

TOWN OF SAN ANSELMO
JUNE 30, 1984 AND 1983

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LINDQUIST, VON HUSEN & JOYCE

CERTIFIED PUBLIC ACCOUNTANTS

E. EUGENE DENKO
DUANE L. FRISBIE
PAUL E. CAMERON
RODERICK E. JOHNSON

The Honorable Town Council,
Town of San Anselmo

We have examined the combined financial statements of the Town of San Anselmo, California as of and for the years ended June 30, 1984 and 1983, as listed in the table of contents. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other procedures as we considered necessary in the circumstances.

In our opinion, the combined financial statements referred to above present fairly the financial position of the Town of San Anselmo, California at June 30, 1984 and 1983, 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.

Lindquist, von Husen & Joyce

August 24, 1984

TOWN OF SAN ANSELMO
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1984 AND 1983

	Governmental Fund Types		Proprietary Fund Types	Account Groups	Totals	
	General	Special Revenue	Internal Service	General Fixed Assets	(Memorandum Only)	
					1984	1983
ASSETS						
Cash, including short-term investments	\$ 432,927	\$ 269,032	\$ 92,490		\$ 794,449	\$ 730,230
Accrued revenue	73,048	22,648	1,153		96,849	141,569
Accounts receivable	767				767	12,086
Project assessment receivables (Note 2)	63,868				63,868	56,890
Prepaid Flood insurance (Note 3)	7,820				7,820	15,640
Restricted assets - cash	10,873				10,873	
Fixed assets				\$ 4,069,527	4,069,527	\$ 4,063,439
Total assets	\$ 589,303	\$ 291,680	\$ 93,643	\$ 4,069,527	\$ 5,044,153	\$ 5,019,854
	=====	=====	=====	=====	=====	=====
LIABILITIES						
Capital lease obligation		\$ 58,857			\$ 58,857	\$ 78,757
Accounts payable	\$ 39,630	374			40,004	35,318
Retirement and payroll taxes	2,611				2,611	20
Payable from restricted assets:						
Deposits	4,780				4,780	3,777
Employees trust accounts	6,093				6,093	
Total liabilities	53,114	59,231			112,345	117,872
	=====	=====			=====	=====
FUND EQUITY						
Contributed capital			\$ 82,522		\$ 82,522	\$ 82,522
Investment in general fixed assets				\$ 4,069,527	4,069,527	4,063,439
Retained earnings			11,121		11,121	11,524
Fund balance:						
Reserved for encumbrances	331,948	14,723			346,671	62,743
Reserved for accounts receivable	767				767	12,086
Reserved for project assessment receivables (Note 2)	63,868				63,868	56,890
Reserved for prepaid flood insurance (Note 3)	7,820				7,820	15,640
Reserved for imprest funds	710				710	475
Unreserved:						
Undesignated	131,076	217,726			348,802	596,663
Total fund equity	536,189	232,449	93,643	4,069,527	4,931,808	4,901,982
	=====	=====	=====	=====	=====	=====
Total liabilities and fund equity	\$ 589,303	\$ 291,680	\$ 93,643	\$ 4,069,527	\$ 5,044,153	\$ 5,019,854
	=====	=====	=====	=====	=====	=====

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

EXHIBIT A

TOWN OF SAN ANSELMO
COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEARS ENDED JUNE 30, 1984 AND 1983

	<u>Governmental Fund Types</u>		<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>1984</u>	<u>1983</u>
REVENUES (Note 1):				
Taxes	\$2,243,888		\$2,243,888	\$1,936,828
Licenses and permits	139,996		139,996	112,016
Fines, forfeitures and penalties	144,385		144,385	164,219
Use of money and property	16,634	\$ 67,613	84,247	77,288
Intergovernmental agencies	177,168	257,474	434,642	415,130
Charges for current services	269,132		269,132	227,447
Other revenues	84,478	306	84,784	264,890
Total revenues	<u>3,075,681</u>	<u>325,393</u>	<u>3,401,074</u>	<u>3,197,818</u>
EXPENDITURES:				
General government	296,120	26,174	322,294	594,345
Public safety	1,895,223	3,051	1,898,274	1,720,734
Public works	459,189	13,126	472,315	561,618
Planning	67,716		67,716	47,586
Library	159,672		159,672	143,026
Parks and recreation	173,336		173,336	205,907
Flood	269,853		269,853	81,987
Total expenditures	<u>3,321,109</u>	<u>42,351</u>	<u>3,363,460</u>	<u>3,355,204</u>
Excess of revenues over (under) expenditures	<u>(245,428)</u>	<u>283,042</u>	<u>37,614</u>	<u>(157,386)</u>
Other financing sources (uses):				
Operating transfers in	374,710	57,200	431,910	245,413
Operating transfers out	<u>(57,200)</u>	<u>(374,710)</u>	<u>(431,910)</u>	<u>(245,413)</u>
Total other financing sources (uses)	<u>317,510</u>	<u>(317,510)</u>	<u> </u>	<u> </u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ 72,082</u>	<u>\$ (34,468)</u>	<u>\$ 37,614</u>	<u>\$ (157,386)</u>
Fund balances at beginning of year	\$ 477,075	\$ 267,422	\$ 744,497	\$ 897,040
Increase (decrease) in reserves	(12,968)	(505)	(13,473)	4,843
Excess of revenues and other sources over (under) expenditures and other uses	<u>72,082</u>	<u>(34,468)</u>	<u>37,614</u>	<u>(157,386)</u>
Fund balances at end of year	<u>\$ 536,189</u>	<u>\$ 232,449</u>	<u>\$ 768,638</u>	<u>\$ 744,497</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

YEARS ENDED JUNE 30, 1984 AND 1983

	<u>General Fund</u>			<u>Special Revenue Funds</u>			<u>1984 Totals (Memorandum Only)</u>			<u>1983 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>
REVENUES:												
Taxes	\$2,136,000	\$2,243,888	\$ 107,888				\$2,136,000	\$2,243,888	\$ 107,888	\$1,969,000	\$1,936,828	\$ (32,172)
Licenses and permits	127,000	139,996	12,996				127,000	139,996	12,996	114,000	112,016	(1,984)
Fines, forfeitures and penalties	149,000	144,385	(4,615)				149,000	144,385	(4,615)	182,000	164,219	(17,781)
Use of money and property	30,000	16,634	(13,366)	\$ 71,200	\$ 67,613	\$ (3,587)	101,200	84,247	(16,953)	70,000	77,288	7,288
Intergovernmental agencies	199,780	177,168	(22,612)	265,000	257,474	(7,526)	464,780	434,642	(30,138)	451,000	415,130	(35,870)
Charges for current services	261,234	269,132	7,898				261,234	269,132	7,898	230,500	227,447	(3,053)
Other revenues	302,761	84,478	(218,283)		306	306	302,761	84,784	(217,977)	373,690	264,890	(108,800)
Total revenues	3,205,775	3,075,681	(130,094)	336,200	325,393	(10,807)	3,541,975	3,401,074	(140,901)	3,390,190	3,197,818	(192,372)
EXPENDITURES AND ENCUMBRANCES:												
General government	263,650	260,361	3,289	32,360	26,174	6,186	296,010	286,535	9,475	278,997	273,265	5,732
Public safety	1,860,758	1,896,293	(35,535)	17,400	17,774	(374)	1,878,158	1,914,067	(35,909)	1,792,075	1,717,625	74,450
Public works	457,040	459,258	(2,218)	22,300	13,126	9,174	479,340	472,384	6,956	560,480	584,981	(24,501)
Planning	57,205	61,091	(3,886)				57,205	61,091	(3,886)	58,002	58,500	(498)
Library	157,797	155,649	2,148				157,797	155,649	2,148	145,987	143,502	2,485
Parks and recreation	240,232	241,803	(1,571)				240,232	241,803	(1,571)	253,612	197,553	56,059
Flood	589,504	515,859	73,645				589,504	515,859	73,645	299,290	97,385	201,905
Total expenditures and encumbrances	3,626,186	3,590,314	35,872	72,060	57,074	14,986	3,698,246	3,647,388	50,858	3,388,443	3,072,811	315,632
Excess of revenues over (under) expenditures and encumbrances	(420,411)	(514,633)	(94,222)	264,140	268,319	4,179	(156,271)	(246,314)	(90,043)	1,747	125,007	123,260
OTHER FINANCING SOURCES (USES):												
Operating transfers in	202,500	374,710	172,210		57,200	57,200	202,500	431,910	229,410	144,000	245,413	101,413
Operating transfers out		(57,200)	(57,200)	(202,500)	(374,710)	(172,210)	(202,500)	(431,910)	(229,410)	(144,000)	(245,413)	(101,413)
Total other financing sources (uses)	202,500	317,510	115,010	(202,500)	(317,510)	(115,010)	-0-	-0-	-0-	-0-	-0-	-0-
Excess of revenues and other sources over (under) expenditures and other uses	\$ (217,911)	\$ (197,123)	\$ 20,788	\$ 61,640	\$ (49,191)	\$ (110,831)	\$ (156,271)	\$ (246,314)	\$ (90,043)	\$ 1,747	\$ 125,007	\$ 123,260

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

YEARS ENDED JUNE 30, 1984 AND 1983

	<u>General Fund</u>			<u>Special Revenue Funds</u>			<u>1984 Totals (Memorandum Only)</u>			<u>1983 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>
Fund balances at beginning of year	\$ 477,075	\$ 477,075		\$ 267,422	\$ 267,422		\$ 744,497	\$ 744,497		\$ 897,040	\$ 897,040	
Increase in reserve for encumbrances	269,205	269,205		14,723	14,723		283,928	283,928		(282,393)	(282,393)	
Increase (decrease) in other reserves	(12,968)	(12,968)		(505)	(505)		(13,473)	(13,473)		4,843	4,843	
Excess of revenues and other sources over (under) expenditures and other uses	<u>(217,911)</u>	<u>(197,123)</u>	<u>\$ 20,788</u>	<u>61,640</u>	<u>(49,191)</u>	<u>\$(110,831)</u>	<u>(156,271)</u>	<u>(246,314)</u>	<u>\$ (90,043)</u>	<u>1,747</u>	<u>125,007</u>	<u>\$ 123,260</u>
Fund balances at end of year	<u>\$ 515,401</u>	<u>\$ 536,189</u>	<u>\$ 20,788</u>	<u>\$ 343,280</u>	<u>\$ 232,449</u>	<u>\$(110,831)</u>	<u>\$ 858,681</u>	<u>\$ 768,638</u>	<u>\$ (90,043)</u>	<u>\$ 621,237</u>	<u>\$ 744,497</u>	<u>\$ 123,260</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, 1984 AND 1983

	<u>Proprietary Fund Type</u>	
	<u>Internal Service</u>	
	<u>1984</u>	<u>1983</u>
Operating Revenues:		
Use of money and property	\$ 5,875	\$ 7,589
Operating Expenses:		
Claim payments	<u>6,278</u>	<u>9,426</u>
Net income (loss)	(403)	(1,837)
Retained earnings at beginning of year	<u>11,524</u>	<u>13,361</u>
Retained earnings at end of year	<u><u>\$ 11,121</u></u>	<u><u>\$ 11,524</u></u>

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, 1984 AND 1983

	<u>Proprietary Fund Type</u>	
	<u>Internal Service</u>	
	<u>1984</u>	<u>1983</u>
Funds provided (consumed) by operation:		
Net loss	\$ (403)	\$ (1,837)
Increase (decrease) in accounts payable	(2,558)	2,558
(Increase) in accrued revenue	<u>(1,153)</u>	<u> </u>
Total cash provided (consumed) by operations	(4,114)	721
Cash at beginning of year	<u>96,604</u>	<u>95,883</u>
Cash at end of year	<u><u>\$ 92,490</u></u>	<u><u>\$ 96,604</u></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, 1984 AND 1983

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

Modified Accrual Basis of Accounting:

The several funds of the Town of San Anselmo (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; (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.

Retirement Plan:

Substantially all Town employees are members of the Public Employee's Retirement System, 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, 1984 and 1983 were approximately \$174,252 and \$103,280 respectively. At June 30, 1984 the amount of unfunded liability, if any, was not available from the plan administrator.

TOWN OF SAN ANSELMO
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1984 AND 1983

NOTE 2 - PROJECT ASSESSMENT RECEIVABLES:

Project assessment receivables represents the balances due from property owners for the Laurel Avenue Reconstruction and the Millbrae/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 recognized as revenue.

NOTE 3 - PREPAID FLOOD INSURANCE:

Prepaid Flood Insurance represents the unexpired portion of flood insurance at June 30, 1984 and 1983. The insured property consists of the City Hall, Library, and Fire Station buildings and contents. This insurance is prepaid through May 17, 1985.

NOTE 4 - LEASE COMMITMENTS:

At June 30, 1984, the Town was obligated to make annual payments under lease purchase agreements of \$58,857. Annual payments, included in capital lease obligation, are due as follows:

1984-85	\$12,476
1985-86	14,278
1986-87	15,870
1987-88	<u>16,233</u>
	<u>\$58,857</u>

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.

TOWN OF SAN ANSELMO
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1984 AND 1983

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 \$75,618 and \$73,174 in 1984 and 1983, 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.

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 Encumbrance, Exhibit C	\$3,590,314	\$ 57,074	\$3,647,388
Encumbrances outstanding at June 30, 1983	62,743		62,743
Encumbrances outstanding at June 30, 1984	<u>(331,948)</u>	<u>(14,723)</u>	<u>(346,671)</u>
Total expenditures, Exhibit B	<u>\$3,321,109</u>	<u>\$ 42,351</u>	<u>\$3,363,460</u>