

City of Bradbury

Bradbury, California

Independent Auditors' Reports and Basic Financial Statements

For the Year Ended June 30, 2022



City of Bradbury
Basic Financial Statements
For the Year Ended June 30, 2022

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Basic Financial Statements
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
of the City of Bradbury
Bradbury, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Bradbury, California (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedules of the City's Proportionate Share of the Net Pension Liabilities and Related Ratios, and the Schedule of the City's Contributions - Pensions on pages 47 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

To the Honorable Mayor and Members of the City Council
of the City of Bradbury
Bradbury, California
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Management has omitted the Management’s Discussion and Analysis (“MD&A”) that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2023, on our consideration of the City’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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s 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 City’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
August 21, 2023

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditors' Report

To the Honorable Mayor and Members of the City Council
of the City of Bradbury
Bradbury, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Bradbury, California (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

To the Honorable Mayor and Members of the City Council
of the City of Bradbury
Bradbury, California
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The PwC Group, LLP

Santa Ana, California
August 21, 2023

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Bradbury
Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 5,422,324
Accounts receivable	6,966
Taxes receivable	188,013
Prepaid items	179
Total current assets	5,617,482
Noncurrent assets:	
Net pension asset	32,129
Capital assets:	
Nondepreciable	198,323
Depreciable, net	3,376,734
Total capital assets	3,575,057
Total noncurrent assets	3,607,186
Total assets	9,224,668
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferred outflows of resources	97,747
Total deferred outflows of resources	97,747
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	117,317
Unearned revenue	300,572
Total current liabilities	417,889
Total liabilities	417,889
DEFERRED INFLOWS OF RESOURCES	
Pension related deferred inflows of resources	41,007
Total deferred inflows of resources	41,007
NET POSITION	
Investment in capital assets	3,575,057
Restricted	312,467
Unrestricted	4,975,995
Total net position	\$ 8,863,519

City of Bradbury
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 723,526	\$ 426,308	\$ 3,653	\$ -	\$ (293,565)
Public safety	235,307	-	263,106	-	27,799
Public works	155,189	53,094	162,936	8	60,849
Parks and recreation	43,311	-	-	-	(43,311)
Total governmental activities	\$ 1,157,333	\$ 479,402	\$ 429,695	\$ 8	(248,228)
		General Revenues:			
		Property taxes			539,153
		Sales taxes			2,832
		Franchise taxes			126,129
		Motor vehicle in lieu			146,411
		Busines license			26,301
		Use of money and property			(27,804)
		Miscellaneous			12,759
		Total general revenues			825,781
		Change in net position			577,553
		Net Position:			
		Beginning of year, as restated (Note 12)			8,285,966
		End of year			\$ 8,863,519

GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Bradbury
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds			
	General Fund	Special Revenue Funds		
		Utility Users Tax	COPS	Public Transportation Fund (Prop A)
ASSETS				
Cash and investments	\$ 4,178,342	\$ 590,323	\$ 352,399	\$ 28,054
Accounts receivable	6,966	-	-	-
Taxes receivable	187,600	-	-	-
Prepaid items	179	-	-	-
Due from other funds	5,860	-	-	-
Total assets	\$ 4,378,947	\$ 590,323	\$ 352,399	\$ 28,054
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 81,717	\$ -	\$ -	\$ -
Unearned revenues	-	-	294,909	-
Due to other funds	-	-	-	-
Total liabilities	81,717	-	294,909	-
Deferred Inflows of Resources:				
Unavailable revenue	134,949	-	-	-
Total deferred inflows of resources	134,949	-	-	-
Fund Balances:				
Nonspendable	179	-	-	-
Restricted	1,032	-	57,490	28,054
Committed	-	590,323	-	-
Assigned	1,000,000	-	-	-
Unassigned	3,161,070	-	-	-
Total fund balances	4,162,281	590,323	57,490	28,054
Total liabilities, deferred inflows of resources and fund balances	\$ 4,378,947	\$ 590,323	\$ 352,399	\$ 28,054

City of Bradbury
Balance Sheet (Continued)
Governmental Funds
June 30, 2022

	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 273,206	\$ 5,422,324
Accounts receivable	-	6,966
Taxes receivable	413	188,013
Prepaid items	-	179
Due from other funds	-	5,860
Total assets	\$ 273,619	\$ 5,623,342
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 35,600	\$ 117,317
Unearned revenues	5,663	300,572
Due to other funds	5,860	5,860
Total liabilities	47,123	423,749
Deferred Inflows of Resources:		
Unavailable revenue	-	134,949
Total deferred inflows of resources	-	134,949
Fund Balances:		
Nonspendable	-	179
Restricted	225,891	312,467
Committed	605	590,928
Assigned	-	1,000,000
Unassigned	-	3,161,070
Total fund balances	226,496	5,064,644
Total liabilities, deferred inflows of resources and fund balances	\$ 273,619	\$ 5,623,342

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City of Bradbury
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds \$ 5,064,644

Amounts reported for governmental activities in the government-wide statement of net position were different because:

Capital assets used in governmental activities were not financial resources and therefore, were not reported in governmental funds.

Capital assets, nondepreciable	\$ 198,323	
Capital assets, net of accumulated depreciation	<u>3,376,734</u>	3,575,057

Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

Pension related deferred outflows of resources		97,747
Net pension liability (asset)		32,129
Pension related deferred inflows of resources		(41,007)

Revenue reported as unavailable revenue in the governmental funds when it is not received soon enough after year-end for current expenditures. The availability criteria does not apply to the Government-Wide Financial Statements and, therefore, the revenue is recognized when eligibility requirements are met and earned.

134,949

Net Position of Governmental Activities \$ 8,863,519

City of Bradbury
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Major Funds			
	General Fund	Special Revenue Funds		
		Utility Users Tax	COPS	Public Transportation Fund (Prop A)
REVENUES:				
Taxes	\$ 818,178	\$ -	\$ -	\$ -
Licenses and permits	161,372	-	-	-
Use of money and property	(31,219)	4,446	2,742	62
Intergovernmental	141,183	-	102,117	26,566
Charges for services	290,891	-	-	-
Other revenue	17,926	-	-	-
Total revenues	<u>1,398,331</u>	<u>4,446</u>	<u>104,859</u>	<u>26,628</u>
EXPENDITURES:				
Current:				
General government	885,087	-	-	-
Public safety	133,190	-	102,117	-
Public works	-	16,128	-	-
Parks and recreation	43,311	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>1,061,588</u>	<u>16,128</u>	<u>102,117</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>336,743</u>	<u>(11,682)</u>	<u>2,742</u>	<u>26,628</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	667,520	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>667,520</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,004,263	(11,682)	2,742	26,628
FUND BALANCES:				
Beginning of year, as restated (Note 12)	<u>3,158,018</u>	<u>602,005</u>	<u>54,748</u>	<u>1,426</u>
End of year	<u>\$ 4,162,281</u>	<u>\$ 590,323</u>	<u>\$ 57,490</u>	<u>\$ 28,054</u>

City of Bradbury
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2022

	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:		
Taxes	\$ -	\$ 818,178
Licenses and permits	-	161,372
Use of money and property	3,881	(20,088)
Intergovernmental	181,458	451,324
Charges for services	20,103	310,994
Other revenue	-	17,926
Total revenues	205,442	1,739,706
EXPENDITURES:		
Current:		
General government		885,087
Public safety	-	235,307
Public works	87,425	103,553
Parks and recreation	-	43,311
Capital outlay	81,126	81,126
Total expenditures	168,551	1,348,384
REVENUES OVER (UNDER) EXPENDITURES	36,891	391,322
OTHER FINANCING SOURCES (USES):		
Transfers in	-	667,520
Transfers out	(667,520)	(667,520)
Total other financing sources (uses)	(667,520)	-
Net change in fund balances	(630,629)	391,322
FUND BALANCES:		
Beginning of year, as restated (Note 12)	857,125	4,673,322
End of year	\$ 226,496	\$ 5,064,644

City of Bradbury
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds: \$ 391,322

Amounts reported for governmental activities in the statement of activities are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds:

Capital outlay	\$	81,126	
Depreciation		(72,645)	8,481

Certain pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, net of contribution made after measurement date in the amount of \$30,103. 182,570

Revenues reported as unavailable revenue in the governmental funds and recognized as revenue in the Statement of Activities. (4,820)

Change in Net Position of Governmental Activities **\$ 577,553**

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Bradbury
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 1 – Reporting Entity

The City of Bradbury, California (the "City"), was incorporated on July 26, 1957. The City provides a broad range of services to its citizens, including general government, public safety, streets, sanitation, and parks and recreation. Many of the municipal governmental functions of the City are provided by special districts. Examples of some of these special districts, which usually encompass areas larger than the City itself, are the Fire Protection District, the Library District, the Sewer Maintenance District and the County Flood Control District. Certain other governmental functions are paid for by the City, but performed by Los Angeles County departments under contract. Some of the contracts now in effect are for police protection, street maintenance, and tax collection services.

The City is a general law city operating under the City Council/City Manager form of government. The financial reporting entity of the City is comprised of various funds. The accompanying financial statements include those of the City and contain only the funds of the City.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization's governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

There are no component units for the City that meet the criteria for blended or discrete presentation.

Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

The basic financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. City resources are allocated to account for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental activities for the City. The City does not have any business-type activities; therefore, only governmental activities are reported.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statements Presentation (Continued)

Government-Wide Financial Statements (Continued)

The government-wide financial statements are presented on an *"economic resources"* measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities are included in the accompanying statement of net position. The statement of activities presents changes in 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 the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions.

Certain eliminations have been made in regards to interfund activities, payables, and receivables. The transfers in and out, and due to and due from other funds activities have been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and nonmajor funds in aggregate. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the qualifications for major fund reporting.

All governmental funds are accounted for on a spending or *"current financial resources"* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The statement of revenues, expenditures, and changes in fund balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recognized as soon as they are both "measurable" and "available". Revenues are considered to be available when they are collectible within the current period as soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales tax, intergovernmental revenues, other taxes, and grant revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are presented to explain the differences.

The City reports the following major governmental funds:

General Fund is the general operating fund of the City. All general tax revenues and other receipts not allocated by law or contractual agreement to other funds are accounted for in this fund. Expenditures of this fund include general operating costs not paid through other funds. The General Fund is used to account for all activities of the City not accounted for in some other fund.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statements Presentation (Continued)

Governmental Fund Financial Statements (Continued)

Utility Users Tax Special Revenue Fund is used to record the receipt and disbursement of funds received from the utility users tax assessed by the City. When it was approved by voters, it was specified to be separated into its own fund for the purpose of complying with the Clean Water Act. The fund is used to preserve the City’s essential municipal services, maintain a safe and quality community and meet the obligations for State and Federal Mandates.

Citizens' Option for Public Safety (“COPS”) Special Revenue Fund – is used to account for the receipt and disbursement of funds allocated by the State of California and must be used for front line law enforcement expenditures.

Public Transportation (Prop A) Special Revenue Fund – is used to account for the receipt and disbursement of funds received from the motor vehicle registration fee collected by the State of California and must be used for programs that reduce motor vehicle emissions. The City has used these funds for the purchase of alternative fuel vehicles and for enhancements to the City’s website.

C. Cash and Investments

Investments are reported at fair value.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash investments of all funds. Each fund’s share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned from pooled investments is allocated to those various funds based on each fund’s average cash and investment balance.

Certain disclosure requirements, if applicable, for deposits and investment risks in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

Levels of inputs are as follows:

The three levels of the fair value measurement hierarchy are described below:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1 that are observable for the assets and liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets and liabilities at the measurement date.

E. Receivables

Receivables include such items as taxes, intergovernmental revenues, charges for services, miscellaneous accounts receivable, and interest receivable. No allowance for doubtful accounts has been established, as the City believes all amounts are considered to be collectible in the normal course of business.

F. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. The City's capitalization policy is \$5,000 and above for machinery and equipment; \$10,000 and above for building improvements; \$20,000 and above for buildings; and \$50,000 and above for infrastructure assets. Capital assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Structures and improvements	50 Years
Machinery and Equipment	7-10 Years
Infrastructure:	
Roadways - Pavement	25 Years
Roadways - Signs	10 Years
Sewer - Existing Pipe	75 Years
Fence	50 Years
Curbs and Gutters	100 Years
Bridge	75 Years

G. Interfund Activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans).

H. Compensated Absences

The City accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. All full-time employees accrue vacation leave according to their years of service. Unused sick days are forfeited at termination or resignation; therefore, there is no liability for sick leave at June 30, 2022.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

I. Pensions

The City contributes to the California Public Employees’ Retirement System (“CalPERS”), a cost-sharing multiple-employer defined benefit pension plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

J. Deferred Outflows / Inflows of Resources

The statement of net position and the balance sheet – governmental funds reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position/fund balances) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

K. Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – This amount indicates the portion of fund balance which cannot be spent because they are either not in spendable form, such as prepaid items, inventories or loans receivable, or legally or contractually required to be maintained intact, such as the principal portion of an endowment.

Restricted – This amount indicates the portion of fund balance which has been restricted a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – This amount indicates the portion of fund balance which can only be used for specific purposes pursuant to formal resolution or ordinance of the City Council. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

K. Fund Balances (Continued)

Assigned – This amount indicates the portion of fund balance which is constrained by the City’s intent to be used for specific purposes, but is neither restricted nor committed. The City Manager is authorized by the City Council to determine and define the amount of assigned fund balance.

Unassigned – This amount indicates the portion of fund balance that does not fall into one of the above categories. This category is for any balances that have no restrictions placed upon them. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

L. Net Position

In the government-wide financial statements, net position balances are classified as follows:

Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation.

Restricted – This component of net position consists of restricted assets reduced by liabilities related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes in which both restricted and unrestricted components of net position are available, the City’s policy is to apply the restricted component of net position first.

M. Property Tax Revenues

Property taxes in California are levied in accordance with Article XIII B of the State Constitution at one percent of county-wide assessed valuations. This one percent is allocated pursuant to state law to the appropriate units of local government. Property tax revenue is recognized in the fiscal year for which taxes have been levied, provided that the revenue is collected in the current period or will be collected within 60 days thereafter.

The following dates relate to property tax levies and collections:

Lien Date	January 1
Levy Date	July 1
Due Dates	November 1 and February 1
Collection Dates	December 10 and April 10

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

N. Use of Estimates

The preparation of the basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

O. Implementation of New GASB Pronouncements

During fiscal year ended June 30, 2022, the City has implemented the following new GASB Pronouncement:

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre–November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 93 – In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

O. Implementation of New GASB Pronouncements (Continued)

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Implementation of this Statement did not have a significant effect on the City’s financial statements for the fiscal year ended June 30, 2022.

Note 3 – Cash and Investments

Cash and investments as of June 30, 2022 consisted of the following:

Petty cash	\$	300
Demand deposits		1,355,945
Investments with LAIF		3,322,079
Investments in certificates of deposit		744,000
Total	\$	5,422,324

A. Deposits

The carrying amount of the City’s demand deposits was \$1,355,945 at June 30, 2022. The bank balances at that date were \$1,409,950, the total amount of which was collateralized or insured with accounts held by the pledging financial institutions in the City’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City’s deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures, if applicable. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments (Continued)

B. Investments

Under the provisions of the City’s investment policy and in accordance with Section 53601 of the California Government Code, the City may invest in the type of investments listed in the table below. The table also identifies certain provisions intended to limit the City’s exposure to interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund	N/A	No Limit	\$ 40,000,000
U.S. Government Obligations	5 Years	No Limit	No Limit
Certificates of Deposit	360 Days	No Limit	No Limit

C. Fair Value Measurement

At June 30, 2022, investments are reported at fair value. The following table presents the fair value measurement of investments on recurring basis and the levels within the fair value hierarchy in which the fair value measurements fall at June 30, 2022:

<u>Investment Type</u>	<u>Measurement Input</u>	
	<u>(Level 2)</u>	<u>Uncategorized</u>
Local Agency Investment Fund	\$ -	\$ 3,322,079 ⁽²⁾
Negotiable certificates of deposit	744,000 ⁽¹⁾	-
Total	<u>\$ 744,000</u>	<u>\$ 3,322,079</u>

⁽¹⁾ Price based on market prices from Intercontinental Exchange.

⁽²⁾ Cash and cash equivalent valued at amortized cost.

D. Risk Disclosures

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy limits investments to a maximum maturity of five years.

At June 30, 2022, the City had the following investment maturities:

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less than 1</u>	<u>1 to 2</u>	<u>2 to 3</u>
Local Agency Investment Fund	\$ 3,322,079	\$ 3,322,079	\$ -	\$ -
Negotiable certificates of deposit	744,000	247,000	-	497,000
Total	<u>\$ 4,066,079</u>	<u>\$ 3,569,079</u>	<u>\$ -</u>	<u>\$ 497,000</u>

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments (Continued)

D. Risk Disclosures (Continued)

Credit Risk – State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. It is the City’s policy to limit its investments in these investment types to the top rating issued by Standard & Poor’s and Moody’s Investor Service. At June 30, 2022, the City’s credit risks, expressed on a percentage basis, were as follows:

Credit Quality Distribution for Securities with Credit Exposure as a Percentage of Total Investments			
Investment Type	Moody's Credit Rating	S&P's Credit Rating	% of Investments with Interest Rate Risk
Local Agency Investment Fund	Not Rated	Not Rated	81.70%
Negotiable certificates of deposit	Not Rated	Not Rated	18.30%
Total			<u>100.00%</u>

Custodial Risk – For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City 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. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of credit risk – The City’s investment policy does not allow for investments in any one institution that is in excess of 5% of the City’s total portfolio, except for LAIF and certificate of deposit, where there is no limit. The City’s certificate of deposit in the amount of \$744,000 represented 18.3% of total City investments.

E. Investment in Local Agency Investment Fund (“LAIF”)

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments with LAIF at June 30, 2022 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities, which included the following:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2022, the City had \$3,332,079 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities. The investment in LAIF is reported at amortized cost.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 4 – Interfund Transactions

Due To and Due From

At June 30, 2022 the City had the following due to and from other funds:

	Due From Other Funds
Due To Other Funds	General Fund
Nonmajor Governmental Fund	\$ 5,860

The due to and due from is short-term borrowing to cover a cash deficit.

Transfers In and Out

During the year ended June 30, 2022 the City had the following transfers in and out from other funds:

	Transfer Out
Transfer In	Sewer Speical Revenue Fund
General Fund	\$ 667,520
Total	\$ 667,520

The purpose of the transfers was to transfer funds to cover budgeted projects.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 5 – Capital Assets

The following schedule shows changes in capital assets for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Reclassification	Balance July 1, 2022
Nondepreciable Assets:					
Land	\$ 117,197	\$ -	\$ -	\$ -	\$ 117,197
Construction in progress	719,477	81,126	-	(719,477)	81,126
Total Nondepreciable Assets	<u>836,674</u>	<u>81,126</u>	<u>-</u>	<u>(719,477)</u>	<u>198,323</u>
Depreciable Assets:					
Structures and improvements	859,900	-	-	-	859,900
Machinery and equipment	101,709	-	-	-	101,709
Infrastructure	2,981,552	-	-	719,477	3,701,029
Total Depreciable Assets	<u>3,943,161</u>	<u>-</u>	<u>-</u>	<u>719,477</u>	<u>4,662,638</u>
Less Accumulated Depreciation:					
Structures and improvements	(182,684)	(17,198)	-	-	(199,882)
Machinery and equipment	(79,161)	(3,811)	-	-	(82,972)
Infrastructure	(951,414)	(51,636)	-	-	(1,003,050)
Total Accumulated Depreciation	<u>(1,213,259)</u>	<u>(72,645)</u>	<u>-</u>	<u>-</u>	<u>(1,285,904)</u>
Total Depreciable Assets, Net	<u>2,729,902</u>	<u>(72,645)</u>	<u>-</u>	<u>719,477</u>	<u>3,376,734</u>
Total Capital Assets, Net	<u>\$ 3,566,576</u>	<u>\$ 8,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,575,057</u>

Depreciation expense was charged in the following functions in the statement of activities:

General government	\$ 21,009
Public works	51,636
Total	<u>\$ 72,645</u>

Note 6 – Self-Insurance with Joint Powers Authority

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City is a member of the California Joint Powers Insurance Authority (the “Authority”). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Self-Insurance with Joint Powers Authority (Continued)

B. Primary Self-Insurance Programs of the Authority (Continued)

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2021-22 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

The City participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City property is currently insured according to a schedule of covered property submitted by the City to the Authority. The City property currently has all-risk property insurance protection in the amount of \$97,937,818. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Self-Insurance with Joint Powers Authority (Continued)

C. Purchased Insurance (Continued)

Crime Insurance

The City of Bradbury purchases crime insurance coverage in the amount of \$3,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

D. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2021-2022.

Note 7 – Deferred Compensation Plan

The City had made available to its employees a deferred compensation plan, whereby employees authorize the City to withhold funds from salaries to be invested in individual investment accounts. Funds may be withdrawn by participants upon termination of employment or retirement. The City makes no contributions under the Plan. The amount held by trustees for the employees at June 30, 2022 was \$37,114. The Trustee invests compensation deferred by employees in various investment options selected by the employee and retains title to all accumulated funds until they are paid to the employee or other beneficiary. Plan assets were established in the trust arrangement specified by Internal Revenue Code Section 457(g). The plan assets are not reflected on the City’s financial statements.

Note 8 – Defined Benefit Pension Plans

General Information about the Pension Plan

Plan Description

The City contributes to the California Public Employees’ Retirement System (“CalPERS”), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of the CalPERS annual financial report may be obtained from their website at www.calpers.ca.gov under Forms and Publications.

Employees Covered by Benefit Terms

At June 30, 2020, the valuation date, the following employees were covered by the benefit terms:

	Miscellaneous	
	Classic	PEPRA
Active employees	2	1
Transferred and terminated employees	6	-
Retired Employees and Beneficiaries	1	-
Total	9	1

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 8 – Defined Benefit Pension Plans (Continued)

General Information about the Pension Plan (Continued)

Benefit Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member becomes eligible for Service Retirement upon attainment of age 60 with at least 5 years of credited service. PEPRAs miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay. Retirement benefits for miscellaneous employees are calculated as 2.0% of the average final 60-month compensation.

Participant is eligible for non-industrial disability retirement if becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") 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. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The Public agency cost-sharing plans covered by either the Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2021, the active employee and employer's contribution rates for classic miscellaneous plan were 7.000% and 8.794%, respectively; and for PEPRAs miscellaneous plan were 6.75% and 7.732% of annual payroll, respectively.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 8 – Defined Benefit Pension Plans (Continued)

Pension Liabilities (Assets), Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2020 were rolled forward to determine the June 30, 2021 total pension liabilities, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

¹The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre- retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building -block method in which 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

The expected real rates of return by asset class are as followed:

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1-10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	100.00%		

(1) In the System's Comprehensive Annual Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 8 – Defined Benefit Pension Plans (Continued)

Pension Liabilities (Asset), Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liabilities of the Plan as of the measurement date at June 30, 2021, calculated using the discount rate of 7.15%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current Discount	Discount Rate
	-1% (6.15%)	Rate (7.15%)	+ 1% (8.15%)
Miscellaneous	\$ (76,731)	\$ (32,129)	\$ 4,743

Pension Plan Fiduciary Net Position

Detail information about the plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

Proportionate Share of Net Pension Liability (Asset) and Pension Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

	Increase (Decrease)		
	Plan Total Pension	Plan Fiduciary Net	Plan Net Pension
	Liability	Position	Liability/(Asset)
Miscellaneous			
Balance at: 6/30/20 (Valuation date)	\$ 1,173,067	\$ 1,054,159	\$ 118,908
Balance at: 6/30/21 (Measurement date)	1,257,769	1,289,898	(32,129)
Net Changes during 2020-21	\$ 84,702	\$ 235,739	\$ (151,037)

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 8 – Defined Benefit Pension Plans (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2020). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2021). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2021 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2020-2021).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan’s share of the actuarial accrued liability. FNP is allocated based on the rate plan’s share of the market value assets.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expenses are allocated based on the City’s share of contributions during the measurement period.

The City’s proportionate share of the net pension liability was as follows:

	Miscellaneous Plan
June 30, 2020	0.00109%
June 30, 2021	-0.00059%
Change - Increase (Decrease)	-0.00169%

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 8 – Defined Benefit Pension Plans (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

For the year ended June 30, 2022, the City recognized pension credit of \$149,755 for the miscellaneous plan.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the 2020-2021 measurement period is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (the total number of participants: active, inactive, and retired).

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contribution made after measurement date	\$ 30,103	\$ -
Changes of Assumptions	-	-
Difference between Expected and Actual Experience	-	(3,604)
Actual earnings in excess of expected earning		
on pension investments	28,044	-
Adjustment due to differences in proportions	39,600	-
Difference between employer's actual contributions and employer's proportionate share of contributions	-	(37,403)
Total	\$ 97,747	\$ (41,007)

For the year ended June 30, 2022, deferred outflows of resources related to pensions was \$30,103, resulting from City’s contributions subsequent to the measurement date, will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Miscellaneous Plan
2023	\$ 4,109
2024	6,418
2025	8,358
2026	7,752
2027	-
Thereafter	-
Total	\$ 26,637

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Classification of Fund Balances

At June 30, 2022, fund balances are classified in the governmental funds as follows:

	Major Speical Revenue Funds					Total
	General Fund	UUT	COPS	Public Transportation Fund (Prop A)	Nonmajor Governmental Funds	
Nonspendable:						
Prepaid items	\$ 179	\$ -	\$ -	\$ -	\$ -	\$ 179
Restricted:						
Covid 19	1,032	-	-	-	-	1,032
COPS	-	-	57,490	-	-	57,490
Gas Tax	-	-	-	-	784	784
Proposition C	-	-	-	-	17,709	17,709
Country Park Grant	-	-	-	-	9,233	9,233
Proposition A	-	-	-	28,054	-	28,054
Measure R	-	-	-	-	83,105	83,105
STPL	-	-	-	-	1,053	1,053
Recycling	-	-	-	-	25,746	25,746
Fire Grant	-	-	-	-	6,300	6,300
Measure M	-	-	-	-	60,808	60,808
TDA	-	-	-	-	739	739
SB 1 Gas Tax	-	-	-	-	9,550	9,550
Measure W	-	-	-	-	10,864	10,864
Total Restricted	1,032	-	57,490	28,054	225,891	312,467
Committed:						
Sewer improvements and operations	-	-	-	-	605	605
Clean water	-	590,323	-	-	-	590,323
Total Committed	-	590,323	-	-	605	590,928
Assigned:						
Economic uncertainties	1,000,000	-	-	-	-	1,000,000
Unassigned	3,161,070	-	-	-	-	3,161,070
Total Fund Balances	\$ 4,162,281	\$ 590,323	\$ 57,490	\$ 28,054	\$ 226,496	\$ 5,064,644

In order to prudently protect its fiscal solvency, the City maintains a minimum assigned fund balance of \$1,000,000 as reserves for economic uncertainties. The reserve is important in order to:

- Ensure that the City is able to respond to the challenges of a changing environment.
- Reduce the budgetary impacts of bad economic times.
- Insulate the City from actions of the State that may result in reduction of revenues.
- Mitigate exposure to natural disasters or other catastrophic events.
- Demonstrate continued creditworthiness to bond rating agencies and the financial community.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Classification of Fund Balances (Continued)

The nature and purpose of each reserve is described below:

- A. Infrastructure - funds set aside for one-time infrastructure expenditures relating to City owned infrastructure repairs such as streets, sewers or other City facilities.
- B. Economic changes, natural disaster or other catastrophic events - funds set aside for local disasters, emergencies, and /or unexpected economic changes that adversely impact the City's financial position.

This reserve was not formally adopted by the City Council.

Note 10 – Other Required Disclosures

Excess of Expenditures over Appropriations

	Appropriations	Expenditures	Excess Expenditures over Appropriations
Nonmajor Governmental Funds:			
TDA Special Revenue Fund			
Public works	\$ -	\$ 5,519	\$ (5,519)

The excess was due to higher than anticipated expenditures that exceeded the approved appropriations. The Council was informed of the excesses through monthly reports, and that the expenditures were higher than yearly budgeted amounts due to unforeseen expenses. However, the Council did not formally increase the budgetary appropriations since the revenues were higher than expected and they exceeded the total expenditures.

Note 11 – Commitments and Contingencies

A. Grants

The City participates in Federal and State grant programs. These programs are subject to further examination by the grantors. Expenditures which may be disallowed by the granting agencies, if any, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

B. Litigation

The City has not been named in any lawsuit that has a potentially material effect on its financial position. There is one matter involving a threat of litigation, which has been accrued in the City's financial position. While the outcome of this matter if litigation is commenced is not presently determinable, in the opinion of management of the City, based in part on the advice of counsel, the resolution of this matter is not expected to have a material adverse effect on the financial position or results of operations of the City.

City of Bradbury
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 12 – Prior Period Adjustments

The General Fund beginning fund balance was restated from \$3,286,001 to \$3,158,018 and the Governmental Activity beginning net position was also restated from \$8,413,949 to \$8,285,966 due to correction of American Rescue Plan Act revenue recognition.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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City of Bradbury
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	General Fund			Variance with Final Budget
	Budget		Actual	
	Original	Final		
REVENUES:				
Taxes	\$ 816,764	\$ 816,764	\$ 818,178	\$ 1,414
Licenses and permits	161,000	161,000	161,372	372
Use of money and property	50,650	50,650	(31,219)	(81,869)
Intergovernmental	112,200	112,200	141,183	28,983
Charges for services	314,835	314,835	290,891	(23,944)
Other revenue	7,720	7,720	17,926	10,206
Total revenues	<u>1,463,169</u>	<u>1,463,169</u>	<u>1,398,331</u>	<u>(64,838)</u>
EXPENDITURES:				
Current:				
General government	983,395	983,395	885,087	98,308
Public safety	141,940	141,940	133,190	8,750
Parks and recreation	51,000	51,000	43,311	7,689
Total expenditures	<u>1,176,335</u>	<u>1,176,335</u>	<u>1,061,588</u>	<u>114,747</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>286,834</u>	<u>286,834</u>	<u>336,743</u>	<u>49,909</u>
OTHER FINANCING SOURCES:				
Transfers in	665,476	665,476	667,520	2,044
Total other financing sources	<u>665,476</u>	<u>665,476</u>	<u>667,520</u>	<u>2,044</u>
Net change in fund balance	<u>\$ 952,310</u>	<u>\$ 952,310</u>	<u>1,004,263</u>	<u>\$ 51,953</u>
FUND BALANCE:				
Beginning of year, as restated (Note 12)			<u>3,158,018</u>	
End of year			<u>\$ 4,162,281</u>	

City of Bradbury
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2022

Utility Users Tax (UUT) Special Revenue Fund

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 5,000	\$ 5,000	\$ 4,446	\$ (554)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>4,446</u>	<u>(554)</u>
EXPENDITURES:				
Current:				
Public works	90,000	90,000	16,128	73,872
Total expenditures	<u>90,000</u>	<u>90,000</u>	<u>16,128</u>	<u>73,872</u>
Net change in fund balance	<u><u>\$ (85,000)</u></u>	<u><u>\$ (85,000)</u></u>	(11,682)	<u><u>\$ 73,318</u></u>
FUND BALANCE:				
Beginning of year			<u>602,005</u>	
End of year			<u><u>\$ 590,323</u></u>	

City of Bradbury
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2022

Citizens' Option for Public Safety (COPS) Special Revenue Fund

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 2,500	\$ 2,500	\$ 2,742	\$ 242
Intergovernmental	100,000	100,000	102,117	2,117
Total revenues	<u>102,500</u>	<u>102,500</u>	<u>104,859</u>	<u>2,359</u>
EXPENDITURES:				
Current:				
Public safety	106,500	106,500	102,117	4,383
Total expenditures	<u>106,500</u>	<u>106,500</u>	<u>102,117</u>	<u>4,383</u>
Net change in fund balance	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>	2,742	<u>\$ 6,742</u>
FUND BALANCE:				
Beginning of year			<u>54,748</u>	
End of year			<u>\$ 57,490</u>	

City of Bradbury
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2022

Public Transportation Fund (Prop A) Special Revenue Fund

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 200	\$ 200	\$ 62	\$ (138)
Intergovernmental	25,000	25,000	26,566	1,566
Total revenues	<u>25,200</u>	<u>25,200</u>	<u>26,628</u>	<u>1,428</u>
Net change in fund balance	<u>\$ 25,200</u>	<u>\$ 25,200</u>	26,628	<u>\$ 1,428</u>
FUND BALANCE:				
Beginning of year			<u>1,426</u>	
End of year			<u>\$ 28,054</u>	

City of Bradbury
Required Supplementary Information (Unaudited)
Budgetary Information
For the Year Ended June 30, 2022

Budget and Budgetary Accounting

The City adopts an annual budget prepared on the modified accrual basis of accounting for the governmental funds. The City Manager or his designee is authorized to transfer budgeted amounts between the accounts of any department. Revisions that alter the total appropriations of any department or fund must be approved by City Council. Expenditures may not legally exceed appropriations at the program level.

City of Bradbury
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement Date	<u>6/30/2015¹</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
City's Proportion of the Net Pension Liability	0.00256%	0.00077%	0.00077%	0.00070%	0.00089%
	\$ 175,694	\$ 66,246	\$ 76,419	\$ 67,418	\$ 91,291
City's Covered Payroll	<u>167,611</u>	<u>203,105</u>	<u>185,286</u>	<u>200,481</u>	<u>213,242</u>
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	<u>104.82%</u>	<u>32.62%</u>	<u>41.24%</u>	<u>33.63%</u>	<u>42.81%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>78.51%</u>	<u>92.47%</u>	<u>92.41%</u>	<u>93.76%</u>	<u>91.53%</u>

¹ Historical information is presented only for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

City of Bradbury
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement Date	<u>June 30, 2020</u>	<u>June 30, 2021</u>
City's Proportion of the Net Pension Liability	0.00109%	-0.00059%
City's Proportionate Share of the Net Pension Liability (assets)	\$ 118,908	\$ (32,129)
City's Covered Payroll	<u>220,732</u>	<u>236,424</u>
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	<u>53.87%</u>	<u>-13.59%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>89.86%</u>	<u>102.55%</u>

City of Bradbury
Required Supplementary Information (Unaudited)
Schedule of the City's Contributions - Pensions
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Fiscal Year	2014-15 ¹	2015-16	2016-17	2017-18	2018-19
Actuarially Determined Contribution	\$ 29,107	\$ 13,626	\$ 11,319	\$ 14,550	\$ 17,974
Contribution in Relation to the Actuarially Determined Contribution ²	<u>(29,107)</u>	<u>(163,293)</u>	<u>(11,319)</u>	<u>(14,550)</u>	<u>(17,974)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (149,667)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll ²	<u>\$ 167,611</u>	<u>\$ 203,105</u>	<u>\$ 185,286</u>	<u>\$ 200,481</u>	<u>\$ 213,242</u>
Contributions as a Percentage of Covered Payroll	<u>17.37%</u>	<u>6.71%</u>	<u>6.11%</u>	<u>7.26%</u>	<u>8.43%</u>

¹ Historical information is presented only for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

² Payroll from prior year \$236,424 was assumed to increase by 2.75 percent payroll growth assumption from 2020-21 to 2021-22.

Notes to Schedule

Change in Benefit Terms: There were no changes to benefit terms.

Changes of Assumptions: In 2021, 2020 and 2019, there were no changes in assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Bradbury
Required Supplementary Information (Unaudited)
Schedule of the City's Contributions - Pensions (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Fiscal Year	2019-20	2020-21	2021-22
Actuarially Determined Contribution	\$ 18,537	\$ 24,748	\$ 30,103
Contribution in Relation to the Actuarially Determined Contribution ²	(18,537)	(24,748)	(30,103)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 220,732	\$ 236,424	\$ 242,926
Contributions as a Percentage of Covered Payroll	8.40%	10.91%	12.39%

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

County Park Grant Special Revenue Fund - To account for the park grants provided by state and county agencies to build the recreational park located behind City Hall.

Measure R Special Revenue Fund - To account for the receipt and disbursement of funds from Los Angeles County which were created by a voter approved sales tax in 2008. These funds are allocated by Metropolitan Transportation Authority (MTA) to fund street projects.

Surface Transportation Program Local (STPL) Special Revenue Fund - To account for the receipt and disbursement of funds received from the State of California through the MTA and must be used for street improvements on certain major streets within the City.

Recycling Grant Special Revenue Fund - To account for the receipt and disbursement of funds received from the State of California for programs that promote the recycling of waste materials.

Fire Grant Special Revenue Fund - To account for the receipt and disbursement of grant funds received from the U.S. Department of Forestry for brush clearance.

Measure M Special Revenue Fund - To account for the receipt and disbursement of funds from Los Angeles County which were created by a voter approved sales tax in 2016. These funds are allocated by MTA to fund street projects.

TDA Special Revenue Fund - To account for the receipt and distribution of funds allocated by MTA originating from the Transportation Development Act, Article 3 for the planning and construction of pedestrian and bicycle facilities.

Gas Tax Special Revenue Fund - To account for the receipt and disbursement of gas tax subventions from the State of California. Cities are allocated a share of the revenues derived by the State from taxes on gasoline, which must be spent on construction, improvement and maintenance of public streets and street engineering services.

Proposition C Special Revenue Fund - To account for the receipt and disbursement of a portion of the ½ cent sales tax approved by the voters in 1982 and 1990. Approximately 20% of the monies generated by the tax are returned to local agencies to be used for public transportation purposes and maintenance of streets “heavily used by public transit”.

SBI Gas Tax Special Revenue Fund - To account for the receipt and disbursement of funds received from the Road Repair and Accountability Act of 2017. These funds must be spent for local streets and roads.

Measure W Special Revenue Fund - To account for the receipt and disbursement of funds from Los Angeles County which were created by a voter approved sales tax in 2016. This is funded by a parcel tax of 2.5 cents per square foot of impermeable areas.

Sewer Special Revenue Fund - To account for assessments collected and projects funded with the assessments.

City of Bradbury
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	County Park Grant Fund	Measure R Fund	STPL Fund	Recycling Grant Fund
ASSETS				
Cash and investments	\$ 9,233	\$ 83,105	\$ 1,053	\$ 31,409
Taxes receivable	-	-	-	-
Total assets	<u>\$ 9,233</u>	<u>\$ 83,105</u>	<u>\$ 1,053</u>	<u>\$ 31,409</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	5,663
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,663</u>
Fund Balances:				
Restricted	9,233	83,105	1,053	25,746
Committed	-	-	-	-
Total fund balances	<u>9,233</u>	<u>83,105</u>	<u>1,053</u>	<u>25,746</u>
Total liabilities and fund balances	<u>\$ 9,233</u>	<u>\$ 83,105</u>	<u>\$ 1,053</u>	<u>\$ 31,409</u>

(Continued)

City of Bradbury
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Fire Grant Fund	Measure M Fund	TDA Fund	Gas Tax Fund
ASSETS				
Cash and investments	\$ 12,479	\$ 60,808	\$ 7	\$ 2,350
Taxes receivable	-	-	413	-
Total assets	<u>\$ 12,479</u>	<u>\$ 60,808</u>	<u>\$ 420</u>	<u>\$ 2,350</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 1,566
Unearned revenues	-	-	-	-
Due to other funds	6,179	-	(319)	-
Total liabilities	<u>6,179</u>	<u>-</u>	<u>(319)</u>	<u>1,566</u>
Fund Balances:				
Restricted	6,300	60,808	739	784
Committed	-	-	-	-
Total fund balances	<u>6,300</u>	<u>60,808</u>	<u>739</u>	<u>784</u>
Total liabilities and fund balances	<u>\$ 12,479</u>	<u>\$ 60,808</u>	<u>\$ 420</u>	<u>\$ 2,350</u>

(Continued)

City of Bradbury
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Proposition C Fund	SB 1 Gas Tax Fund	Measure W Fund	Sewer
ASSETS				
Cash and investments	\$ 18,414	\$ 42,879	\$ 10,864	\$ 605
Taxes receivable	-	-	-	-
Total assets	<u>\$ 18,414</u>	<u>\$ 42,879</u>	<u>\$ 10,864</u>	<u>\$ 605</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 705	\$ 33,329	\$ -	\$ -
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>705</u>	<u>33,329</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	17,709	9,550	10,864	-
Committed				605
Total fund balances	<u>17,709</u>	<u>9,550</u>	<u>10,864</u>	<u>605</u>
Total liabilities and fund balances	<u>\$ 18,414</u>	<u>\$ 42,879</u>	<u>\$ 10,864</u>	<u>\$ 605</u>

(Continued)

City of Bradbury
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Total Nonmajor Governmental Funds
ASSETS	
Cash and investments	\$ 273,206
Taxes receivable	413
Total assets	\$ 273,619
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued liabilities	\$ 35,600
Unearned revenues	5,663
Due to other funds	5,860
Total liabilities	47,123
Fund Balances:	
Restricted	225,891
Committed	605
Total fund balances	226,496
Total liabilities and fund balances	\$ 273,619

(Concluded)

City of Bradbury
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Fund			
	County Park Grant Fund	Measure R Fund	STPL Fund	Recycling Grant Fund
REVENUES:				
Use of money and property	\$ 68	\$ 547	\$ 7	\$ 47
Intergovernmental	-	16,524	-	5,000
Charges for services	-	-	-	20,103
Total revenues	68	17,071	7	25,150
EXPENDITURES:				
Current:				
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	68	17,071	7	25,150
OTHER FINANCING USES				
Transfers out	-	-	-	-
Net change in fund balances	68	17,071	7	25,150
FUND BALANCES:				
Beginning of year	9,165	66,034	1,046	596
End of year	\$ 9,233	\$ 83,105	\$ 1,053	\$ 25,746

(Continued)

City of Bradbury
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Fund			
	Fire Grant Fund	Measure M Fund	TDA Fund	Gas Tax Fund
REVENUES:				
Use of money and property	\$ -	\$ 370	\$ 17	\$ 80
Intergovernmental	16,034	18,699	5,000	27,833
Charges for current services	-	-	-	-
Total revenues	<u>16,034</u>	<u>19,069</u>	<u>5,017</u>	<u>27,913</u>
EXPENDITURES:				
Current:				
Public works	3,555	-	5,519	27,318
Capital outlay	-	-	-	14,168
Total expenditures	<u>3,555</u>	<u>-</u>	<u>5,519</u>	<u>41,486</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	12,479	19,069	(502)	(13,573)
OTHER FINANCING USES				
Transfers out	-	-	-	-
Net change in fund balances	12,479	19,069	(502)	(13,573)
FUND BALANCES:				
Beginning of year	(6,179)	41,739	1,241	14,357
End of year	<u>\$ 6,300</u>	<u>\$ 60,808</u>	<u>\$ 739</u>	<u>\$ 784</u>

(Continued)

City of Bradbury
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Fund			
	Proposition C Fund	SB 1 Gas Tax Fund	Measure W Fund	Sewer Fund
REVENUES:				
Use of money and property	\$ 140	\$ 340	\$ -	\$ 2,265
Intergovernmental	22,036	17,238	53,094	-
Charges for current services	-	-	-	-
Total revenues	<u>22,176</u>	<u>17,578</u>	<u>53,094</u>	<u>2,265</u>
EXPENDITURES:				
Current:				
Public works	8,803	-	42,230	-
Capital outlay	15,347	51,611	-	-
Total expenditures	<u>24,150</u>	<u>51,611</u>	<u>42,230</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(1,974)	(34,033)	10,864	2,265
OTHER FINANCING USES				
Transfers out	-	-	-	(667,520)
Net change in fund balances	(1,974)	(34,033)	10,864	(665,255)
FUND BALANCES:				
Beginning of year	19,683	43,583	-	665,860
End of year	<u>\$ 17,709</u>	<u>\$ 9,550</u>	<u>\$ 10,864</u>	<u>\$ 605</u>

City of Bradbury
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Total Nonmajor Governmental Funds
REVENUES:	
Use of money and property	\$ 3,881
Intergovernmental	181,458
Charges for services	20,103
Total revenues	205,442
EXPENDITURES:	
Current:	
Public works	87,425
Capital outlay	81,126
Total expenditures	168,551
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	36,891
OTHER FINANCING USES	
Transfers out	(667,520)
Net change in fund balances	(630,629)
FUND BALANCES:	
Beginning of year	857,125
End of year	\$ 226,496
	(Concluded)

City of Bradbury
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
County Park Grant Special Revenue Fund
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 500	\$ 500	\$ 68	\$ (432)
Total revenues	<u>500</u>	<u>500</u>	<u>68</u>	<u>(432)</u>
EXPENDITURES:				
Current:				
Public works	1,000	1,000	-	1,000
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balance	<u>\$ (500)</u>	<u>\$ (500)</u>	68	<u>\$ 568</u>
FUND BALANCE:				
Beginning of year			<u>9,165</u>	
End of year			<u>\$ 9,233</u>	

City of Bradbury
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Measure R Special Revenue Fund
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 300	\$ 300	\$ 547	\$ 247
Intergovernmental	18,000	18,000	16,524	(1,476)
Total revenues	<u>18,300</u>	<u>18,300</u>	<u>17,071</u>	<u>(1,229)</u>
EXPENDITURES:				
Capital outlay	88,739	88,739	-	88,739
Total expenditures	<u>88,739</u>	<u>88,739</u>	<u>-</u>	<u>88,739</u>
Net change in fund balance	<u>\$ (70,439)</u>	<u>\$ (70,439)</u>	17,071	<u>\$ 87,510</u>
FUND BALANCE:				
Beginning of year			<u>66,034</u>	
End of year			<u>\$ 83,105</u>	

City of Bradbury
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
STPL Special Revenue Fund
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 10	\$ 10	\$ 7	\$ (3)
Total revenues	<u>10</u>	<u>10</u>	<u>7</u>	<u>(3)</u>
EXPENDITURES:				
Capital outlay	1,055	1,055	-	1,055
Total expenditures	<u>1,055</u>	<u>1,055</u>	<u>-</u>	<u>1,055</u>
Net change in fund balance	<u>\$ (1,045)</u>	<u>\$ (1,045)</u>	7	<u>\$ 1,052</u>
FUND BALANCE:				
Beginning of year			<u>1,046</u>	
End of year			<u>\$ 1,053</u>	

City of Bradbury
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Recycling Grant Special Revenue Fund
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 100	\$ 100	\$ 47	\$ (53)
Intergovernmental	5,000	5,000	5,000	-
Charge for current services	-	-	20,103	20,103
Total revenues	<u>5,100</u>	<u>5,100</u>	<u>25,150</u>	<u>20,050</u>
EXPENDITURES:				
Current:				
Public works	5,000	5,000	-	5,000
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net change in fund balance	<u>\$ 100</u>	<u>\$ 100</u>	25,150	<u>\$ 25,050</u>
FUND BALANCE:				
Beginning of year			<u>596</u>	
End of year			<u>\$ 25,746</u>	

City of Bradbury
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Fire Grant Special Revenue Fund
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 75	\$ 75	\$ -	\$ (75)
Intergovernmental	24,994	24,994	16,034	(8,960)
Total revenues	<u>25,069</u>	<u>25,069</u>	<u>16,034</u>	<u>(9,035)</u>
EXPENDITURES:				
Current:				
Public works	30,934	30,934	3,555	27,379
Total expenditures	<u>30,934</u>	<u>30,934</u>	<u>3,555</u>	<u>27,379</u>
Net change in fund balance	<u>\$ (5,865)</u>	<u>\$ (5,865)</u>	12,479	<u>\$ 18,344</u>
FUND BALANCE:				
Beginning of year			<u>(6,179)</u>	
End of year			<u>\$ 6,300</u>	

City of Bradbury
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Measure M Special Revenue Fund
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 400	\$ 400	\$ 370	\$ (30)
Intergovernmental	16,500	16,500	18,699	2,199
Total revenues	<u>16,900</u>	<u>16,900</u>	<u>19,069</u>	<u>2,169</u>
EXPENDITURES:				
Capital outlay	58,470	58,470	-	58,470
Total expenditures	<u>58,470</u>	<u>58,470</u>	<u>-</u>	<u>58,470</u>
Net change in fund balance	<u>\$ (41,570)</u>	<u>\$ (41,570)</u>	19,069	<u>\$ 2,169</u>
FUND BALANCE:				
Beginning of year			<u>41,739</u>	
End of year			<u>\$ 60,808</u>	

City of Bradbury
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
TDA Special Revenue Fund
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 17	\$ 17
Intergovernmental	5,000	5,000	5,000	-
Total revenues	5,000	5,000	5,017	17
EXPENDITURES:				
Current:				
Public works	-	-	5,519	(5,519)
Capital outlay	5,000	5,000	-	5,000
Total expenditures	5,000	5,000	5,519	(519)
Net change in fund balance	\$ -	\$ -	(502)	\$ (502)
FUND BALANCE:				
Beginning of year			1,241	
End of year			<u>\$ 739</u>	

City of Bradbury
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 200	\$ 200	\$ 80	\$ (120)
Intergovernmental	35,000	35,000	27,833	(7,167)
Total revenues	<u>35,200</u>	<u>35,200</u>	<u>27,913</u>	<u>(7,287)</u>
EXPENDITURES:				
Current:				
Public works	36,929	36,929	27,318	9,611
Capital outlay	14,168	14,168	14,168	-
Total expenditures	<u>51,097</u>	<u>51,097</u>	<u>41,486</u>	<u>9,611</u>
Net change in fund balance	<u>\$ (15,897)</u>	<u>\$ (15,897)</u>	(13,573)	<u>\$ 2,324</u>
FUND BALANCE:				
Beginning of year			<u>14,357</u>	
End of year			<u>\$ 784</u>	

City of Bradbury
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Proposition C Special Revenue Fund
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 450	\$ 450	\$ 140	\$ (310)
Intergovernmental	23,000	23,000	22,036	(964)
Total revenues	<u>23,450</u>	<u>23,450</u>	<u>22,176</u>	<u>(1,274)</u>
EXPENDITURES:				
Current:				
Public works	9,000	9,000	8,803	197
Capital outlay	36,570	36,570	15,347	21,223
Total expenditures	<u>45,570</u>	<u>45,570</u>	<u>24,150</u>	<u>21,420</u>
Net change in fund balance	<u>\$ (22,120)</u>	<u>\$ (22,120)</u>	(1,974)	<u>\$ 20,146</u>
FUND BALANCE:				
Beginning of year			<u>19,683</u>	
End of year			<u>\$ 17,709</u>	

City of Bradbury
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
SB 1 Gas Tax Special Revenue Fund
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 300	\$ 300	\$ 340	\$ 40
Intergovernmental	30,000	30,000	17,238	(12,762)
Total revenues	<u>30,300</u>	<u>30,300</u>	<u>17,578</u>	<u>(12,722)</u>
EXPENDITURES:				
Current:				
Public works	-	-	-	-
Capital outlay	81,615	81,615	51,611	30,004
Total expenditures	<u>81,615</u>	<u>81,615</u>	<u>51,611</u>	<u>30,004</u>
Net change in fund balance	<u>\$ (51,315)</u>	<u>\$ (51,315)</u>	(34,033)	<u>\$ 17,282</u>
FUND BALANCE:				
Beginning of year			<u>43,583</u>	
End of year			<u>\$ 9,550</u>	

City of Bradbury
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Measure W Special Revenue Fund
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 50,500	\$ 50,500	\$ 53,094	\$ 2,594
Total revenues	<u>50,500</u>	<u>50,500</u>	<u>53,094</u>	<u>2,594</u>
EXPENDITURES:				
Current:				
Public works	50,500	50,500	42,230	8,270
Total expenditures	<u>50,500</u>	<u>50,500</u>	<u>42,230</u>	<u>8,270</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	10,864	<u>\$ 10,864</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ 10,864</u>	

City of Bradbury
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Sewer Special Revenue Fund
For the Year Ended June 30, 2022

	Sewer Special Revenue Fund			Variance with Final Budget
	Budget		Actual	
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 2,265	\$ 2,265
Total revenues	<u>-</u>	<u>-</u>	<u>2,265</u>	<u>2,265</u>
OTHER FINANCING USES:				
Transfers out	(665,476)	(665,476)	(667,520)	(2,044)
Total other financing uses	<u>(665,476)</u>	<u>(665,476)</u>	<u>(667,520)</u>	<u>(2,044)</u>
Net change in fund balance	<u>\$ (665,476)</u>	<u>\$ (665,476)</u>	(665,255)	<u>\$ 221</u>
FUND BALANCE:				
Beginning of year			665,860	
End of year			<u>\$ 605</u>	

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City of Bradbury
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Finding 2022-001 Internal Control Over Financial Reporting

Criteria:

Management is responsible for the accuracy of the financial statements, including disclosures. As part of satisfying that responsibility, staff should possess the skills and knowledge necessary to complete the year-end close and diligently employ that knowledge and skill to produce reliable and accurate financial information.

Condition:

- Audit Adjusting Journal Entries:
 - Since the commencement of the audit, 14 audit journal entries were noted to correct the trial balance provided by the City.
- Accounts Receivable and Revenue:
 - The City did not properly reconcile grant related revenue and expenditures
 - This resulted in the prior period adjustment (See Note 12 to the Basic Financial Statements)
- Accounts Payable:
 - The City did not properly accrue invoices received after year-end.
- Capital Assets:
 - Due to not properly accruing invoices received after year-end, the capital assets addition was not accurately accounted for.
- Prior period adjustment noted due to improper recognizing American Rescue Plan Act grant revenue.
- The delay in timely and properly closing the book resulted in the preparation of the basic financial statements was delayed.

Cause:

The City did not have standard year-end closing procedures to reduce errors recorded in the City's general ledger.

Effect:

Delays in processing transactions timely and closing accounting periods can create accounting errors that could go undetected and may lead the financial statements to be materially misstated and create further delays in the release of audited financial statements, as well as allow for possible irregularities including fraud to exist and continue without notice.

Lacking of reviewing over cut-off of accounts payable and expenditures resulted in understatements of accounts payable and expenditures.

Lacking of reviewing over grant related revenue and expenditures resulted in the prior period adjustments.

Recommendation:

We recommended that the City establish effective year end closing procedures that reduce the risk that there are accounting errors and the need for correcting journal entries after the year end closing. These procedures would include timely review and approval by management of account reconciliations, sub-ledger transactions, cutoff review for account balances at a fund and overall government-wide level, and revenue and expenditures/expense review. Revenue and expenditures/expenses should be compared to the prior year or prior year trends and to the budget.

City of Bradbury
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Finding 2022-001 Internal Control Over Financial Reporting (Continued)

View of Responsible Officials:

- 1) The Finance director will establish the year end closing procedures to reduce the risk of accounting errors.
- 2) The analysis and comparison to the budget analysis will be done on monthly basis to avoid the adjustment entries recommended by auditors.