

City of Bradbury

Bradbury, California

Independent Auditors' Reports and Basic Financial Statements

For the Year Ended June 30, 2015



City of Bradbury
Basic Financial Statements
For the Year Ended June 30, 2015

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Basic Financial Statements
For the Year Ended June 30, 2015

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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 Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

Implementation of GASB Statement No. 68 and 71

As discussed in Note 1 to the basic financial statements, the District implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The adoption of these standards required retrospective application of previously reported net position and reclassification of certain accounts as of July 1, 2014 as described in Note 11 to the basic financial statements. In addition, net pension liability is reported in the Statement of Net Position in the amount of \$200,391 as of the measurement date. Net pension liability is calculated by actuaries using estimates and actuarial techniques from an actuarial valuation as of June 30, 2013 which was then rolled-forward by the actuaries to June 30, 2014, the measurement date for California Public Employee Retirement System ("CalPERS") plans. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America, require that the Budgetary Comparison Schedules for the General Fund, Fire Grant Special Revenue Fund, Utility Users Tax Special Revenue Fund, Sewer Special Revenue Fund, the Schedules of the City's Proportionate Share of the Net Pension Liability and Related Ratios, and the Schedule of the City's Contributions on pages 47 through 53 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 ("GASB") 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.

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 GASB, 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.

To the Honorable Mayor and Members of the City Council
of the City of Bradbury
Bradbury, California
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Other 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 and Nonmajor Governmental Funds Budgetary Comparison Schedules 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 and Nonmajor Governmental Funds Budgetary Comparison Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and Nonmajor Governmental Funds Budgetary Comparison Schedules 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 June 22, 2016 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The PwC Group, LLP

Santa Ana, California
June 22, 2016

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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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 22, 2016.

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") to determine the 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 entity'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 did identify certain deficiencies in internal control, described in the separately issued AU-C Section 265–*Communicating Internal Control Related Matters Identified in an Audit* letter to be significant deficiencies.

The City's written responses included in separately issued AU-C Section 265–*Communicating Internal Control Related Matters Identified in an Audit* letter has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

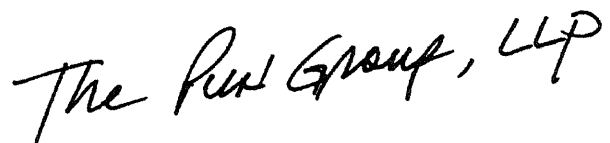
To the Honorable Mayor and Members of the City Council
of the City of Bradbury
Bradbury, California
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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*.

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.

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

Santa Ana, California
June 22, 2016

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Bradbury
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and investments	\$ 3,725,334
Accounts receivable	15,326
Interest receivable	874
Total current assets	<u>3,741,534</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	16,500
Depreciable, net	4,004,191
Total capital assets	<u>4,020,691</u>
Total noncurrent assets	<u>4,020,691</u>
Total assets	<u>7,762,225</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension contribution after measurement date	29,107
Difference between employer's actual contribution and employer's proportionate share of contribution	<u>9,029</u>
Total deferred outflows of resources	<u>38,136</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	94,409
Deposits	21,955
Net pension liability	<u>200,391</u>
Total current liabilities	<u>316,755</u>
Total liabilities	<u>316,755</u>
DEFERRED INFLOWS OF RESOURCES	
Actual earnings in excess of expected earning on pension investments	40,102
Adjustment due to difference in proportion	<u>4,613</u>
Total deferred inflows of resources	<u>44,715</u>
NET POSITION	
Investment in capital assets	4,020,691
Restricted	617,540
Unrestricted	<u>2,800,660</u>
Total net position	<u><u>\$ 7,438,891</u></u>

See accompanying Notes to Basic Financial Statements.

City of Bradbury
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 887,048	\$ 627,635	\$ -	\$ -	\$ (259,413)
Public safety	161,375	-	163,726	-	2,351
Public works	144,476	-	109,123	-	(35,353)
Parks and recreation	18,055	-	6,279	-	(11,776)
Total governmental activities	\$ 1,210,954	\$ 627,635	\$ 279,128	\$ -	(304,191)
General Revenues:					
					874,208
					10,929
					29,910
					915,047
					610,856
					6,828,035
					\$ 7,438,891

FUND FINANCIAL STATEMENTS

City of Bradbury
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds			
	Special Revenue Funds			
	General Fund	Fire Grant Fund	Utility Users Tax Fund	Sewer Fund
ASSETS				
Cash and investments	\$ 3,102,371	\$ 58,268	\$ 284,136	\$ -
Accounts receivable	12,524	-	-	-
Interest receivable	334	47	230	32
Due from other funds	39,936	-	-	-
Total assets	\$ 3,155,165	\$ 58,315	\$ 284,366	\$ 32
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 86,480	\$ -	\$ 1,908	\$ 4,797
Deposits	21,955	-	-	-
Due to other funds	-	-	-	39,936
Total liabilities	108,435	-	1,908	44,733
Fund Balances:				
Restricted	-	58,315	282,458	-
Committed	-	-	-	-
Unassigned (deficit)	3,046,730	-	-	(44,701)
Total fund balances	3,046,730	58,315	282,458	(44,701)
Total liabilities and fund balances	\$ 3,155,165	\$ 58,315	\$ 284,366	\$ 32

City of Bradbury
Balance Sheet (Continued)
Governmental Funds
June 30, 2015

	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 280,559	\$ 3,725,334
Accounts receivable	2,802	15,326
Interest receivable	231	874
Due from other funds	-	39,936
Total assets	\$ 283,592	\$ 3,781,470
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,224	\$ 94,409
Deposits	-	21,955
Due to other funds	-	39,936
Total liabilities	1,224	156,300
Fund Balances:		
Restricted	276,767	617,540
Committed	5,601	5,601
Unassigned (deficit)	-	3,002,029
Total fund balances	282,368	3,625,170
Total liabilities and fund balances	\$ 283,592	\$ 3,781,470

City of Bradbury
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2015

Total Fund Balances - Total Governmental Funds	<u>\$ 3,625,170</u>
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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	\$ 16,500	
Capital assets, net of accumulated depreciation	<u>4,004,191</u>	<u>4,020,691</u>

Pension contributions made during the year after the measurement date are reported as pension expense in governmental funds and as deferred outflow of resources in the government-wide financial statements.	29,107
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Deferred amounts relates to pension net available for current expenditures and are not reported in the governmental fund financial statements:

Employer's actual contributions in excess of employer's proportionate contributions.	9,029
Actual earnings in excess of projected earnings	(40,102)
Adjustment due to difference in proportions.	(4,613)

Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	<u>(200,391)</u>
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Net Position of Governmental Activities	<u><u>\$ 7,438,891</u></u>
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City of Bradbury
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	Major Funds			
	Special Revenue			
	General Fund	Fire Grant Fund	Utility Users Tax Fund	Sewer Fund
REVENUES:				
Taxes	\$ 641,237	\$ -	\$ 232,971	\$ -
Licenses and permits	209,933	-	-	-
Use of money and property	9,923	58	430	15
Intergovernmental	31,239	47,257	-	-
Charges for current services	417,702	-	-	-
Other revenue	17,838	11,000	-	-
Total revenues	1,327,872	58,315	233,401	15
EXPENDITURES:				
Current:				
General government	715,617	-	-	-
Public safety	101,515	-	-	-
Public works	-	-	57,658	37,010
Parks and recreation	16,741	-	-	-
Total expenditures	833,873	-	57,658	37,010
Net change in fund balances	493,999	58,315	175,743	(36,995)
FUND BALANCES:				
Beginning of year	2,552,731	-	106,715	(7,706)
End of year	\$ 3,046,730	\$ 58,315	\$ 282,458	\$ (44,701)

City of Bradbury
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2015

	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:		
Taxes	\$ -	\$ 874,208
Licenses and permits	-	209,933
Use of money and property	503	10,929
Intergovernmental	200,632	279,128
Charges for current services	-	417,702
Other revenue	1,072	29,910
Total revenues	<u>202,207</u>	<u>1,821,810</u>
EXPENDITURES:		
Current:		
General government	-	715,617
Public safety	59,860	161,375
Public works	49,808	144,476
Parks and recreation	-	16,741
Total expenditures	<u>109,668</u>	<u>1,038,209</u>
Net change in fund balances	92,539	783,601
FUND BALANCES:		
Beginning of year	189,829	2,841,569
End of year	<u>\$ 282,368</u>	<u>\$ 3,625,170</u>

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, 2015

Net Change in Fund Balances - Total Governmental Funds: \$ 783,601

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

Governmental funds report capital outlay as expenditures in the Public Works Department. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation (177,291)

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.

4,546

Change in Net Position of Governmental Activities \$ 610,856

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NOTES TO BASIC FINANCIAL STATEMENTS

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City of Bradbury
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City have been prepared in conformity 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. The City's significant accounting policies are described below:

A. Financial 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, and sanitation. 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. The criteria of oversight responsibility, special financing relationships and scope of public services are used in determining the agencies or entities which comprise the City for financial reporting purposes. Oversight responsibility is determined by the extent of financial interdependency, control over the selections of the governing authority and management, ability to significantly influence operations, and accountability for fiscal matters. Based on these criteria, there are no agencies or entities which should be combined with the financial statements of the City.

B. Basis of Accounting and Measurement Focus

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.

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the statement of net position 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) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

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 accompanied by a total column. The City does not have any business-type activities; therefore, only governmental activities are reported.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (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. All internal balances in the statement of activities have been eliminated except those representing balances by the City, which are presented as internal balances and eliminated in the total primary government column. The transfers in and out 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 recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the City also are recognized as revenue. Fines, permits and parking citations are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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 general government not accounted for in some other fund.

Fire Grant Special Revenue Fund is used to account for the receipt and disbursement of grant funds received from the US Department of Forestry for brush clearance.

Utility Users Tax 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.

Sewer Special Revenue Fund is used to account for assessments collected and projects funded with those assessments.

C. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City has defined cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agent, as well as short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as cash and investments. Additionally, each fund's equity in the City's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotation are readily available or exceed cost. However, if the liquidity needs of the City were to require that investments be sold at a loss subsequent to year-end, the decline in value would be recorded as a loss at year-end.

D. 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 capital assets; \$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:

Roadways – Pavement	25 years
Roadways – Signs	10 years
Sewer – Existing Pipe	60 years
Sewer – Jacked Pipe	60 years
Fence	50 years
Buildings	50 years

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

E. 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

F. 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. The balance was \$0 at June 30, 2015.

G. Pension

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These pronouncements affected pension related items. See Note 1 K.

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 (Note 7). 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:

CalPERS

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Measurement Period	July 1, 2013 to June 30, 2014

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.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Interfund Activity

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund receivables" or "interfund payables." Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

I. Fund Balance and Net Position

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.

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.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Fund Balance and Net Position (Continued)

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 and deferred inflows of resources 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.

J. Use of Estimates

The preparation of the basic financial statements in conformity 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.

K. Accounting Changes

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflow of resources, deferred inflows of resources, and expense/expenditures for pension plans. This Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This Statement became effective for periods beginning after June 15, 2014. See Note 11 for prior period adjustment as a result of implementation.

GASB has issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement became effective for periods beginning after December 15, 2013 and did not have a significant impact on the City's financial statements for the year ended June 30, 2015.

GASB has issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This Statement establishes standards related to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement became effective for periods beginning after June 15, 2014. See Note 11 for prior period adjustment as a result of implementation.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 2 – Cash and Investments

Cash and investments as of June 30, 2015 consisted of the following:

Demand deposits	\$ 1,743,261
Petty cash	300
Investments with LAIF	1,237,773
Investments in certificates of deposit	744,000
Total	<u>\$ 3,725,334</u>

A. Deposits

The carrying amount of the City's demand deposits was \$1,743,261 at June 30, 2015. The bank balances at that date were \$1,749,102, 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.

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

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 2 – Cash and Investments (Continued)

B. Investments (Continued)

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, 2015 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, 2015, the City had \$1,237,773 invested in LAIF, which had invested 2.08% of the pool investment funds in Structured Notes and Asset-Backed Securities.

C. 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, 2015, the City had the following investment maturities:

Investment Type	Fair value	Investment Maturities (in Years)				
		Less than 1	1 to 2	2 to 3	3 to 4	4 to 5
Local Agency Investment Fund	\$ 1,237,773	\$ 1,237,773	\$ -	\$ -	\$ -	\$ -
Certificates of deposit	744,000	248,000	248,000	248,000	-	-
Total	\$ 1,981,773	\$ 1,485,773	\$ 248,000	\$ 248,000	\$ -	\$ -

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, 2015, 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 (LAIF)	Not Rated	Not Rated	62.46%
Certificates of Deposits	Not Rated	Not Rated	37.54%
Total			100.00%

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 2 – Cash and Investments (Continued)

C. Risk Disclosures (Continued)

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, where there is no limit. The City is in compliance with the investment policy related to the concentration of credit risk for the year ended June 30, 2015.

Note 3 – Interfund Transactions

Due To and From Other Funds

At June 30, 2015 the City had the following due to / from other funds:

		Due From Other Funds	
		General Fund	
Due To Other Funds			
Sewer Special Revenue Fund	\$	39,936	
Total	\$	39,936	

These interfund balances represent routine short-term cash flow assistance.

Transfers In and Out

There were no transfers in and out during the fiscal year ended June 30, 2015.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 4 – Capital Assets

The following schedule shows changes in capital assets for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Nondepreciable Assets:				
Land	\$ 16,500	\$ -	\$ -	\$ 16,500
Total Nondepreciable Assets	16,500	-	-	16,500
Depreciable Assets:				
Structures and improvements	821,512	-	-	821,512
Machinery and equipment	49,090	-	-	49,090
Infrastructure	4,891,404	-	-	4,891,404
Total Depreciable Assets	5,762,006	-	-	5,762,006
Less Accumulated Depreciation:				
Structures and improvements	(75,905)	(16,430)	-	(92,335)
Machinery and equipment	(18,847)	(5,799)	-	(24,646)
Infrastructure	(1,485,772)	(155,062)	-	(1,640,834)
Total Accumulated Depreciation	(1,580,524)	(177,291)	-	(1,757,815)
Total Depreciable Assets, Net	4,181,482	(177,291)	-	4,004,191
Total Capital Assets, Net	\$ 4,197,982	\$ (177,291)	\$ -	\$ 4,020,691

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

General government	\$ 175,977
Parks and recreation	1,314
Total	<u>\$ 177,291</u>

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 5 – Self-Insurance with Joint Powers Authority

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

The City of Bradbury is a member of the California Joint Powers Insurance Authority (the “Authority”). The Authority is composed of 118 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. 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. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

In the 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 \$30,000 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 \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool’s total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2014-15 the Authority’s pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority’s reinsurance contracts are subject to the following additional pooled retentions: (a) 50% of the \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, (b) 50% quota share of the \$3 million x/s \$2 million layer, and (c) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$30 million per occurrence.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 5 – Self-Insurance with Joint Powers Authority (Continued)

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

Workers' Compensation

In the 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 \$50,000 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 \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2014-15 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

The City of Bradbury 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 of Bradbury. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2014 through July 1, 2017. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of Bradbury participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Bradbury property is currently insured according to a schedule of covered property submitted by the City of Bradbury to the Authority. City of Bradbury property currently has all-risk property insurance protection in the amount of \$1,245,731. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City of Bradbury purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Bradbury property currently has earthquake protection in the amount of \$0. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 5 – 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 \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Special Event Tenant User Liability Insurance

The City of Bradbury further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Bradbury according to a schedule. The City of Bradbury then pays for the insurance. The insurance is arranged by 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 2014-15.

Note 6 – 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, 2015 was \$26,208. 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 7 – Defined Benefit Pension Plans

The following is a summary of changes in deferred outflows and inflows of resources, and net pension liability for the governmental activities for the year ended June 30, 2015:

	Balance July 1, 2014 (As Restated)	Additions	Deletions	Balance June 30, 2015
Deferred Outflows of Resources:				
Pension contribution after measurement date	\$ 28,041	\$ 29,107	\$ (28,041)	\$ 29,107
Difference between employer's actual contribution and employer's proportionate share of contribution	-	12,254	(3,225)	9,029
Total deferred Outflows of Resources	<u>\$ 28,041</u>	<u>\$ 41,361</u>	<u>\$ (31,266)</u>	<u>\$ 38,136</u>
Net Pension Liabilities	<u>\$ 239,557</u>	<u>\$ 83,428</u>	<u>\$ (122,594)</u>	<u>\$ 200,391</u>
Deferred Inflow of Resources:				
Actual earnings in excess of expected earning on pension investments	\$ -	\$ 50,127	\$ (10,025)	\$ 40,102
Adjustment due to difference in proportion	-	6,260	(1,647)	4,613
Total deferred Inflow of Resources	<u>\$ -</u>	<u>\$ 56,387</u>	<u>\$ (11,672)</u>	<u>\$ 44,715</u>

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 7 – Defined Benefit Pension Plans (Continued)

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 Executive Office located at 400 P Street, Sacramento, California 95814.

Employees Covered by Benefit Terms

At June 30, 2013, the following employees were covered by the benefit terms:

	Miscellaneous Plan
Active employees	3
Transferred and terminated employees	4
Retired Employees and Beneficiaries	1
	<u>8</u>

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. PEPR 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 months 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.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 7 – Defined Benefit Pension Plans (Continued)

General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

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, 2014, the active employee and employer's contribution rates for miscellaneous plan were 6.880% and 14.716% of annual payroll, respectively.

Pension Liabilities, 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

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. Both the June 30, 2013 and the June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 7 – Defined Benefit Pension Plans (Continued)

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent, which is net of administrative expenses. An investment return excluding administrative expenses would have been 7.65 percent. Management has determined that using the lower discount rate has resulted in a slightly higher total pension liability and net pension liability and the difference was deemed immaterial to the financial statement. The long-term expected rate of return on pension plan investments was determined in which best-estimate ranges of expected future real rates are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were considered. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years.

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

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

Asset Class	New Strategic Allocation	Real Return Years 1-10 ¹	Real Return Years 11+ ²
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	12.00	6.83	6.95
Real Estate	11.00	4.50	5.13
Infrastructure and Forestland	3.00	4.50	5.09
Liquidity	2.00	-0.55	-1.05

¹ An expected inflation of 2.5% used for this period

² An expected inflation of 3.0% used for this period.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 7 – Defined Benefit Pension Plans (Continued)

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

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

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.5%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50%) or 1 percentage-point higher (8.50%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(6.50%)	Rate (7.50%)	(8.50%)
Miscellaneous	\$ 304,426	\$ 200,391	\$ 114,053

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate 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 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 Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Miscellaneous			
Balance at: 6/30/13 (Valuation date)	\$ 740,155	\$ 500,598	\$ 239,557
Balance at: 6/30/14 (Measurement date)	784,201	583,810	200,391
Net Changes during 2013-2014	44,046	83,212	(39,166)

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 7 – 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, 2013). 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, 2014). 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, 2014 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2013-14).
- (3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.
- (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).

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

	Miscellaneous Plan
June 30, 2013	0.00731%
June 30, 2014	0.00811%
Change - Increase (Decrease)	0.00080%

For the year ended June 30, 2015, the City recognized pension expense of \$24,561 for the miscellaneous plan.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 7 – 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 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 2013-14 measurement period is 3.8 years, which was obtained by dividing the total service years of 460,700 (the sum of remaining service lifetimes of the active employees) by 122,789 (the total number of participants: active, inactive, and retired).

At June 30, 2015, 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
Net difference between projected and actual earning on pension plan investments	\$ -	\$ (40,102)
Adjustment due to differences in proportions	-	(4,613)
Difference between City contributions and proportionate share of contributions	9,029	-
Total	<u>\$ 9,029</u>	<u>\$ (44,715)</u>

\$29,107, reported deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Miscellaneous Plan</u>
2016	\$ (8,447)
2017	(8,447)
2018	(8,765)
2019	(10,027)
2020	-
Thereafter	-
	<u>\$ (35,686)</u>

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 7 – Defined Benefit Pension Plans (Continued)

Pension-Related Debt

As of June 30, 2003, the California Public Employees' Retirement System ("CalPERS") implemented a risk pool for the City's multiple-employer public employee defined benefit pension plan. The City's Miscellaneous Plans converted from agent multiple-employer plans to cost-sharing multiple employer plans. The City is required to make annual payments on a Side Fund, which was created when the City entered the risk pool to account for the difference between the funded status of the pool and the funded status of the City's plans. The responsibility for funding the Side Fund is specific to the City and is not shared by all employers in the risk pool. The annual payments on the Side Fund represent principal and interest payments on the pension-related debt, which are included in the retirement expenditures in the City's general government expenditures.

The amount of pension-related debt outstanding at June 30, 2015 was \$56,389. The amount was included in the net pension liabilities at June 30, 2015.

Note 8 – Classification of Fund Balances

At June 30, 2015, fund balances are classified in the governmental funds as follows:

	General Fund	Special Revenue Fire Grant Fund	UUT Fund	Sewer Fund	Nonmajor Governmental Funds	Total
Restricted:						
Fire Grant	\$ -	\$ 58,315	\$ -	\$ -	\$ -	\$ 58,315
Clean Water	-	-	282,458	-	-	282,458
Gas Tax	-	-	-	-	86,362	86,362
Proposition C	-	-	-	-	32,264	32,264
Grants	-	-	-	-	6,290	6,290
Proposition A	-	-	-	-	22,489	
Proposition 1B	-	-	-	-	3,147	3,147
Measure R	-	-	-	-	58,025	58,025
STPL	-	-	-	-	13,722	13,722
Recycling	-	-	-	-	7,765	7,765
COPS	-	-	-	-	46,703	46,703
Total Restricted	-	58,315	282,458	-	276,767	617,540
Committed:						
Civic Center	-	-	-	-	5,601	5,601
Total Committed	-	-	-	-	5,601	5,601
Unassigned (deficit):	3,046,730	-	-	(44,701)	-	3,002,029
Total Unassigned (deficit)	3,046,730	-	-	(44,701)	-	3,002,029
Total Fund Balances	\$ 3,046,730	\$ 58,315	\$ 282,458	\$ (44,701)	\$ 282,368	\$ 3,625,170

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 8 – Classification of Fund Balances (Continued)

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

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.

Note 9 – Other Required Disclosures

Excess of Expenditures over Appropriations

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures over Appropriations</u>
General Fund:			
General government	\$ 99,760	\$ 101,515	\$ (1,755)
Gas Tax Fund			
Public works	29,643	33,947	(4,304)
Prop C Fund			
Public works	8,774	12,867	(4,093)

The excess was due to higher than anticipated expenditures that exceeded the approved appropriations. The Council was informed of the excesses through monthly reports, 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.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 9 – Other Required Disclosures (Continued)

Deficit Fund Balance

The \$44,701 deficit fund balance of the Sewer Special Revenue Fund will be reduced by a \$76,500 appropriation that was approved by the City Council to fund the planning phase of the next sewer project.

Note 10 – Commitments and Contingencies

A. Grants

The City participates in Federal and State grant programs. No cost disallowance is expected as a result of these audits; however, 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 is a defendant in a number of lawsuits, which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty.

Note 11 – Prior Period Adjustments

As a result of the implementation of GASB Statements No. 68 and 71, net position as of July 1, 2014 was restated as follows:

Beginning Net Position, as previously reported	\$ 7,039,551
Prior period adjustments:	
Report pension contributions made during the measurement	
period as deferred outflows of resources due to implementation of GASB 68/71	28,041
Report net pension liability due to the implementation of GASB 68	<u>(239,557)</u>
Beginning Net Position, as restated	<u><u>\$ 6,828,035</u></u>

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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City of Bradbury
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2015

Budgetary Comparison Schedule
General Fund

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes	\$ 607,700	607,700	\$ 641,237	\$ 33,537
Licenses and permits	137,500	137,500	209,933	72,433
Use of money and property	5,500	5,500	9,923	4,423
Intergovernmental	10,000	10,000	31,239	21,239
Charges for current services	285,950	285,950	417,702	131,752
Other revenue	9,920	9,920	17,838	7,918
Total revenues	<u>1,056,570</u>	<u>1,056,570</u>	<u>1,327,872</u>	<u>271,302</u>
EXPENDITURES:				
Current:				
General government	804,435	804,435	715,617	88,818
Public safety	99,760	99,760	101,515	(1,755)
Parks and recreation	33,000	33,000	16,741	16,259
Total expenditures	<u>937,195</u>	<u>937,195</u>	<u>833,873</u>	<u>103,322</u>
Net change in fund balance	<u>\$ 119,375</u>	<u>\$ 119,375</u>	493,999	<u>\$ 374,624</u>
FUND BALANCE:				
Beginning of year			<u>2,552,731</u>	
End of year			<u>\$ 3,046,730</u>	

City of Bradbury
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2015

Budgetary Comparison Schedule
Fire Grant Special Revenue Fund

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 58	\$ 58
Intergovernmental	90,500	90,500	47,257	(43,243)
Other revenue	10,000	10,000	11,000	1,000
Total revenues	100,500	100,500	58,315	(42,185)
Net change in fund balance	\$ 100,500	\$ 100,500	58,315	\$ (42,185)
FUND BALANCE:				
Beginning of year			-	
End of year			\$ 58,315	

City of Bradbury
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2015

Budgetary Comparison Schedule
Utility Users Tax Special Revenue Fund

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 211,200	211,200	\$ 232,971	\$ 21,771
Use of money and property	-	-	430	430
Total revenues	<u>211,200</u>	<u>211,200</u>	<u>233,401</u>	<u>22,201</u>
EXPENDITURES:				
Current:				
Public works	<u>162,327</u>	<u>162,327</u>	<u>57,658</u>	<u>104,669</u>
Total expenditures	<u>162,327</u>	<u>162,327</u>	<u>57,658</u>	<u>104,669</u>
REVENUES OVER EXPENDITURES	<u>48,873</u>	<u>48,873</u>	<u>175,743</u>	<u>126,870</u>
Net change in fund balance	<u>\$ 48,873</u>	<u>\$ 48,873</u>	<u>175,743</u>	<u>\$ 126,870</u>
FUND BALANCE:				
Beginning of year			<u>106,715</u>	
End of year			<u>\$ 282,458</u>	

City of Bradbury
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2015

Budgetary Comparison Schedule
Sewer Special Revenue Fund

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 15	\$ 15
Total revenues	-	-	15	15
EXPENDITURES:				
Current:				
Public works	401,500	401,500	37,010	364,490
Total expenditures	401,500	401,500	37,010	364,490
REVENUES OVER (UNDER) EXPENDITURES	(401,500)	(401,500)	(36,995)	364,505
Net Change in Fund Balance	<u>\$ (401,500)</u>	<u>\$ (401,500)</u>	(36,995)	<u>\$ 364,505</u>
FUND BALANCE:				
Beginning of year			(7,706)	
End of year			<u>\$ (44,701)</u>	

City of Bradbury
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2015

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. The difference between the budgetary basis and GAAP fund balances as of June 30, 2015 was not material. Budgets were not adopted for County Park Grant Special Revenue Fund, Proposition 1B Bond Special Revenue Fund, and Recycling Grant Special Revenue Fund.

City of Bradbury
Required Supplementary Information (Unaudited) (Continued)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2015

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Fire Tier I Plan

	<u>June 30, 2014¹</u>
City's Proportion of the Net Pension Liability/(Asset)	0.00322%
City's Proportionate Share of the Net Pension Liability/(Asset)	\$ 200,391
City's Covered-Employee Payroll	<u>\$ 198,839</u>
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Its Covered-Employee Payroll	<u>100.78%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>74.45%</u>

¹ Historical information is required only for measurement periods for which GASB 68 is applicable. The fiscal year 2015 was the first year of implementation, therefore only one year is shown.

City of Bradbury
Required Supplementary Information (Unaudited) (Continued)
Schedule of the City's Contributions
For the Year Ended June 30, 2015

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Fire Tier I Plan

	2014-15	2013-14 ¹
Actuarially Determined Contribution ²	\$ 29,107	\$ 28,041
Contribution in Relation to the Actuarially Determined Contribution ²	(29,107)	(28,041)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll ^{3,4}	\$ 204,804	\$ 198,839
Contributions as a Percentage of Covered-Employee Payroll	14.21%	14.10%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable. The fiscal year 2015 was the first year of implementation, therefore only one year and the measure period are shown.

² Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" are not considered separately financed specific liabilities.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year (\$193,047) was assumed to increase by the 3.00% payroll growth assumption.

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

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”.

County Park Grant Fund - To account for the grants requiring segregated fund accounting. Financing is provided by state and county agencies.

Public Transportation Funds (Prop A) - 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.

Proposition 1B Bond Special Revenue Fund - To account for the receipt and disbursement of funds from the State of California which were created by voter approved bond issues in 2006 under Proposition 1B. These funds are allocated on a formula basis.

Measure R Special Revenue Fund - To account for the receipt and disbursement of funds from the County of Los Angeles which were created by a voter approved sales tax in 2008. These funds are allocated based on the point of sale.

Civic Center Special Revenue Fund - To account for the receipt and disbursement of donations received from the City's buy a brick Program.

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 Metropolitan Transportation Authority (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.

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

City of Bradbury
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Gas Tax Fund	Proposition C Fund	County Park Grant Fund	Public Transportation Fund (Prop A)
ASSETS				
Cash and investments	\$ 84,712	\$ 32,232	\$ 6,285	\$ 22,474
Accounts receivable	2,802	-	-	-
Interest receivable	72	32	5	15
Total assets	\$ 87,586	\$ 32,264	\$ 6,290	\$ 22,489
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,224	\$ -	\$ -	\$ -
Total liabilities	1,224	-	-	-
Fund Balances:				
Restricted	86,362	32,264	6,290	22,489
Committed	-	-	-	-
Total fund balances	86,362	32,264	6,290	22,489
Total liabilities and fund balances	\$ 87,586	\$ 32,264	\$ 6,290	\$ 22,489

City of Bradbury
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2015

	Proposition 1B Bond Fund	Measure R Fund	Civic Center Fund	STPL Fund
ASSETS				
Cash and investments	\$ 3,144	\$ 57,981	\$ 5,596	\$ 13,711
Accounts receivable	-	-	-	-
Interest receivable	3	44	5	11
Total assets	\$ 3,147	\$ 58,025	\$ 5,601	\$ 13,722
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Fund Balances:				
Restricted	3,147	58,025	-	13,722
Committed	-	-	5,601	-
Total fund balances	3,147	58,025	5,601	13,722
Total liabilities and fund balances	\$ 3,147	\$ 58,025	\$ 5,601	\$ 13,722

City of Bradbury
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2015

	Recycling Grant Fund	COPS Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 7,759	\$ 46,665	\$ 280,559
Accounts receivable	-	-	2,802
Interest receivable	6	38	231
Total assets	\$ 7,765	\$ 46,703	\$ 283,592
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,224
Total liabilities	-	-	1,224
Fund Balances:			
Restricted	7,765	46,703	276,767
Committed	-	-	5,601
Total fund balances	7,765	46,703	282,368
Total liabilities and fund balances	\$ 7,765	\$ 46,703	\$ 283,592

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City of Bradbury
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Gas Tax Fund	Proposition C Fund	County Park Grant Fund	Public Transportation Fund (Prop A)
REVENUES:				
Use of money and property	\$ 157	\$ 66	\$ 11	\$ 47
Intergovernmental	36,703	15,607	6,279	18,994
Other revenue	-	-	-	-
Total revenues	<u>36,860</u>	<u>15,673</u>	<u>6,290</u>	<u>19,041</u>
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Public works	33,947	12,867	-	-
Total expenditures	<u>33,947</u>	<u>12,867</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,913	2,806	6,290	19,041
FUND BALANCES:				
Beginning of year	83,449	29,458	-	3,448
End of year	<u>\$ 86,362</u>	<u>\$ 32,264</u>	<u>\$ 6,290</u>	<u>\$ 22,489</u>

City of Bradbury
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Proposition 1B Bond Fund	Measure R Fund	Civic Center Fund	STPL Fund
REVENUES:				
Use of money and property	\$ 6	\$ 92	\$ 11	\$ 26
Intergovernmental	-	11,819	-	-
Other revenue	-	997	75	-
Total revenues	<u>6</u>	<u>12,908</u>	<u>86</u>	<u>26</u>
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Public works	-	-	1,494	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,494</u>	<u>-</u>
Net change in fund balances	6	12,908	(1,408)	26
FUND BALANCES:				
Beginning of year	<u>3,141</u>	<u>45,117</u>	<u>7,009</u>	<u>13,696</u>
End of year	<u>\$ 3,147</u>	<u>\$ 58,025</u>	<u>\$ 5,601</u>	<u>\$ 13,722</u>

City of Bradbury
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Recycling Grant Fund	COPS Fund	Total Nonmajor Governmental Funds
REVENUES:			
Use of money and property	\$ 15	\$ 72	\$ 503
Intergovernmental	5,000	106,230	200,632
Other revenue	-	-	1,072
Total revenues	<u>5,015</u>	<u>106,302</u>	<u>202,207</u>
EXPENDITURES:			
Current:			
Public safety	-	59,860	59,860
Public works	1,500	-	49,808
Total expenditures	<u>1,500</u>	<u>59,860</u>	<u>109,668</u>
Net change in fund balances	3,515	46,442	92,539
FUND BALANCES:			
Beginning of year	4,250	261	189,829
End of year	<u>\$ 7,765</u>	<u>\$ 46,703</u>	<u>\$ 282,368</u>

City of Bradbury
Budgetary Comparison Schedule
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 157	\$ 157
Intergovernmental	32,318	32,318	36,703	4,385
Total revenues	<u>32,318</u>	<u>32,318</u>	<u>36,860</u>	<u>4,542</u>
EXPENDITURES:				
Current:				
Public works	29,643	29,643	33,947	(4,304)
Total expenditures	<u>29,643</u>	<u>29,643</u>	<u>33,947</u>	<u>(4,304)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,675</u>	<u>2,675</u>	<u>2,913</u>	<u>238</u>
Net Change in Fund Balance	<u>\$ 2,675</u>	<u>\$ 2,675</u>	<u>2,913</u>	<u>\$ 238</u>
FUND BALANCE:				
Beginning of year			83,449	
End of year			<u>\$ 86,362</u>	

City of Bradbury
Budgetary Comparison Schedule
Proposition C Special Revenue Fund
For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 66	\$ 66
Intergovernmental	13,000	13,000	15,607	2,607
Total revenues	13,000	13,000	15,673	2,673
EXPENDITURES:				
Current:				
Public works	8,774	8,774	12,867	(4,093)
Total expenditures	8,774	8,774	12,867	(4,093)
REVENUES OVER (UNDER) EXPENDITURES	4,226	4,226	2,806	(1,420)
Net Change in Fund Balance	\$ 4,226	\$ 4,226	2,806	\$ (1,420)
FUND BALANCE:				
Beginning of year			29,458	
End of year			\$ 32,264	

City of Bradbury
Budgetary Comparison Schedule
Public Transportation Funds (Proposition A) Special Revenue Fund
For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 47	\$ 47
Intergovernmental	15,000	15,000	18,994	3,994
Total revenues	15,000	15,000	19,041	4,041
Net Change in Fund Balance	<u>\$ 15,000</u>	<u>\$ 15,000</u>	19,041	<u>\$ 4,041</u>
FUND BALANCE:				
Beginning of year			3,448	
End of year			<u>\$ 22,489</u>	

City of Bradbury
Budgetary Comparison Schedule
Measure R Special Revenue Fund
For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 92	\$ 92
Intergovernmental	8,600	8,600	11,819	3,219
Other revenue	-	-	997	997
Total revenues	<u>8,600</u>	<u>8,600</u>	<u>12,908</u>	<u>3,311</u>
Net Change in Fund Balance	<u>\$ 8,600</u>	<u>\$ 8,600</u>	<u>12,908</u>	<u>\$ 3,311</u>
FUND BALANCE:				
Beginning of year			<u>45,117</u>	
End of year			<u>\$ 58,025</u>	

City of Bradbury
Budgetary Comparison Schedule
Civic Center Special Revenue Fund
For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with
	Original	Final		Final Budget
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 11	\$ 11
Other revenue	2,500	2,500	75	(2,425)
Total revenues	2,500	2,500	86	(2,414)
EXPENDITURES:				
Current:				
Public works	2,000	2,000	1,494	506
Total expenditures	2,000	2,000	1,494	506
Net Change in Fund Balance	\$ 500	\$ 500	(1,408)	\$ (1,908)
FUND BALANCE:				
Beginning of year			7,009	
End of year			\$ 5,601	

City of Bradbury
Budgetary Comparison Schedule
STPL Special Revenue Fund
For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Other revenue	\$ -	\$ -	\$ 26	\$ 26
Total revenues	-	-	26	26
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	26	<u>\$ 26</u>
FUND BALANCE:				
Beginning of year			13,696	
End of year			<u>\$ 13,722</u>	

City of Bradbury
Budgetary Comparison Schedule
COPS Special Revenue Fund
For the Year Ended June 30, 2015

	Budget			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 72	\$ 72
Intergovernmental	100,000	100,000	106,230	6,230
Total revenues	100,000	100,000	106,302	6,302
EXPENDITURES:				
Current:				
Public safety	100,000	100,000	59,860	40,140
Total expenditures	100,000	100,000	59,860	40,140
REVENUES OVER (UNDER) EXPENDITURES	-	-	46,442	46,442
Net Change in Fund Balance	\$ -	\$ -	46,442	\$ 46,442
FUND BALANCE:				
Beginning of year			261	
End of year			\$ 46,703	