

TOWN OF SAN ANSELMO

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

JUNE 30, 1987 AND 1986

TOWN OF SAN ANSELMO

JUNE 30, 1987 AND 1986

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TOWN OF SAN ANSELMO
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LINDQUIST, VON HUSEN & JOYCE

CERTIFIED PUBLIC ACCOUNTANTS

E. EUGENE DENKO
DUANE L. FRISBIE
PAUL E. CAMERON
RODERICK E. JOHNSON
S. SCOTT SEAMANDS
STEPHEN D. TONJES

The Honorable Town Council,
Town of San Anselmo

We have examined the general purpose financial statements of the Town of San Anselmo, California as of and for the years ended June 30, 1987 and 1986, as listed in the table of contents. Our examinations were made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office, and accordingly, included such tests of the accounting records and such other procedures as we considered necessary in the circumstances.

In our opinion, the general purpose financial statements referred to above present fairly the financial position of the Town of San Anselmo, California at June 30, 1987 and 1986, and the results of its operations and the changes in financial position of its proprietary fund type for the years then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and Schedules 1 to 6 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of San Anselmo, California. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Lindquist, von Husen and Joyce

September 8, 1987

TOWN OF SAN ANSELMO

COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1987 AND 1986

	<u>Governmental</u>		<u>Proprietary</u>	<u>Fiduciary</u>	<u>Account Groups</u>		<u>Totals</u>	
	<u>Fund Types</u>		<u>Fund Types</u>	<u>Fund Types</u>	<u>General</u>	<u>General</u>	<u>(Memorandum Only)</u>	
	<u>General</u>	<u>Special</u>	<u>Internal</u>	<u>Agency</u>	<u>Fixed</u>	<u>Long-Term</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>Revenue</u>	<u>Service</u>		<u>Assets</u>	<u>Debt</u>	<u>1987</u>	<u>1986</u>	
<u>ASSETS</u>								
Cash and investments	\$ 365,981	\$ 353,371	\$ 101,220	\$ 390,577		\$ 621,819	\$1,832,968	\$1,219,215
Accounts receivable and accrued revenue	192,269	925					193,194	297,172
Due from other funds	10,796						10,796	68,940
Project assessment receivables (Note 2)	44,428						44,428	50,986
Prepaid flood insurance (Note 3)	11,187						11,187	17,864
Restricted assets - cash	76,626						76,626	6,611
Fixed assets					\$4,244,330		4,244,330	4,258,724
Amount to be provided for retirement of long-term debt						166,925	166,925	399,028
Total assets	\$ 701,287	\$ 354,296	\$ 101,220	\$ 390,577	\$4,244,330	\$ 788,744	\$6,580,454	\$6,318,540
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The accompanying notes are an integral part of these financial statements.

EXHIBIT A (Continued)

TOWN OF SAN ANSELMO

COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1987 AND 1986

	<u>Governmental</u>		<u>Proprietary</u>	<u>Fiduciary</u>	<u>Account Groups</u>		<u>Totals</u>	
	<u>Fund Types</u>		<u>Fund Types</u>	<u>Fund Types</u>			<u>(Memorandum Only)</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Internal Service</u>	<u>Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>June 30, 1987</u>	<u>June 30, 1986</u>
<u>LIABILITIES</u>								
Accounts payable	\$ 44,690	\$ 1,539					\$ 46,229	\$ 107,072
Due to other funds		10,796					10,796	68,940
Payable from restricted assets:								
Deposits	76,626						76,626	6,611
Capital lease obligations						\$ 24,020	24,020	52,284
Insurance deficit payable (Note 13)						683,172	683,172	255,000
Compensated absences payable						81,552	81,552	91,744
Total liabilities	121,316	12,335				788,744	922,395	581,651
<u>FUND EQUITY</u>								
Contributed capital			\$ 82,522				82,522	82,522
Investment in general fixed assets					\$4,244,330		4,244,330	4,258,724
Retained earnings			18,698				18,698	13,304
Fund balance:								
Reserved for:								
Encumbrances	7,805						7,805	30,578
Project assessment receivables (Note 2)	44,428						44,428	50,986
Prepaid flood insurance (Note 3)	11,187						11,187	17,864
Imprest funds	215						215	215
Employee retirement benefits				\$ 390,577			390,577	330,705
Unreserved:								
Undesignated	516,336	341,961					858,297	951,991
Total fund equity	579,971	341,961	101,220	390,577	4,244,330		5,658,059	5,736,889
	\$ 701,287	\$ 354,296	\$ 101,220	\$ 390,577	4,244,330	\$ 788,744	\$6,580,454	\$6,318,540
	=====	=====	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

EXHIBIT A (Concluded)

TOWN OF SAN ANSELMO
COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES-GAAP BASIS
YEARS ENDED JUNE 30, 1987 AND 1986

	<u>Governmental Fund Types</u>		<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>1987</u>	<u>1986</u>
REVENUES (Note 1):				
Taxes	\$2,849,305		\$2,849,305	\$2,542,136
Licenses and permits	189,937		189,937	306,428
Fines, forfeitures and penalties	145,018		145,018	169,949
Use of money and property	11,694	\$ 59,524	71,218	76,694
Intergovernmental agencies	610,194	430,861	1,041,055	927,816
Charges for current services	439,037		439,037	340,990
Other revenues	64,190		64,190	98,750
Total revenues	<u>4,309,375</u>	<u>490,385</u>	<u>4,799,760</u>	<u>4,462,763</u>
EXPENDITURES:				
General government	839,901	65,083	904,984	765,093
Public safety	2,248,450	31,621	2,280,071	2,092,764
Public works	1,022,933	20,345	1,043,278	842,063
Planning	70,717		70,717	73,266
Library	209,385		209,385	195,704
Parks and recreation	314,904		314,904	243,860
Storm		92,888	92,888	80,990
Total expenditures	<u>4,706,290</u>	<u>209,937</u>	<u>4,916,227</u>	<u>4,293,740</u>
Excess (deficiency) of revenues over (under) expenditures before operating transfers	<u>(396,915)</u>	<u>280,448</u>	<u>(116,467)</u>	<u>169,023</u>
Other financing sources (uses):				
Operating transfers in	280,769	153,770	434,539	437,759
Operating transfers out	<u>(153,770)</u>	<u>(280,769)</u>	<u>(434,539)</u>	<u>(437,759)</u>
Total other financing sources (uses)	<u>126,999</u>	<u>(126,999)</u>		
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(269,916)</u>	<u>153,449</u>	<u>(116,467)</u>	<u>169,023</u>
Fund balances at beginning of year	863,122	188,512	1,051,634	883,220
Increase (decrease) in reserves	<u>(13,235)</u>		<u>(13,235)</u>	<u>(609)</u>
Fund balances at end of year	<u>\$ 579,971</u>	<u>\$ 341,961</u>	<u>\$ 921,932</u>	<u>\$1,051,634</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT B

TOWN OF SAN ANSELMO

COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES - BUDGETARY BASIS

YEARS ENDED JUNE 30, 1987 AND 1986

	General Fund			Special Revenue Funds			1987 Totals (Memorandum Only)			1986 Totals (Memorandum Only)		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES:												
Taxes	\$2,855,450	\$2,849,305	\$ (6,145)				\$2,855,450	\$2,849,305	\$ (6,145)	\$2,566,195	\$2,542,136	\$ (24,059)
Licenses and permits	186,500	189,937	3,437				186,500	189,937	3,437	268,400	306,428	38,028
Fines, forfeitures and penalties	163,900	145,018	(18,882)				163,900	145,018	(18,882)	172,100	169,949	(2,151)
Use of money and property	31,730	11,694	(20,036)		\$ 59,524	\$ 59,524	31,730	71,218	39,488	82,320	76,694	(5,626)
Intergovernmental agencies	403,546	610,194	206,648	\$ 204,375	430,861	226,486	607,921	1,041,055	433,134	635,231	927,816	292,585
Charges for current services	400,307	439,037	38,730				400,307	439,037	38,730	296,535	340,990	44,455
Other revenues	18,000	64,190	46,190				18,000	64,190	46,190	30,000	98,750	68,750
Total revenues	4,059,433	4,309,375	249,942	204,375	490,385	286,010	4,263,808	4,799,760	535,952	4,050,781	4,462,763	411,982
EXPENDITURES AND ENCUMBRANCES:												
General government	764,485	833,927	(69,442)	57,451	65,083	(7,632)	821,936	899,010	(77,074)	653,826	770,361	(116,535)
Public safety	2,256,675	2,232,429	24,246		31,621	(31,621)	2,256,675	2,264,050	(7,375)	2,110,789	2,103,832	6,957
Public works	905,771	1,023,955	(118,184)		20,345	(20,345)	905,771	1,044,300	(138,529)	794,662	757,663	36,999
Planning	75,065	70,717	4,348				75,065	70,717	4,348	62,126	67,742	(5,616)
Library	214,305	209,110	5,195				214,305	209,110	5,195	191,360	197,590	(6,230)
Parks and recreation	207,900	314,904	(107,004)				207,900	314,904	(107,004)	197,269	188,359	8,910
Storm				147,780	92,888	54,892	147,780	92,888	54,892		80,990	(80,990)
Reserve for contingencies										10,000		10,000
Total expenditures and encumbrances	4,424,201	4,685,042	(260,841)	205,231	209,937	(4,706)	4,629,432	4,894,979	(265,547)	4,020,032	4,166,537	(146,505)
Excess of revenues over (under) expenditures and encumbrances before operating transfers	(364,768)	(375,667)	(10,899)	(856)	280,448	281,304	(365,624)	(95,219)	270,405	30,749	296,226	265,477

The accompanying notes are an integral part of these financial statements.

EXHIBIT C (Continued)

TOWN OF SAN ANSELMO

COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES - BUDGETARY BASIS

YEARS ENDED JUNE 30, 1987 AND 1986

	<u>General Fund</u>			<u>Special Revenue Funds</u>			<u>1987 Totals (Memorandum Only)</u>			<u>1986 Totals (Memorandum Only)</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES (USES):												
Operating transfers in	\$ 204,375	\$ 280,769	\$ 76,394		\$ 153,770	\$ 153,770	\$ 204,375	\$ 434,539	\$ 230,164	\$ 248,665	\$ 437,759	\$ 189,094
Operating transfers out		(153,770)	(153,770)	\$(204,375)	(280,769)	(76,394)	(204,375)	(434,539)	(230,164)	(248,665)	(437,759)	(189,094)
Total other financing sources (uses)	<u>204,375</u>	<u>126,999</u>	<u>(77,376)</u>	<u>(204,375)</u>	<u>(126,999)</u>	<u>77,376</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(160,393)	(248,668)	(88,275)	(205,231)	153,449	358,680	(365,624)	(95,219)	270,405	30,749	296,226	265,477
Fund balances at beginning of year	863,122	863,122		188,512	188,512		1,051,634	1,051,634		883,220	883,220	
Increase (decrease) in reserve for encumbrances	(22,773)	(22,773)					(22,773)	(22,773)		(191,503)	(191,503)	
Prior year's encumbrances cancelled	1,525	1,525					1,525	1,525		64,300	64,300	
Increase (decrease) in other reserves	<u>(13,235)</u>	<u>(13,235)</u>					<u>(13,235)</u>	<u>(13,235)</u>		<u>(609)</u>	<u>(609)</u>	
Fund balances at end of year	<u>\$ 668,246</u>	<u>\$ 579,971</u>	<u>\$ (88,275)</u>	<u>\$ (16,719)</u>	<u>\$ 341,961</u>	<u>\$ 358,680</u>	<u>\$ 651,527</u>	<u>\$ 921,932</u>	<u>\$ 270,405</u>	<u>\$ 786,157</u>	<u>\$1,051,634</u>	<u>\$ 265,477</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT C (Concluded)

TOWN OF SAN ANSELMO
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS - PROPRIETARY FUND
YEARS ENDED JUNE 30, 1987 AND 1986

	<u>Proprietary Fund Type</u>	
	<u>Internal Service</u>	
	<u>1987</u>	<u>1986</u>
Operating Revenues:		
Use of money and property	\$ 5,394	\$ 8,150
Operating Expenses:		
Claim payments	3,960	3,960
Net income (loss)	5,394	4,190
Retained earnings at beginning of year	13,304	9,114
Retained earnings at end of year	\$ 18,698	\$ 13,304

The accompanying notes are an integral part of these financial statements.

EXHIBIT D

TOWN OF SAN ANSELMO
STATEMENTS OF CHANGES IN FINANCIAL POSITION -
PROPRIETARY FUND
YEARS ENDED JUNE 30, 1987 AND 1986

	<u>Proprietary Fund Type</u>	
	<u>Internal Service</u>	
	<u>1987</u>	<u>1986</u>
Funds provided (consumed) by operation:		
Net income (loss)	\$ 5,394	\$ 4,190
Decrease in accrued revenue		<u>1,489</u>
Total cash provided (consumed) by operations	5,394	5,679
Cash at beginning of year	<u>95,826</u>	<u>90,147</u>
Cash at end of year	<u>\$101,220</u>	<u>\$ 95,826</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT E

TOWN OF SAN ANSELMO
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1987 AND 1986

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation - Fund Accounting:

The accounts of the Town of San Anselmo (Town) are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements as follows:

Governmental Funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments), that are legally restricted to expenditures for specified purposes.

Proprietary Fund:

Internal Service Fund - The Internal Service fund is used to account for the financing of the Town's self-insurance activities provided by one department to other departments of the Town, on a cost-reimbursement basis.

Fiduciary Fund:

Agency Fund - The Agency Fund is used to account for assets held by the Town as an agent for individuals. Included in the Agency Fund at June 30, 1987 are the assets and equity for the employees deferred compensation plan, which amounted to \$390,577. The assets of the deferred compensation plan remain the property of the Town until paid or made available to participants.

Account Groups:

General Fixed Assets Account Group - This group of accounts is established to account for recorded fixed assets of the Town.

General Long-Term Debt Account Group - This group of accounts is established to account for all long-term obligations, including insurance claim liabilities, capital leases and vested compensation of the Town.

TOWN OF SAN ANSELMO
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1987 AND 1986

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Modified Accrual Basis of Accounting:

The several funds of the Town are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued in the general fund until currently payable; (2) inventories of materials and supplies which are considered expenditures when purchased; and (3) prepaid flood insurance which is considered an expenditure when purchased.

General Fixed Assets:

The Town inventoried its general fixed assets during the 1961-1962 fiscal year at values based principally on appraisals.

General fixed assets subsequently purchased have been recorded as expenditures in the general fund at the time of purchase. Such assets are capitalized at cost in the general fixed assets group of accounts except for certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. Gifts or contributions are recorded in general fixed assets at fair market value at the time received.

The Town's policy is to record as a fixed asset all land and any equipment of significant value having a utility which extends three years or longer.

No depreciation has been provided on general fixed assets.

A summary of changes in general fixed assets follow:

	Balance July 1, 1986	Additions	Deletions	Balance June 30, 1987
Land	\$ 750,511			\$ 750,511
Buildings and improvements	2,764,642			2,764,642
Equipment	636,523	\$ 47,538	\$ 61,932	622,129
Equipment-lease purchase	107,048			107,048
Total	\$ 4,258,724	\$ 47,538	\$ 61,932	\$ 4,244,330
	=====	=====	=====	=====

TOWN OF SAN ANSELMO
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1987 AND 1986

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Retirement Plan:

Substantially all Town employees are members of the Public Employee's Retirement System, (PERS) administered by the State of California, to which contributions are made by both the Town and employees. The total pension expense recognized by the Town for the fiscal years ended June 30, 1987 and 1986 were approximately \$211,055 and \$144,383 respectively. Town employees are entitled to an annual retirement benefit of from 1.092 to 2.5 percent of their average salary during their last year of employment times the number of years PERS credited service. PERS also provides death and disability benefits.

Town employees are required to contribute approximately 7 percent of their annual salary to PERS. The Town is required to contribute the remaining amounts necessary to fund PERS, using actuarially determined contribution rates. The rates for the year ended June 30, 1987 were 10.373 percent for safety earnings and 10.370 percent for miscellaneous earnings.

The present value of accumulated plan benefits at June 30, 1986, the date of the most recent actuarial valuation, are summarized as follows:

Current service benefits	\$ 4,665,556
Prior service benefits	332,540
Death and survivor benefits	10,223
Return of contributions to members upon death or withdrawal	<u>310,748</u>
Total actuarial liabilities	5,319,067
Less net assets available for benefits	<u>3,432,941</u>
Unfunded actuarial present value of accumulated plan benefits	<u><u>\$ 1,886,126</u></u>

Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8.5 percent and (b) an increase in total payroll of 5.75 percent annually.

TOWN OF SAN ANSELMO
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1987 AND 1986

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Total Columns on Combined Statements:

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - PROJECT ASSESSMENT RECEIVABLES:

Project assessment receivables represents the balances due from property owners for the Laurel Avenue Reconstruction and the Milbrae/Westgate/Cypress Reconstruction projects. These amounts are secured by the related property and are collected via real property taxes. The amounts are due over a period of 10 years in equal semi-annual installments with interest charges on the unpaid balances at the rate of seven percent per annum. At their discretion, property owners may retire their obligations prematurely by paying off their respective remaining balances.

The amounts included under Project Assessment Receivables are fully reserved until they are paid or the current installments become due. At that time the related amounts are removed from the asset and reserve accounts and are recognized as revenue.

NOTE 3 - PREPAID FLOOD INSURANCE:

Prepaid flood insurance represents the unexpired portions of flood insurance at June 30, 1987 and 1986. The insured property consists of the City Hall, Library, and Fire Station buildings and contents.

NOTE 4 - LEASE COMMITMENTS:

At June 30, 1987, the Town was obligated to make annual payments under lease purchase agreements of \$24,020. Annual payments, included in capital lease obligations, are due as follows:

1987-88	<u>\$24,020</u>
	<u>\$24,020</u>
	=====

TOWN OF SAN ANSELMO
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1987 AND 1986

NOTE 5 - AGREEMENT WITH SLEEPY HOLLOW FIRE PROTECTION DISTRICT:

Effective July 1, 1980 the Town entered into an agreement with the Sleepy Hollow Fire Protection District under which the services of the Town's Fire Department are furnished the District. The agreement expires in twenty-five years and requires the District to pay 23% of the Town Fire Department's budgeted labor cost, including benefits and excluding CETA or like funding.

NOTE 6 - ROSS VALLEY FIRE SERVICE:

Effective July 1, 1982, the Town and the Town of Fairfax (Fairfax) entered into a Joint Powers Agreement creating the Ross Valley Fire Service (RVFS). The RVFS is to provide fire protection, emergency medical and related services within the respective territories of Fairfax and the Town (including Sleepy Hollow, see Note 5).

Effective July 1, 1982, all personnel of the Fire Departments of Fairfax and the Town were transferred to RVFS. The Agreement requires that the town make monthly contributions to RVFS of \$93,032 and \$86,203 in 1987 and 1986, respectively.

NOTE 7 - BUDGET AND ACTUAL EXPENDITURE COMPARISON:

Commitments made by the Town of San Anselmo to make expenditures at a future date take the form of purchase orders or contracts. These commitments are recorded as encumbrances, and are reported as reservations of fund balances since they do not represent expenditures or liabilities.

The Town adopts its budget as a means of controlling both expenditures and encumbrances. Therefore, the result of operations in comparison to the formally adopted budget (Exhibit C) includes both expenditures and encumbrances.

TOWN OF SAN ANSELMO
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1987 AND 1986

NOTE 7 - BUDGET AND ACTUAL EXPENDITURE COMPARISON: (Continued)

A reconciliation of total expenditures and encumbrances as shown in Exhibit C to total expenditures as shown in Exhibit B follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total (Memorandum Only)</u>
Expenditures and Encumbrances, Exhibit C	\$4,685,042	\$ 209,937	\$ 4,894,979
Encumbrances outstanding at June 30, 1986	30,578		30,578
Encumbrances cancelled	(1,525)		(1,525)
Encumbrances outstanding at June 30, 1987	<u>(7,805)</u>		<u>(7,805)</u>
Total expenditures, Exhibit B	<u>\$4,706,290</u>	<u>\$ 209,937</u>	<u>\$ 4,916,227</u>

NOTE 8 - GENERAL LONG-TERM DEBT:

The following is a summary of changes in long-term debt for the year ended June 30, 1987:

	<u>Balance at July 1, 1986</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 1987</u>
Capital lease obligations	\$ 52,284		\$28,264	\$ 24,020
Compensated absences payable	91,744		10,192	81,552
Insurance claims payable	<u>255,000</u>	<u>\$ 428,172</u>		<u>683,172</u>
	<u>\$399,028</u>	<u>\$ 428,172</u>	<u>\$38,456</u>	<u>\$788,744</u>

TOWN OF SAN ANSELMO
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1987 AND 1986

NOTE 9 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS:

The following funds had an excess of actual expenditures and encumbrances over appropriations for the year ended June 30, 1987:

	<u>Excess</u>
General fund	\$260,841
Isabel Cook renovation	2,812
Equipment replacement	43,407
Open Space	691
P.O.S.T.	8,559
Calendars	4,129
1982 Flood	10,796

In most of the above funds sufficient revenue or operating transfers in was received to cover the excess expenditures.

NOTE 10 - DEFICIT FUND BALANCES:

The 1986 Storm fund had a deficit fund balance of \$14,990 at June 30, 1986. This deficit was recovered through storm relief grants.

The 1982 Flood fund had a deficit fund balance of \$10,796 at June 30, 1987. This deficit is expected to be recovered through future operating transfers from the General Fund.

NOTE 11 - DEFERRED COMPENSATION PLAN:

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Town (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Town's general creditors. Participants' rights under the plan are equal to those of general creditors of the Town in an amount equal to the fair market value of the deferred account for each participant.

TOWN OF SAN ANSELMO
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1987 AND 1986

NOTE 11 - DEFERRED COMPENSATION PLAN: (Continued)

It is the opinion of the Town's legal counsel that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 12 - INSURANCE DEFICIT PAYABLE:

The insurance deficit represents an estimate of the Town's liability to an entity which provides liability and workers' compensation insurance coverage under a joint powers agreement between several Marin County municipalities. This estimate is based on information supplied by the insurance agent, and represents the excess of claims and judgements (both claimed and unclaimed) over the Town's share of resources available to the insurance entity.

Per the most recent actuarial estimate of unpaid claims, the liability is estimated to be \$560,752 and \$122,420 as of June 30, 1986 for liability insurance and excess workers compensation coverage respectively.

This deficit is expected to be repaid through additions to the annual premium charged to the Town for insurance coverage. The related insurance expense will be recognized in the general fund during the periods that the premiums are charged.

TOWN OF SAN ANSELMO
GENERAL FUND BALANCE SHEETS
YEARS ENDED JUNE 30, 1987 AND 1986

	<u>1987</u>	<u>1986</u>
<u>ASSETS</u>		
Cash and investments	\$ 365,981	\$ 597,882
Accounts receivable and accrued revenue	192,269	211,605
Due from other funds	10,796	68,940
Project assessment receivables (Note 2)	44,428	50,986
Prepaid flood insurance (Note 3)	11,187	17,864
Restricted assets - cash	<u>76,626</u>	<u>6,611</u>
Total Assets	<u><u>\$ 701,287</u></u>	<u><u>\$ 953,888</u></u>
<u>LIABILITIES</u>		
Accounts payable	\$ 44,690	\$ 84,155
Payable from restricted assets:		
Deposits	<u>76,626</u>	<u>6,611</u>
Total liabilities	<u>121,316</u>	<u>90,766</u>
<u>FUND EQUITY</u>		
Fund balance:		
Reserved for:		
Encumbrances	7,805	30,578
Project assessment receivables (Note 2)	44,428	50,986
Prepaid flood insurance (Note 3)	11,187	17,864
Imprest funds	215	215
Unreserved:		
Undesignated	<u>516,336</u>	<u>763,479</u>
Total fund equity	<u>579,971</u>	<u>863,122</u>
Total liabilities and fund equity	<u><u>\$ 701,287</u></u>	<u><u>\$ 953,888</u></u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT F

TOWN OF SAN ANSELMO

GENERAL FUND

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS

YEARS ENDED JUNE 30, 1987 AND 1986

	1987			1986		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES:						
Taxes	\$2,855,450	\$2,849,305	\$ (6,145)	\$2,566,195	\$2,542,136	\$ (24,059)
Licenses and permits	186,500	189,937	3,437	268,400	306,428	38,028
Fines, forfeitures and penalties	163,900	145,018	(18,882)	172,100	169,949	(2,151)
Use of money and property	31,730	11,694	(20,036)	33,450	12,502	(20,948)
Intergovernmental agencies	403,546	610,194	206,648	386,566	601,706	215,140
Charges for current services	400,307	439,037	38,730	296,535	340,990	44,455
Other revenues	18,000	64,190	46,190	30,000	77,277	47,277
Total revenues	4,059,433	4,309,375	249,942	3,753,246	4,050,988	297,742
EXPENDITURES AND ENCUMBRANCES:						
General government	764,485	833,927	(69,442)	624,924	718,495	(93,571)
Public safety	2,256,675	2,232,429	24,246	2,110,789	2,089,252	21,537
Public works	905,771	1,023,955	(118,184)	794,662	738,393	56,269
Planning	75,065	70,717	4,348	62,126	67,742	(5,616)
Library	214,305	209,110	5,195	191,360	193,150	(1,790)
Parks and recreation	207,900	314,904	(107,004)	197,269	188,359	8,910
Reserve for contingencies				10,000		10,000
Total expenditures and encumbrances	4,424,201	4,685,042	(260,841)	3,991,130	3,995,391	(4,261)
Excess (deficiency) of revenues over (under) expenditures and encumbrances before operating transfers	(364,768)	(375,667)	(10,899)	(237,884)	55,597	293,481

The accompanying notes are an integral part of these financial statements.

EXHIBIT G (Continued)

TOWN OF SAN ANSELMO

GENERAL FUND

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS

YEARS ENDED JUNE 30, 1987 AND 1986

	<u>1987</u>			<u>1986</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in	\$ 204,375	\$ 280,769	\$ 76,394	\$ 248,665	\$ 349,600	\$ 100,935
Operating transfers out		(153,770)	(153,770)		(88,159)	(88,159)
Total other financing sources (uses)	<u>204,375</u>	<u>126,999</u>	<u>(77,376)</u>	<u>248,665</u>	<u>261,441</u>	<u>12,776</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(160,393)	(248,668)	(88,275)	10,781	317,038	306,257
Fund balances at beginning of year	863,122	863,122		673,896	673,896	
Increase (decrease) in reserve for encumbrances	(22,773)	(22,773)		(191,503)	(191,503)	
Prior year's encumbrances cancelled	1,525	1,525		64,300	64,300	
Increase (decrease) in other reserves	(13,235)	(13,235)		(609)	(609)	
Fund balances at end of year	<u>\$ 668,246</u>	<u>\$ 579,971</u>	<u>\$ (88,275)</u>	<u>\$ 556,865</u>	<u>\$ 863,122</u>	<u>\$ 306,257</u>
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

EXHIBIT G (Concluded)

TOWN OF SAN ANSELMO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS

JUNE 30, 1987

(With Comparative Totals For June 30, 1986)

	<u>Gas Tax</u>	<u>Federal Revenue Sharing</u>	<u>Isabel Cook Renovation</u>	<u>Capital Recons- truction</u>	<u>Equipment Replacement</u>	<u>Open Space</u>	<u>P.O.S.T.</u>	<u>Library</u>	<u>Calendars</u>	<u>Totals</u>			
										<u>1987</u>	<u>1986</u>		
<u>ASSETS</u>													
Cash and investments			\$ 27,058		\$23,808	\$1,233	\$ 12,945				\$288,327	\$353,371	\$194,802
Accrued revenue			925									925	85,567
Total assets	-0-	-0-	\$ 27,983	-0-	\$23,808	\$1,233	\$ 12,945	-0-	-0-	-0-	\$288,327	\$354,296	\$280,369
<u>LIABILITIES</u>													
Accounts payable			\$ 246		\$ 127						\$ 1,166	\$ 1,539	\$ 22,917
Due to other funds										\$ 10,796		10,796	68,940
Total liabilities			246		127					10,796	1,166	12,335	91,857
<u>FUND EQUITY (DEFICIT)</u>													
Fund balance - undesignated			27,737		23,681	\$1,233	\$ 12,945			(10,796)	287,161	341,961	188,512
	-0-	-0-	\$ 27,983	-0-	\$23,808	\$1,233	\$ 12,945	-0-	-0-	-0-	\$288,327	\$354,296	\$280,369

The accompanying notes are an integral part of these financial statements.

EXHIBIT H

TOWN OF SAN ANSELMO
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1987

(With Comparative Totals For June 30, 1986)

	Gas Tax	Federal Revenue Sharing	Isabel Cook Renovation	Capital Recons- truction	Equipment Replacement	Open Space	P.O.S.T.	Library	Calendars	Totals			
										1982 Flood	1986 Storm	June 30, 1987	June 30, 1986
REVENUES:													
Use of money and property		\$ 621	\$ 55,024		\$ 3,063	\$ 33	\$ 783					\$ 59,524	\$ 64,192
Intergovernmental agencies	\$ 181,431	14,448					4,509				\$ 230,473	430,861	326,110
Other revenues													21,473
Total revenues	181,431	15,069	55,024		3,063	33	5,292				230,473	490,385	411,775
EXPENDITURES:													
General government			60,263			691			\$ 4,129			65,083	51,866
Public safety					23,062		8,559					31,621	14,580
Public works					20,345							20,345	19,270
Library													4,440
Parks and recreation													
Storm										\$ 10,796	82,092	92,888	80,990
Total expenditures			60,263		43,407	691	8,559		4,129	10,796	82,092	209,937	171,146
Excess (deficiency) of revenues over (under) expenditures before operating transfers	181,431	15,069	(5,239)		(40,344)	(658)	(3,267)		(4,129)	(10,796)	148,381	280,448	240,629

The accompanying notes are an integral part of these financial statements.

EXHIBIT I (Continued)

TOWN OF SAN ANSELMO

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1987

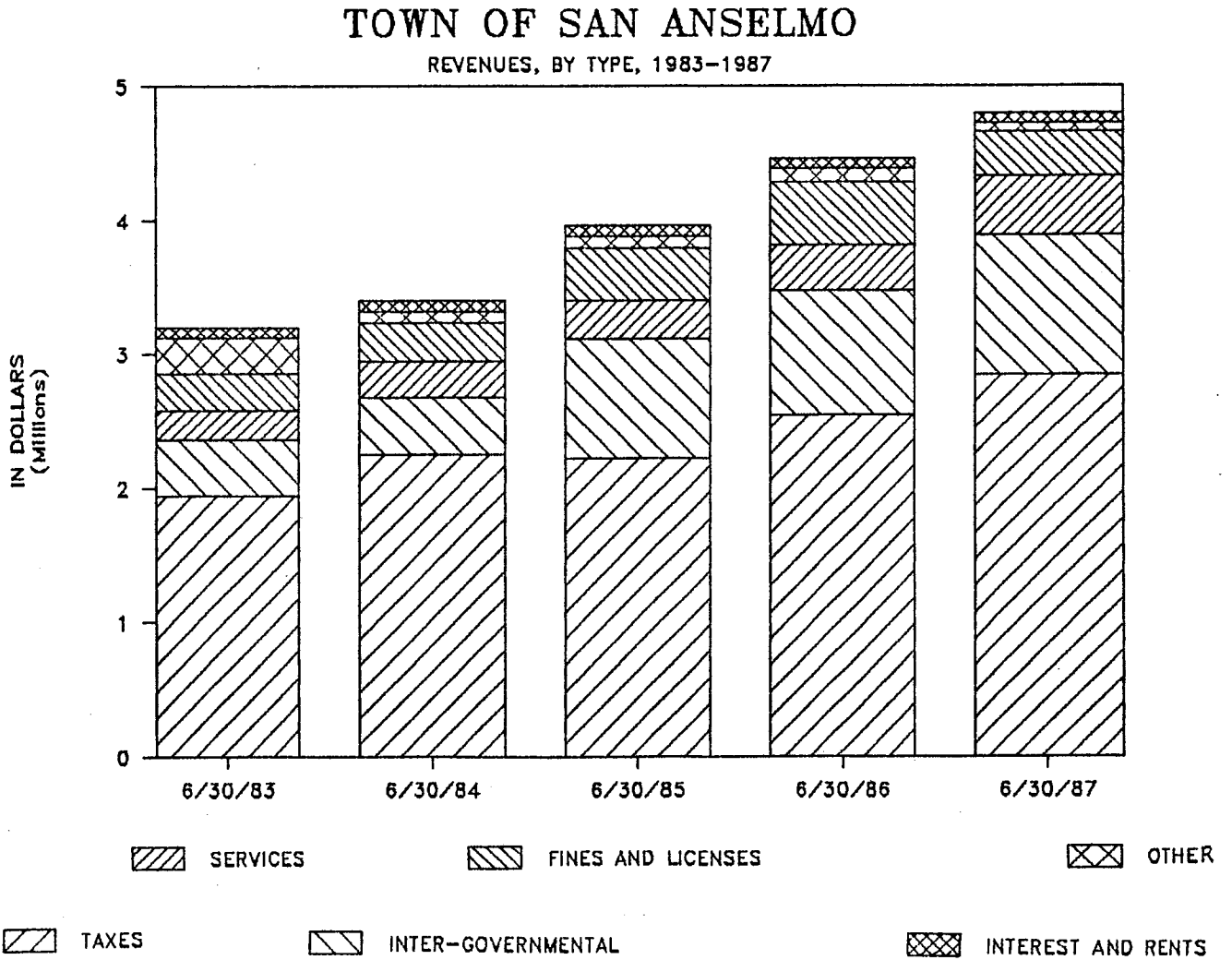
(With Comparative Totals For June 30, 1986)

	<u>Gas Tax</u>	<u>Federal Revenue Sharing</u>	<u>Isabel Cook Renovation</u>	<u>Capital Recons- truction</u>	<u>Equipment Replacement</u>	<u>Open Space</u>	<u>P.O.S.T.</u>	<u>Library</u>	<u>Calendars</u>	<u>Totals</u>			
										<u>1982 Flood</u>	<u>1986 Storm</u>	<u>June 30, 1987</u>	<u>June 30, 1986</u>
OTHER FINANCING SOURCES (USES):													
Operating transfers in											\$153,770	\$153,770	\$ 88,159
Operating transfers out	\$ (181,431)	\$ (23,146)		\$ (72,614)				\$ (3,578)				(280,769)	(349,600)
Total other financing sources (uses)	<u>(181,431)</u>	<u>(23,146)</u>		<u>(72,614)</u>				<u>(3,578)</u>			<u>153,770</u>	<u>(126,999)</u>	<u>(261,441)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-0-	(8,077)	\$ (5,239)	(72,614)	\$ (40,344)	\$ (658)	\$ (3,267)	(3,578)	(4,129)	\$ (10,796)	302,151	153,449	(20,812)
Fund balance at beginning of year		<u>8,077</u>	<u>32,976</u>	<u>72,614</u>	<u>64,025</u>	<u>1,891</u>	<u>16,212</u>	<u>3,578</u>	<u>4,129</u>		<u>(14,990)</u>	<u>188,512</u>	<u>209,324</u>
Fund balances at end of year	\$ -0-	\$ -0-	\$ 27,737	\$ -0-	\$ 23,681	\$1,233	\$ 12,945	\$ -0-	\$ -0-	\$ (10,796)	\$287,161	\$341,961	\$188,512

The accompanying notes are an integral part of these financial statements.

EXHIBIT I (Concluded)

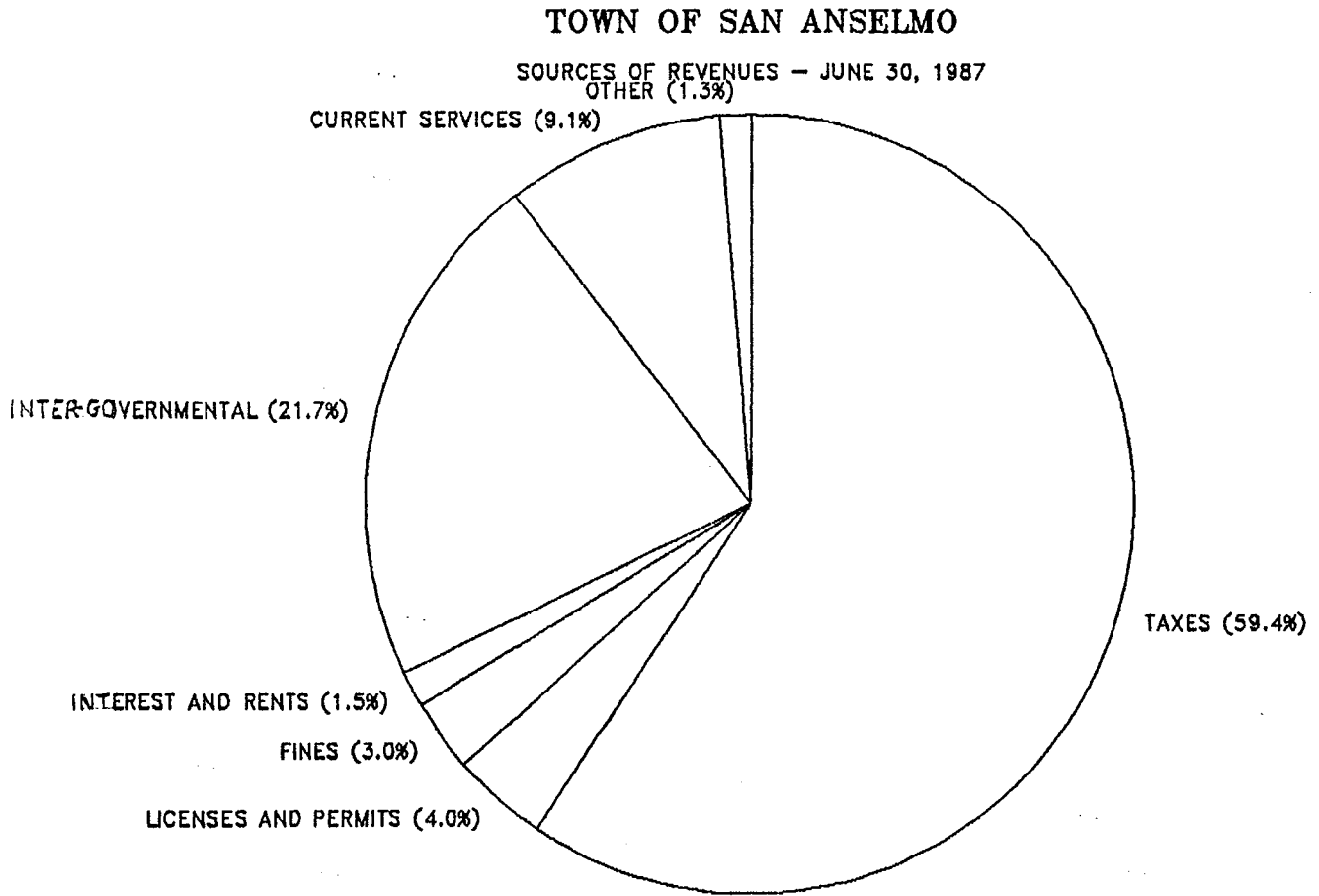
TOWN OF SAN ANSELMO
GRAPHS OF REVENUES, BY TYPE
JUNE 30, 1983 TO 1986



The accompanying notes are an integral part of these financial statements.



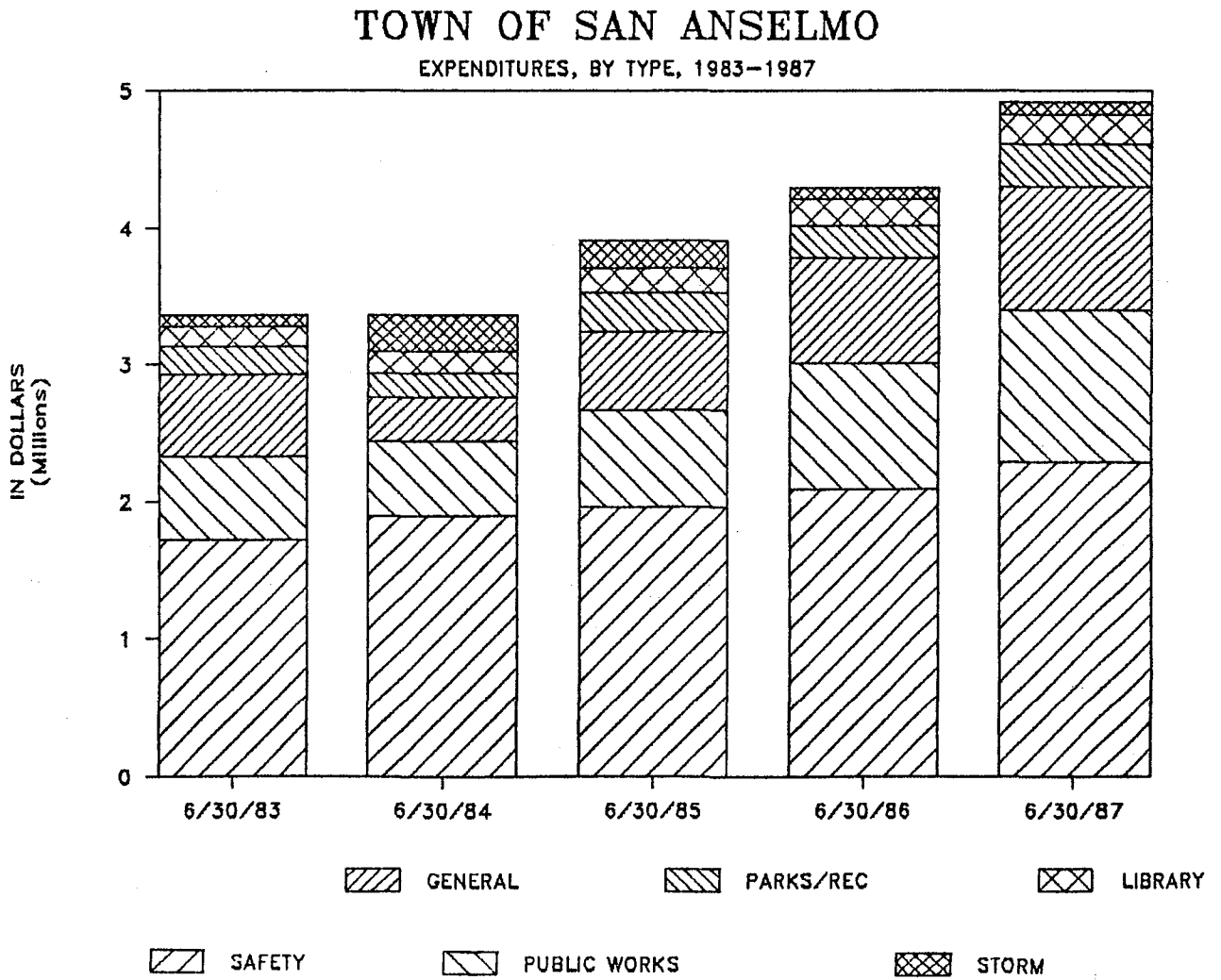
TOWN OF SAN ANSELMO
GRAPHS OF SOURCES OF REVENUES
JUNE 30, 1986 TO 1987



The accompanying notes are an integral part of these financial statements.

SCHEDULE 2 (Concluded)

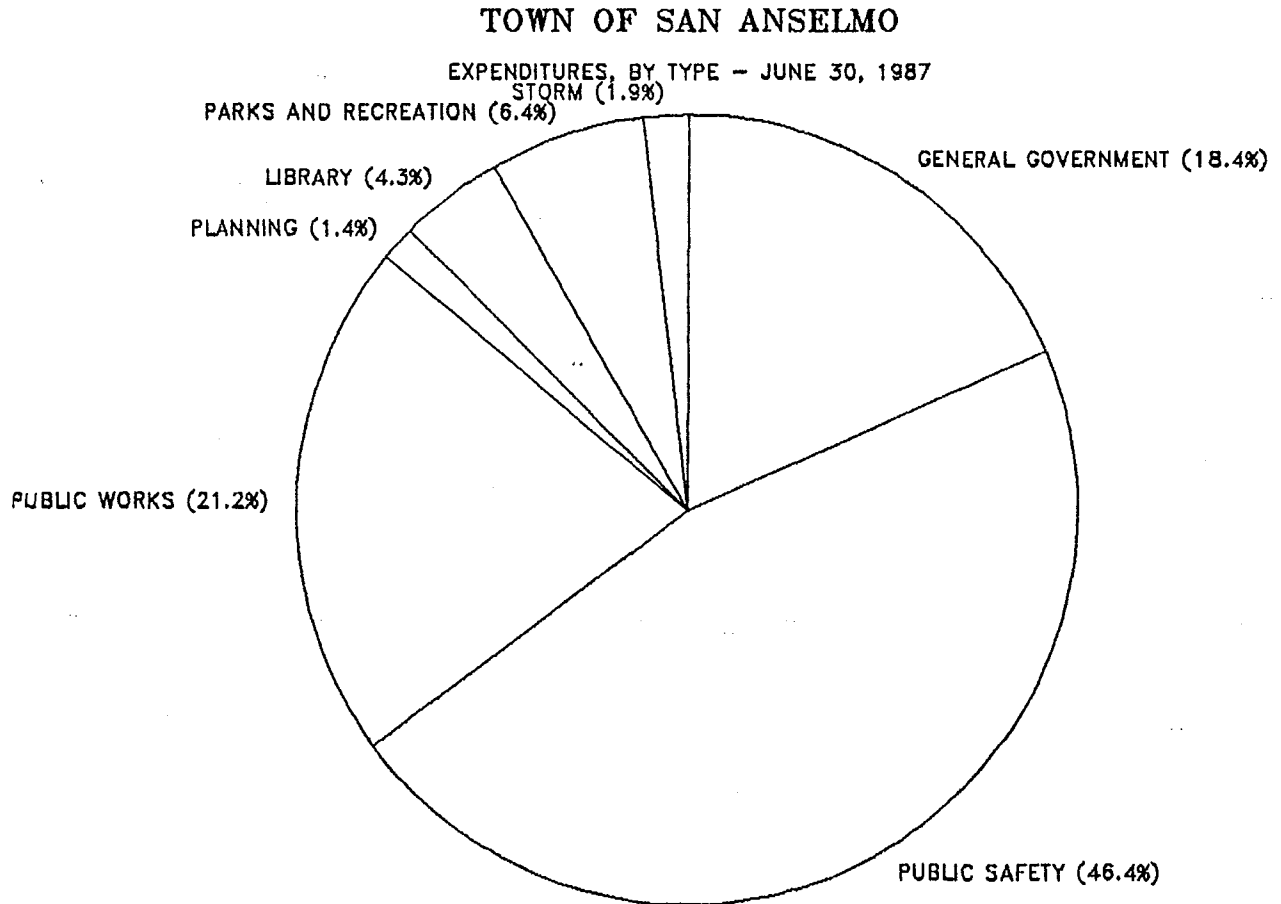
TOWN OF SAN ANSELMO
GRAPHS OF EXPENDITURES, BY TYPE
JUNE 30, 1983 TO 1987



The accompanying notes are an integral part of these financial statements.



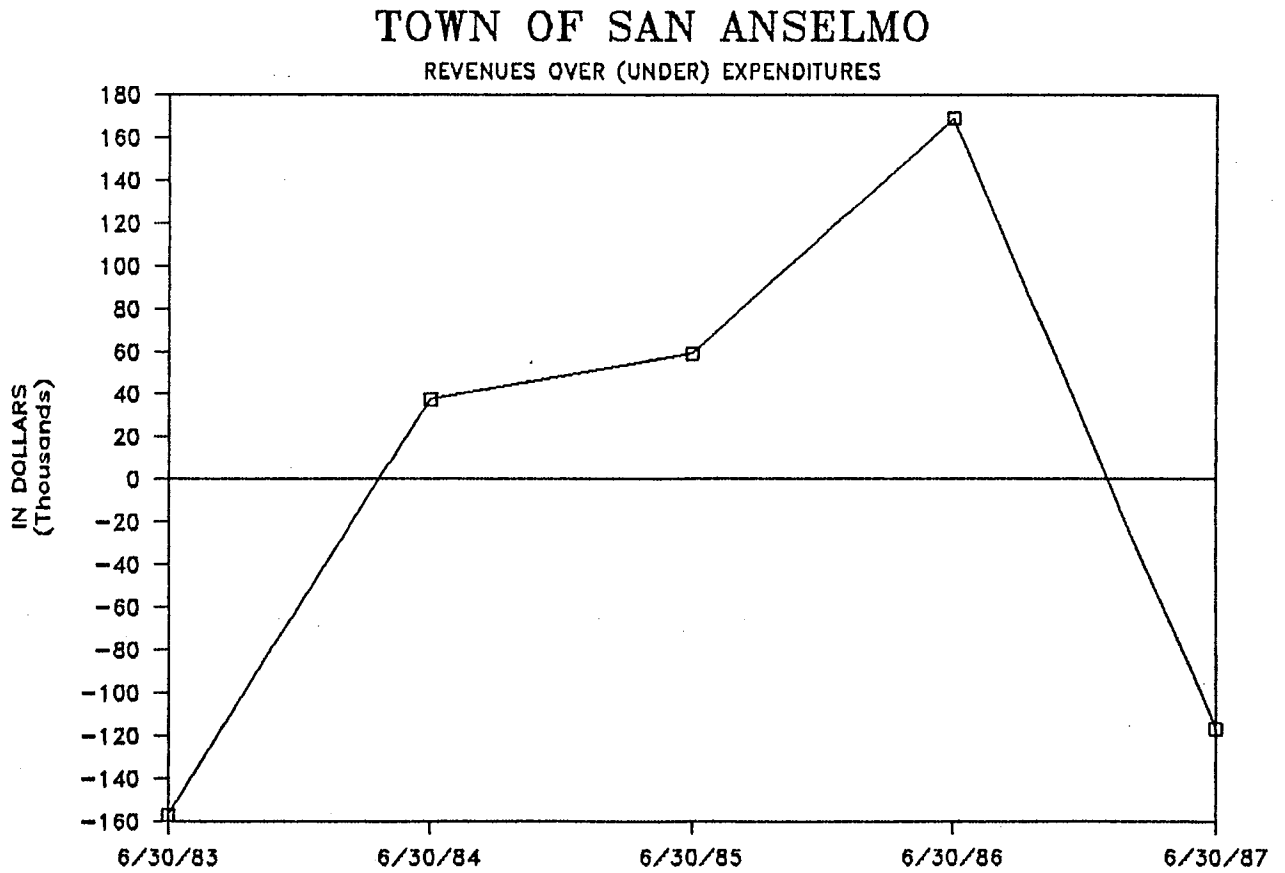
TOWN OF SAN ANSELMO
GRAPHS OF EXPENDITURES, BY TYPE
JUNE 30, 1986 TO 1987



The accompanying notes are an integral part of these financial statements.

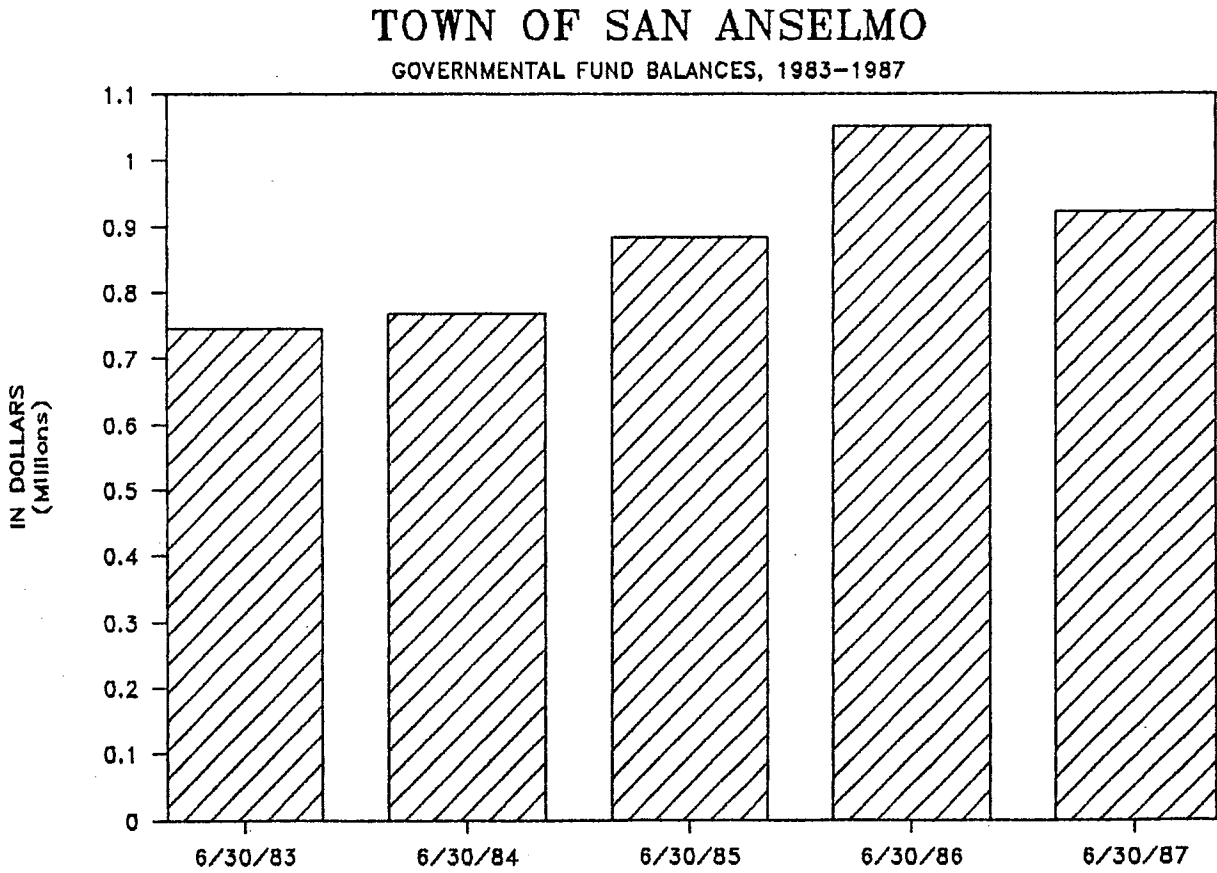
SCHEDULE 4 (Concluded)

TOWN OF SAN ANSELMO
GRAPH OF EXCESS OF REVENUES OVER (UNDER) EXPENDITURES
JUNE 30, 1983 TO 1987



The accompanying notes are an integral part of these financial statements.

TOWN OF SAN ANSELMO
GRAPHS OF GOVERNMENTAL FUND BALANCES
JUNE 30, 1983 TO 1987



The accompanying notes are an integral part of these financial statements.