

City of Bradbury

Bradbury, California

Independent Auditors' Report and Basic Financial Statements

For the year ended June 30, 2013



PUN & McGEADY
LLP
Certified Public Accountants and Tax Advisors

City of Bradbury
Basic Financial Statements
For the year ended June 30, 2013

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9 Corporate Park
Suite 130
Irvine, California 92606

Phone: (949) 777-8800
Fax: (949) 777-8850
www.pn-llp.com

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, 2013, 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 previously 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, 2013, 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.

Other Matters

Required Supplementary Information

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 financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule – General Fund, and Schedules of Funding Progress on pages 34 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

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.

To the Honorable Mayor and Members of the City Council
of the City of Bradbury
Bradbury, California
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013 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.

Rick E. Mc Geady LLP

Irvine, California
December 13, 2013



PUN & McGEADY
LLP
Certified Public Accountants and Business Advisors

9 Corporate Park
Suite 130
Irvine, California 92606

Phone: (949) 777-8800
Fax: (949) 777-8850
www.pm-llp.com

**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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 13, 2013.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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.

RUN & Mc Geady LLP

Irvine, California
December 13, 2013

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

City of Bradbury
Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and investments	\$ 2,526,270
Taxes receivable	11,467
Interest receivable	<u>1,197</u>
Total current assets	<u>2,538,934</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	16,500
Depreciable, net	<u>4,358,773</u>
Total capital assets	<u>4,375,273</u>
Total noncurrent assets	<u>4,375,273</u>
Total assets	<u><u>6,914,207</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	150,167
Deposits	<u>55,000</u>
Total current liabilities	<u>205,167</u>
Total liabilities	<u>205,167</u>
NET POSITION	
Net investment in capital assets	4,375,273
Restricted	292,006
Unrestricted	<u>2,041,761</u>
Total net position	<u><u>\$ 6,709,040</u></u>

City of Bradbury
Statement of Activities
For the Year Ended June 30, 2013

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	\$ 872,498	\$ 533,226	\$ 88,254	\$ -	\$ (251,018)
Public safety	220,292	-	16,434	-	(203,858)
Public works	205,129	-	-	170,031	(35,098)
Parks and recreation	26,578	-	-	-	(26,578)
Total governmental activities	\$ 1,324,497	\$ 533,226	\$ 104,688	\$ 170,031	(516,552)

General Revenues:

Taxes	489,318
Use of money and property	11,904
Miscellaneous	45,840
Total general revenues	547,062
Changes in net position	30,510
Net Position - Beginning of year	6,678,530
Net Position - End of year	\$ 6,709,040

FUND FINANCIAL STATEMENTS

City of Bradbury
Balance Sheet
Governmental Funds
June 30, 2013

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Grants Fund	Nonmajor Governmental Funds	
ASSETS				
Cash and investments	\$ 2,219,909	\$ 128,598	\$ 177,763	\$ 2,526,270
Taxes receivable	9,178	-	2,289	11,467
Interest receivable	1,053	61	83	1,197
Total assets	\$ 2,230,140	\$ 128,659	\$ 180,135	\$ 2,538,934
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 146,799	\$ -	\$ 3,368	\$ 150,167
Deposits	55,000	-	-	55,000
Total liabilities	201,799	-	3,368	205,167
Fund Balances:				
Restricted	-	128,659	163,347	292,006
Committed	-	-	13,420	13,420
Unassigned	2,028,341	-	-	2,028,341
Total fund balances	2,028,341	128,659	176,767	2,333,767
Total liabilities and fund balances	\$ 2,230,140	\$ 128,659	\$ 180,135	\$ 2,538,934

City of Bradbury
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2013

Total Fund Balances - Total Governmental Funds \$ 2,333,767

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>4,358,773</u>	<u>4,375,273</u>

Net Position of Governmental Activities \$ 6,709,040

City of Bradbury
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Grants Fund	Nonmajor Governmental Funds	
REVENUES:				
Taxes	\$ 489,318	\$ -	\$ -	\$ 489,318
Licenses and permits	45,141	-	-	45,141
Use of money and property	4,985	462	6,457	11,904
Intergovernmental	104,688	103,138	66,893	274,719
Charges for current services	488,085	-	-	488,085
Other revenue	37,302	-	8,538	45,840
Total revenues	1,169,519	103,600	81,888	1,355,007
EXPENDITURES:				
Current:				
General government	696,521	-	-	696,521
Public safety	98,395	121,897	-	220,292
Public works	115,634	923	88,572	205,129
Parks and recreation	18,470	6,794	-	25,264
Total expenditures	929,020	129,614	88,572	1,147,206
REVENUES OVER (UNDER) EXPENDITURES	240,499	(26,014)	(6,684)	207,801
Net change in fund balances	240,499	(26,014)	(6,684)	207,801
FUND BALANCES:				
Beginning of year	1,787,842	154,673	183,451	2,125,966
End of year	\$ 2,028,341	\$ 128,659	\$ 176,767	\$ 2,333,767

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, 2013

Net Change in Fund Balances - Total Governmental Funds: \$ 207,801

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)

Change in Net Position of Governmental Activities \$ 30,510

NOTES TO BASIC FINANCIAL STATEMENTS

City of Bradbury
Notes to the Basic Financial Statements
For the year ended June 30, 2013

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 2013, the City implemented 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, 2013

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.

Deferred revenues arise when potential revenues do not meet both the "*measurable*" and "*available*" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

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, 2013

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.

Special Revenue Grants Fund is used to account for the grants requiring segregated fund accounting. Financing is provided by state and county agencies.

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

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.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Property Tax Revenues (Continued)

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, 2013.

G. 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.

H. 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.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Fund Equity and Net Position (Continued)

Unassigned – This amount indicates the portion of fund balance that does not fall into one of the above categories.

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.

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

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

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 net 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.

I. 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.

J. Accounting Changes

GASB has issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* ("SCA"). The requirements of this statement improve financial reporting by establishing recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This statement became effective for periods beginning after December 15, 2011 and did not have a significant impact on the City's financial statements for the year ended June 30, 2013.

GASB has issued Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. The requirements of this statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. This statement became effective for periods beginning after June 15, 2012 and did not have a significant impact on the City's financial statements for year ended June 30, 2013.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Accounting Changes (Continued)

GASB has issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement combines the authoritative accounting and financial reporting of the FASB and the American Institute of Certified Public Accountants (“AICPA”). The statement eliminates the need for financial statement preparers and auditors to determine which FASB and AICPA pronouncement provisions apply to state and local governments. This statement became effective for period beginning after December 15, 2011 and did not have a significant impact on the City’s financial statements for the year ended June 30, 2013.

GASB has issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The requirement of this statement standardizes the presentation of the deferred inflows and outflows of resources and their effects on a government’s net position. This statement became effective for periods beginning after December 15, 2011. The implementation of this statement to the City was limited to renaming of “Net Assets” to “Net Position”.

Note 2 – Cash and Investments

Cash and investments as of June 30, 2013 consisted of the following:

Demand deposits	\$	551,474
Petty cash		300
Investments with LAIF		1,974,496
Total		\$ 2,526,270

Demand Deposits

At June 30, 2013, the carrying amount of the City’s demand deposits was \$551,474 and the bank balance was \$742,488. The \$191,014 difference represents outstanding checks, deposits in transit, and other reconciling items.

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.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 2 – Cash and Investments (Continued)

California Local Agency Investment Fund (“LAIF”)

The City’s investments with LAIF at June 30, 2013 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

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, 2013, the City had \$1,974,496 invested in LAIF, which had invested 1.96% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.000273207 was used to calculate the fair value of the investments in LAIF.

Investments Authorized by the California Government Code and the City’s Investment Policy

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

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2013, the weighted average maturity of the investments contained in LAIF is 268 days.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of the total City investments.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 2 – Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-seller) to a transaction, a government will not be able to recover the value of its investment. This does not apply since custodial credit risk is not applicable to LAIF or bond trustee accounts.

Note 3 – Capital Assets

The following schedule shows changes in capital assets for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
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	(43,045)	(16,430)	-	(59,475)
Machinery and equipment	(7,249)	(5,799)	-	(13,048)
Infrastructure	(1,175,648)	(155,062)	-	(1,330,710)
Total Accumulated Depreciation	(1,225,942)	(177,291)	-	(1,403,233)
Total Depreciable Assets, Net	4,536,064	(177,291)	-	4,358,773
Total Capital Assets, Net	\$ 4,552,564	\$ (177,291)	\$ -	\$ 4,375,273

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, 2013

Note 4 – Self-Insurance with Joint Powers Authority

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

The City is a member of the California Joint Powers Insurance Authority (the "Authority"). The Authority is composed of 123 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 Authority 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 (formerly called the primary deposit) to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period 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.

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 non-police 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 in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. On a cumulative basis for all 2012-13 reinsurance contracts the annual aggregate deductible is \$5.5 million. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$35 million per occurrence. This \$35 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's self-insured retention's ("SIR"), (b) \$10 million in reinsurance and (c) \$20 million in excess insurance. The excess insurance layer has a \$20 million annual aggregate.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 4 – 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 non-public safety 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 in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability 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 participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$1,178,412. 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.

Crime Insurance

The City 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 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 according to a schedule. The City then pays for the insurance. The insurance is arranged by the Authority.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 4 – Self-Insurance with Joint Powers Authority (Continued)

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 2012-13.

Note 5 – 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, 2013 was \$22,899. 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 6 – Retirement Plan

Plan Description

The City's defined benefit pension plan for miscellaneous employees through the California Public Employees' Retirement System ("CalPERS") is a cost-sharing multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. 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 law and City Policy. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

Funding Policy

Participants are required to contribute 7% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The City's required employer contribution rate for the fiscal year 2012-2013 was 15.915% of annual covered payroll. The contribution requirements of the plan members and the City are established and may be amended by CalPERS.

Annual Pension Cost

For the year ended June 30, 2013, the City's annual pension cost of \$43,306 was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions include (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.55% to 14.45% per year cost-of-living adjustments depending on age, service, and type of employment. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen-year period (smoothed market value). The average remaining period as of June 30, 2010 was 7 years. CalPERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 6 – Retirement Plan (Continued)

Annual Pension Cost (Continued)

Three-Year Trend Information for CalPERS

Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 51,482	100%	\$ -
2012	34,592	100%	-
2013	43,306	100%	-

Note 7 – Classification of Fund Balances

At June 30, 2013, fund balances are classified in the governmental funds as follows:

	General Fund	Special Revenue Grants Fund	Nonmajor Governmental Funds	Total
Restricted:				
Grants	\$ -	\$ 128,659	\$ -	\$ 128,659
Gas Tax	-	-	72,439	72,439
Public Transportation (Prop A)	-	-	15,180	15,180
Proposition 1B	-	-	3,135	3,135
Proposition C	-	-	23,214	23,214
Measure R	-	-	49,379	49,379
Total Restricted	-	128,659	163,347	292,006
Committed:				
Sewer	-	-	635	635
Civic Center	-	-	12,785	12,785
Total Committed	-	-	13,420	13,420
Unassigned:				
Total Unassigned	2,028,341	-	-	2,028,341
Total Unassigned	2,028,341	-	-	2,028,341
Total Fund Balances	\$ 2,028,341	\$ 128,659	\$ 176,767	\$ 2,333,767

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.

City of Bradbury
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 7 – Classification of Fund Balances (Continued)

The nature and purpose of each reserve is described below:

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

Note 8 – Other Required Disclosures

Excess of Expenditures over Appropriations

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures over Appropriations</u>
General Fund:			
General government	\$ 418,739	\$ 696,521	\$ (277,782)
Parks and recreation	16,500	18,470	(1,970)
Special Revenue Grants Fund:			
Public safety	100,000	121,897	(21,897)
Public works	-	923	(923)
Parks and recreation	5,000	6,794	(1,794)
Public Transportation (Prop A) Fund:			
Public works	-	52,023	(52,023)
Civic Center Fund:			
Public works	-	6,395	(6,395)

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.

Note 9 – 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.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

City of Bradbury
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2013

Budgetary Comparison Schedule
General Fund

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 375,500	\$ 375,500	\$ 489,318	\$ 65,154
Licenses and permits	25,000	25,000	45,141	20,141
Use of money and property	5,000	5,000	4,985	(15)
Intergovernmental	90,300	90,300	104,688	14,388
Charges for current services	229,700	229,700	488,085	258,385
Other revenue	250	250	37,302	37,052
Total revenues	725,750	725,750	1,169,519	395,105
EXPENDITURES:				
Current:				
General government	418,739	418,739	696,521	(277,782)
Public safety	102,036	102,036	98,395	3,641
Public works	351,000	351,000	115,634	235,366
Parks and recreation	16,500	16,500	18,470	(1,970)
Total expenditures	888,275	888,275	929,020	(40,745)
REVENUES OVER (UNDER) EXPENDITURES	(162,525)	(162,525)	240,499	435,850
Net change in fund balances	\$ (162,525)	\$ (162,525)	240,499	\$ 435,850
FUND BALANCE:				
Beginning of year			<u>1,787,842</u>	
End of year			<u>\$ 2,028,341</u>	

City of Bradbury
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2013

Budgetary Comparison Schedule
Special Revenue Grants Fund

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 462	\$ 462
Intergovernmental	108,200	108,200	103,138	(5,062)
Total revenues	108,200	108,200	103,600	(4,600)
EXPENDITURES:				
Current:				
Public safety	\$ 100,000	\$ 100,000	121,897	(21,897)
Public works	-	-	923	(923)
Parks and recreation	5,000	5,000	6,794	(1,794)
Total expenditures	105,000	105,000	129,614	(24,614)
REVENUES OVER EXPENDITURES	3,200	3,200	(26,014)	20,014
Net change in fund balances	\$ 3,200	\$ 3,200	(26,014)	\$ 20,014
FUND BALANCE:				
Beginning of year			154,673	
End of year			\$ 128,659	

City of Bradbury
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2013

Schedule of Funding Progress - California Public Employees' Retirement System ("CalPERS")

In the year ended June 30, 2004, CalPERS established a risk pool for cities and other government entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, stand alone information of the schedule of funding progress for the City's miscellaneous employees is no longer available nor disclosed.

City of Bradbury
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2013

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, 2013 was not material.

SUPPLEMENTARY INFORMATION

**NONMAJOR
GOVERNMENTAL FUNDS**

City of Bradbury
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	<u>Gas Tax Fund</u>	<u>Public Transportation Fund (Prop A)</u>	<u>Proposition 1B Bond Fund</u>	<u>Proposition C Fund</u>
ASSETS				
Cash and investments	\$ 71,780	\$ 15,173	\$ 3,134	\$ 23,907
Taxes receivable	2,289	-	-	-
Interest receivable	34	7	1	11
Total assets	<u>\$ 74,103</u>	<u>\$ 15,180</u>	<u>\$ 3,135</u>	<u>\$ 23,918</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,664	\$ -	\$ -	\$ 704
Total liabilities	<u>1,664</u>	<u>-</u>	<u>-</u>	<u>704</u>
Fund Balances:				
Restricted	72,439	15,180	3,135	23,214
Committed	-	-	-	-
Total fund balances	<u>72,439</u>	<u>15,180</u>	<u>3,135</u>	<u>23,214</u>
Total liabilities and fund balances	<u>\$ 74,103</u>	<u>\$ 15,180</u>	<u>\$ 3,135</u>	<u>\$ 23,918</u>

City of Bradbury
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2013

	Sewer Fund	Measure R Fund	Civic Center Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 635	\$ 49,356	\$ 13,778	\$ 177,763
Taxes receivable	-	-	-	2,289
Interest receivable	-	23	7	83
Total assets	\$ 635	\$ 49,379	\$ 13,785	\$ 180,135
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,000	\$ 3,368
Total liabilities	-	-	1,000	3,368
Fund Balances:				
Restricted	-	49,379	-	163,347
Committed	635	-	12,785	13,420
Total fund balances	635	49,379	12,785	176,767
Total liabilities and fund balances	\$ 635	\$ 49,379	\$ 13,785	\$ 180,135

City of Bradbury
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Gas Tax Fund	Public Transportation Fund (Prop A)	Proposition 1B Bond Fund	Proposition C Fund
REVENUES:				
Use of money and property	\$ 178	\$ 102	\$ 7	\$ 38
Intergovernmental	30,421	14,881	-	12,345
Other revenue	-	-	-	-
Total revenues	30,599	14,983	7	12,383
EXPENDITURES:				
Current:				
Public works	21,949	52,023	-	8,205
Total expenditures	21,949	52,023	-	8,205
REVENUES OVER (UNDER) EXPENDITURES	8,650	(37,040)	7	4,178
Net Change in Fund Balances	8,650	(37,040)	7	4,178
FUND BALANCE:				
Beginning of year	63,789	52,220	3,128	19,036
End of year	\$ 72,439	\$ 15,180	\$ 3,135	\$ 23,214

City of Bradbury
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Sewer Fund	Measure R Fund	Civic Center Fund	Total Nonmajor Governmental Funds
REVENUES:				
Use of money and property	\$ 1	\$ 126	\$ 6,005	\$ 6,457
Intergovernmental	-	9,246	-	66,893
Other revenue	-	-	8,538	8,538
Total revenues	1	9,372	14,543	81,888
EXPENDITURES:				
Current:				
Public works	-	-	6,395	88,572
Total expenditures	-	-	6,395	88,572
REVENUES OVER (UNDER) EXPENDITURES	1	9,372	8,148	(6,684)
Net Change in Fund Balances	1	9,372	8,148	(6,684)
FUND BALANCE:				
Beginning of year	634	40,007	4,637	183,451
End of year	\$ 635	\$ 49,379	\$ 12,785	\$ 176,767

City of Bradbury
Budgetary Comparison Schedule
Gas Tax Fund
For the Year Ended June 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 178	\$ 178
Intergovernmental	30,701	30,701	30,421	(280)
Total revenues	<u>30,701</u>	<u>30,701</u>	<u>30,599</u>	<u>(102)</u>
EXPENDITURES:				
Current:				
Public works	29,180	29,180	21,949	7,231
Total expenditures	<u>29,180</u>	<u>29,180</u>	<u>21,949</u>	<u>7,231</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,521</u>	<u>1,521</u>	<u>8,650</u>	<u>(7,333)</u>
Net Change in Fund Balances	<u>\$ 1,521</u>	<u>\$ 1,521</u>	<u>8,650</u>	<u>\$ (7,333)</u>
FUND BALANCE:				
Beginning of year			<u>63,789</u>	
End of year			<u>\$ 72,439</u>	

City of Bradbury
Budgetary Comparison Schedule
Public Transportation Fund (Prop A)
For the Year Ended June 30, 2013

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 102	\$ 102
Intergovernmental	13,785	13,785	14,881	1,096
Total revenues	13,785	13,785	14,983	1,198
EXPENDITURES:				
Current:				
Public works	-	-	52,023	(52,023)
Total expenditures	-	-	52,023	(52,023)
REVENUES OVER (UNDER) EXPENDITURES	13,785	13,785	(37,040)	53,221
Net Change in Fund Balances	\$ 13,785	\$ 13,785	(37,040)	\$ 53,221
FUND BALANCE:				
Beginning of year			52,220	
End of year			<u>\$ 15,180</u>	

City of Bradbury
Budgetary Comparison Schedule
Proposition 1B Bond Fund
For the Year Ended June 30, 2013

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 7	\$ 7
Total revenues	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>7</u>	<u>\$ 7</u>
FUND BALANCE:				
Beginning of year			<u>3,128</u>	
End of year			<u>\$ 3,135</u>	

City of Bradbury
Budgetary Comparison Schedule
Proposition C Fund
For the Year Ended June 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 38	\$ 38
Intergovernmental	11,434	11,434	12,345	911
Total revenues	11,434	11,434	12,383	949
EXPENDITURES:				
Current:				
Public works	9,644	9,644	8,205	1,439
Total expenditures	9,644	9,644	8,205	1,439
REVENUES OVER (UNDER) EXPENDITURES	1,790	1,790	4,178	(490)
Net Change in Fund Balances	\$ 1,790	\$ 1,790	4,178	\$ (490)
FUND BALANCE:				
Beginning of year			19,036	
End of year			\$ 23,214	

City of Bradbury
Budgetary Comparison Schedule
Sewer Fund
For the Year Ended June 30, 2013

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 1	\$ 1
Total revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	1	<u>\$ 1</u>
FUND BALANCE:				
Beginning of year			<u>634</u>	
End of year			<u>\$ 635</u>	

City of Bradbury
Budgetary Comparison Schedule
Measure R Fund
For the Year Ended June 30, 2013

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 126	\$ 126
Intergovernmental	8,576	8,576	9,246	670
Total revenues	8,576	8,576	9,372	796
Net Change in Fund Balances	\$ 8,576	\$ 8,576	9,372	\$ 796
FUND BALANCE:				
Beginning of year			40,007	
End of year			\$ 49,379	

City of Bradbury
Budgetary Comparison Schedule
Civic Center Fund
For the Year Ended June 30, 2013

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 6,005	\$ 6,005
Other revenue	-	-	8,538	8,538
Total revenues	-	-	14,543	14,543
EXPENDITURES:				
Current:				
Public works	-	-	6,395	(6,395)
Total expenditures	-	-	6,395	(6,395)
REVENUES OVER (UNDER) EXPENDITURES	-	-	8,148	-
Net Change in Fund Balances	\$ -	\$ -	8,148	\$ 14,543
FUND BALANCE:				
Beginning of year			4,637	
End of year			\$ 12,785	