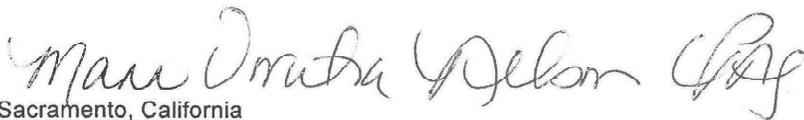
### *Other Information*

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.

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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>
<b>Total Assets</b>	<b><u>38,400,648</u></b>	<b><u>23,205,572</u></b>
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>
<b>Total Liabilities</b>	<b><u>(34,909,277)</u></b>	<b><u>(31,531,862)</u></b>
Deferred outflow of resources	1,108,629	1,064,115
Deferred inflow of resources	<u>(2,861,456)</u>	<u>(4,400,210)</u>
<b>Net Deferred Use of Resources</b>	<b><u>(1,752,827)</u></b>	<b><u>(3,336,095)</u></b>
<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>
<b>Total Net Position</b>	<b><u>\$1,738,544</u></b>	<b><u>\$(11,662,385)</u></b>

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>
Total Revenues	<u>17,764,304</u>	<u>16,598,409</u>
<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>
Total Expenses	<u>15,779,195</u>	<u>14,664,896</u>
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>
Change in net assets	<u>\$13,400,929</u>	<u>(\$13,117,712)</u>

## THE TOWN'S FUNDS

As the Town completed the year, its governmental funds, (as presented in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances), reported a combined fund balance of \$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><b>\$ 1,738,544</b></u>

See accompanying notes to the basic financial statements.

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 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	\$ 15,779,195	\$ 1,031,196	\$ 3,937,089	\$ 1,418,327	\$ (9,392,583)

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	32,871
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**

	<u>General Fund</u>	<u>Home Grant Fund</u>	<u>Cal Home Rehabilitation Fund</u>
<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	<u>436</u>	<u>9,357,486</u>	<u>2,115,388</u>
Total Assets	<u>\$ 4,191,746</u>	<u>\$ 9,764,847</u>	<u>\$ 2,432,128</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 297,332	\$ 4628	\$ -
Accrued wages	199,156	-	-
Due to other funds	-	360,332	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>68,650</u>
Total Liabilities	<u>496,488</u>	<u>364,960</u>	<u>68,650</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows of resources	<u>\$ -</u>	<u>\$ 9,357,486</u>	<u>\$ 2,115,388</u>
<b><u>FUND BALANCES</u></b>			
Nonspendable	2,889,460	-	-
Restricted	-	42,401	248,090
Assigned	389,677	-	-
Unassigned	<u>416,121</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>3,695,258</u>	<u>42,401</u>	<u>248,090</u>
Total Liabilities and Fund Balances	<u>\$ 4,191,746</u>	<u>\$ 9,764,847</u>	<u>\$ 2,432,128</u>

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	10,660	114	-	98,474
	<u>11,637,038</u>	<u>954,780</u>	<u>662,227</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	421,616	-	-	-
	<u>11,339,748</u>	<u>742,311</u>	<u>520,000</u>	<u>1,953,779</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	(203,566)	(170,069)	(50,309)	-
	<u>399,189</u>	<u>(170,069)</u>	<u>(50,309)</u>	<u>1,855,007</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>			
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:

Fiscal Year Ending June 30	Payment
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:

Fiscal Year Ending June 30	Payment
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:

Fiscal Year Ending June 30	Payment
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:

Fiscal Year Ending June 30	Payment
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:

Fiscal Year Ending June 30	Payment
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:

Fiscal Year Ending June 30	Payment
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% (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>Discount Rate +1% (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:

	<b>Safety</b>		<b>Non-Safety</b>
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:

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

**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.	<u>1,300,000</u>
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**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	63,246	78,339	74,396	(3,943)
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	139,212	141,786	147,166	5,380
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	79,715	79,746	94,166	14,420
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	84,500	88,972	107,395	(18,423)
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 \***

	Fiscal Year-End	
	2016	2015
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>				
	<b>Cluster Septic</b>	<b>Animal Control Shelter</b>	<b>Gas Tax</b>	<b>Traffic Safety</b>
<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	-	-	-	-
Total Assets	\$ -	\$ 17,734	\$ 331,818	\$ 8,254
<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	-	-	-	-
Total Liabilities	4,339	19,651	60,632	-
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows of resources	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>				
Restricted	-	-	271,186	8,254
Unassigned	(4,339)	(1,917)	-	-
Total Fund Balances (Deficits)	(4,339)	(1,917)	271,186	8,254
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 17,734	\$ 331,818	\$ 8,254

**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>			
	<b>95 Impact Signalization</b>	<b>95 Impact PDFC</b>	<b>95 Impact FDFC</b>	<b>95 Impact Road</b>
<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	-	-	-	-
	-	-	-	-
Total Assets	\$ 66,936	\$ 7,677	\$ 22,909	\$ 543,437
<b><u>LIABILITIES:</u></b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	-	-	-	-
Total Liabilities	-	-	-	-
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>				
Deferred inflows of resources	-	-	-	-
<b><u>FUND BALANCES (DEFICITS):</u></b>				
Restricted	66,936	7,677	22,909	543,437
Unassigned	-	-	-	-
	-	-	-	-
Total Fund Balances (Deficits)	66,936	7,677	22,909	543,437
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 66,936	\$ 7,677	\$ 22,909	\$ 543,437

**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><u>ASSETS</u></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><u>LIABILITIES:</u></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><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	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>ASSETS</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>LIABILITIES:</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>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows of resources	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>				
Restricted	7,301	75	-	2,007
Unassigned	-	-	-	-
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	<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>ASSETS</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>658,268</u>
Total Assets	<u>\$ 6,963</u>	<u>\$ 6,278</u>	<u>\$ 5,903,323</u>
<b>LIABILITIES:</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>36,886</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,256,470</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows of resources	-	-	658,268
	<u>-</u>	<u>-</u>	<u>658,268</u>
<b>FUND BALANCES (DEFICITS):</b>			
Restricted	6,963	6,278	4,004,472
Unassigned	-	-	(15,887)
	<u>-</u>	<u>-</u>	<u>(15,887)</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	-
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	-
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)
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**

**Special Revenue Funds**

	<b>Special Projects</b>	<b>EDBG Repayment</b>	<b>HUD Revolving Loan</b>	<b>SLESF</b>
<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>				
	<b>Citizen Police</b>	<b>Asset Seizure</b>	<b>Highway Safety Improvement</b>	<b>Active Transportation Program</b>
<b>REVENUES</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>EXPENDITURES</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>OTHER FINANCING SOURCES (USES)</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><u>REVENUES</u></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><u>EXPENDITURES</u></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><u>OTHER FINANCING SOURCES (USES)</u></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	-	-	-	-
Total Revenues	<u>21,022</u>	<u>40,079</u>	<u>43,760</u>	<u>12,865</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	24,208	-	22,251
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
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	<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**

**Special Revenue Funds**

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

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

**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	\$ 289,388	\$ 289,388	\$ 305,312	\$ 15,924
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>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	\$ 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

	<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	-	-	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	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

\* 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

<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
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

<u>REVENUES:</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
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

	<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	\$ -	\$ -	\$ 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>\$ 2,153</u>	<u>\$ 2,153</u>	<u>\$ 2,007</u>	<u>\$ (146)</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>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	\$ <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>\$ 2</u>	<u>\$ 2</u>	<u>\$ 1,764</u>	<u>\$ 1,762</u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 GRANTS MISCELLANEOUS ONE TIME  
 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>
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><u>\$ (218,000)</u></u>	<u><u>\$ (218,000)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 218,000</u></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><u>REVENUES:</u></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><u>EXPENDITURES:</u></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><u>\$ 8,126</u></u>	<u><u>\$ 8,126</u></u>	<u><u>\$ 7,678</u></u>	<u><u>\$ (448)</u></u>

**TOWN OF PARADISE**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 FIRE 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	\$ 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>373,052</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>7,670,237</u>	-	<u>7,670,237</u>
Total liabilities	<u>2,350</u>	<u>7,692,877</u>	-	<u>7,695,227</u>
<b><u>NET POSITION</u></b>				
Unrestricted	-	<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	\$ 442	\$ 1,824	\$ 5,585	\$ 7,851
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	\$ 442	\$ -	\$ 5,585	\$ 6,027
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**

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>EMPLOYEE BANK FUND</b>				
<b>ASSETS</b>				
Cash and investments	\$ 435	\$ 58	\$ (50)	\$ 443
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	\$ 5,513	\$ 71	\$ -	\$ 5,584
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>

## Assembly Republican Transportation Funding Plan

The Traffic Relief and Road Improvement Act provides **\$7.8 billion (\$5.6 billion multi-year/\$2.2 billion one-time revenues)** for transportation **without raising taxes**. AB xxx includes reforms to make transportation spending more accountable and efficient, and eliminates regulatory barriers that prevent traffic relief. It provides \$2.2 billion in one-time revenues from repayment of transportation loans.

### Reforms

- Repeals the “road diet,” which blocks projects that reduce traffic congestion
- Creates a CEQA exemption for road repair projects
- Creates a Transportation Inspector General
- Requires audits for major transportation projects \*
- Increases Caltrans contracting, and extends the sunset for public-private partnerships
- Achieves savings from Caltrans efficiencies
- Provides new oversight for Caltrans spending
- Restores independence for the California Transportation Commission
- Facilitates federal funding for the Trade Corridors Improvement Fund (TCIF) program

### Annual Revenues

**\$5.6 billion** in multi-year additional transportation funding

- \$3 billion from sales and use taxes collected from sale of new and used vehicles
- \$1.1 billion from return of truck weight fees for transportation
- \$550 million from vehicle insurance taxes
- \$270 million in new funding from cap-and-trade for transit [equivalent to amount that would be generated by the 3.5% diesel sales tax increase in AB 1 (Frazier)]
- \$160 million from AB 118 vehicle registration fees (backfilled by cap-and-trade)
- \$140 million from return of miscellaneous transportation revenues \*
- \$135 million from diesel sales tax (backfilled by cap-and-trade)
- \$125 million from return of taxes from sale of fuel for non-highway purposes
- \$100 million from Caltrans efficiencies
- \$10 million from return of diverted funds to the Off-Highway Vehicle Trust Fund

### Total Funding Distribution (one-time revenues/multi-year revenues)

- **\$2.8 billion** (\$700 million/\$2.1 billion) for **local streets and roads**
- **\$2.4 billion** (\$1.03 billion/\$1.32 billion) for **new capacity/traffic relief**
- **\$1.9 billion** (\$190 million/\$1.7 billion) for **highway maintenance and rehabilitation**
- **\$520 million** (\$250 million/\$270 million) for **transit**
- **\$100 million** (all ongoing) for **active transportation**
- **\$80 million** (all ongoing) for **DMV modernization and CHP funding** \*
- **\$10 million** (all ongoing) for **Off-Highway Vehicle Trust Fund**

\* Amendments pending

## Transportation Plan Comparison

	AB X (Fong)	Governor's Plan	AB 1 (Frazier)	SB 1 (Beall)
<b>Preliminary Revenue Estimate</b>	<b>\$7.8 billion</b> (\$5.6 billion annual/\$2.2 billion one-time revenues)	<b>\$4.3 billion</b> (\$4.2 billion annual/\$0.7 billion one-time revenues)	<b>\$6.8 billion</b> (\$6.1 billion annual/\$0.7 billion one-time revenues)	<b>\$6.8 billion</b> (\$6.1 billion annual/\$0.7 billion one-time revenues)
<b>Gas Tax Increase<sup>1</sup></b>	<b>No Increase</b>	<b>11.7 cents/gallon</b> + annual inflation adjustment	<b>19.5 cents/gallon</b> + annual inflation adjustment	<b>19.5 cents/gallon over 3 years</b> (Y1: 13.5 cents; Y2: 3 cents; Y3: 3 cents) + annual inflation adjustment
<b>Vehicle Registration Tax</b>	<b>None</b>	<b>\$65/year</b>	<b>\$38/year</b> + annual inflation adjustment	<b>\$38/year</b> + annual inflation adjustment
<b>Diesel Excise Tax Increase<sup>2</sup></b>	<b>No Increase</b>	<b>11 cents/gallon</b> + annual inflation adjustment	<b>17 cents/gallon</b> + annual inflation adjustment	<b>17 cents/gallon</b> + annual inflation adjustment
<b>Diesel Sales Tax Increase</b>	<b>No Increase</b>	<b>No Increase</b>	<b>3.5%</b> + annual inflation adjustment	<b>4%</b> + annual inflation adjustment
<b>Zero Emission Vehicle Tax</b>	<b>None</b>	<b>None</b>	<b>\$165/year</b> + annual inflation adjustment	<b>\$100/year</b> + annual inflation adjustment
<b>Weight Fee Diversion (~\$1 billion/year)</b>	<b>100% restored</b> Takes effect immediately	<b>No Restoration</b>	<b>Partial Restoration</b> (10% per year over 5 years)	<b>Partial Restoration</b> (10% per year over 5 years)
<b>Loan Repayment</b>	<b>100% repayment</b> in year 1 (\$2.2 billion)	<b>Partial Repayment</b> (32% over 3 years)	<b>Partial Repayment</b> (16% in year 1; 16% in year 2)	<b>Partial Repayment</b> (16% in year 1; 16% in year 2)
<b>Vehicle Sales and Use Taxes</b>	<b>Dedicated to transportation</b>	<b>Diverted to General Fund</b>	<b>Diverted to General Fund</b>	<b>Diverted to General Fund</b>
<b>Vehicle Insurance Taxes</b>	<b>Dedicated to transportation</b>	<b>Diverted to General Fund</b>	<b>Diverted to General Fund</b>	<b>Diverted to General Fund</b>

<sup>1</sup>Increase over 2016-17 rate of 27.8 cents/gallon

<sup>2</sup>Increase over 2016-17 rate of 16 cents/gallon