

COOPER & KERR  
CERTIFIED PUBLIC ACCOUNTANTS  
1005 A STREET  
SAN RAFAEL, CALIFORNIA  
GLENWOOD 4-4632

October 9, 1959

Honorable City Council of San Anselmo,  
City Hall  
San Anselmo, California

Dear Sirs and Madam:

In accordance with your request, we have made an examination of the accounting records of the City of San Anselmo for the fiscal year ended June 30, 1959. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As of the beginning of the fiscal year under review, the accounting method was changed to an accrual basis, thereby reflecting in the accounts, revenues earned but uncollected, and expenditures incurred or obligated, but unpaid. This is a material departure from the method of accounting previously employed by the city.

The basis for classification of the revenue and expenditure accounts was that set forth in the budget adopted for fiscal year 1958-1959. With respect to expenditure and encumbrance authorizations, it would appear that the budget estimates were set forth in detail to a degree substantially in excess of that which might be considered practicable in terms of accurately forecasting the nature of required expenditures. It appears also that there may have been a rather substantial lack of correlation between the detailed budget estimates and the subsequent classification of expenditures and encumbrances. In the general fund, for example, of a total of more than 250 separate object appropriations, the year end balances of nearly half the accounts reflected an excess of expenditures and/or encumbrances over the related budget estimate. Total general fund budget estimates, however, exceeded total expenditures and encumbrances by \$18,640.06.

In view of the foregoing, we believe that it would be useful for the Council to adopt a policy with respect to proposed expenditures in excess of amounts previously authorized.

In the 1958-1959 budget, appropriations exceeded estimated revenues by \$28,750.00. On this basis, unappropriated surplus would have been decreased by that amount during the year to \$117,375.44. In actual operation, however, unappropriated surplus increased \$46,506.41. An analysis of this increase follows:

Excess of actual over estimated revenues	<u>\$42,803.13</u>	
Less provision for uncollected taxes	<u>5,703.66</u>	\$37,099.47
Increase due to cancellation of prior years' outstanding warrants		<u>132.39</u>
Excess of estimated over actual expenditures	\$88,352.73	
Less reserve for encumbrances	<u>50,328.13</u>	<u>38,024.60</u>
		\$75,256.46
Less planned decrease in surplus		<u>28,750.00</u>
Increase for the year		<u>\$46,506.46</u>

The financial records of the city do not include accounts for fixed assets. This is not an unusual practice with municipal organizations, but we are of the opinion that there might be considerable advantage in establishing such accounts. We note in recent comments of the State Controller that his office favors the maintenance of accounts for capital assets, and may, in fact, require that they be kept in the not too distant future.

Our examination did not include an evaluation of the adequacy of insurance coverage maintained by the city, and we are not, therefore, in a position to comment thereon. As in the past, insurance premiums have been charged to expense when paid, rather than being prorated over the lives of the respective policies.

Our examination of expenditures included tests to assure that such payments were given written approval by a responsible official, and we did not inquire further into the propriety of such transactions.

Bonds pledged to secure deposits of city funds in banks were confirmed directly to us by the depositaries, and appear to be adequate. A list of these securities is shown in Schedule 7.

In our opinion, subject to the above comments, the accompanying statement of financial condition and the related statements of revenues, expenditures, encumbrances and surplus, reflect fairly the financial position of the City of San Anselmo at June 30, 1959 and the results of operations for the year then ended, in conformity with generally accepted accounting principles consistently applied.

The following schedules are submitted:

Statement of Financial Condition - All Funds, June 30, 1959	Schedule 1.
Statement of Changes in Unappropriated Surplus, Year Ended June 30, 1959	Schedule 2.

October 9, 1959

Statement of Revenue - Estimated and Actual, Year Ended June 30, 1959	Schedule 3.
Statement of Expenditures and Encumbrances, Compared with Authorizations, Year Ended June 30, 1959	Schedule 4.
Statement of Cash on Hand and In Banks, June 30, 1959	Schedule 5.
Statement of Cash Receipts and Disbursements, Year Ended June 30, 1959	Schedule 6.
Schedule of Bonds Pledged to Secure Deposits of City Funds, June 30, 1959	Schedule 7.

Yours very truly,

*Cooper & Kerr*

City of San Anselmo  
Statement of Revenue - Estimated and Actual  
Year Ended June 30, 1959

Schedule 3.

	<u>Estimated</u>	<u>Actual</u>	<u>Actual Over (Under) Estimated</u>
<u>GENERAL FUND</u>			
Property Taxes			
Current year	\$216,454.00	\$220,000.10	\$ 3,546.10
Prior years	3,000.00	2,709.35	(290.65)
Penalties and costs	1,000.00	1,747.16	747.16
Sales and Use Taxes	73,000.00	85,068.25	12,068.25
Franchises	8,000.00	8,141.49	141.49
Business Licenses	22,000.00	21,783.75	(216.25)
Nonbusiness Licenses and Permits	7,440.00	9,184.84	1,744.84
Interest Income	2,000.00	2,400.00	400.00
State Alcoholic Beverage Fees	6,500.00	6,666.75	166.75
State and County Grants	89,970.00	113,908.22	23,938.22
Sleepy Hollow Fire District	29,005.00	29,599.08	594.08
Other Revenue	9,665.00	9,115.43	(549.57)
<u>Total General Fund</u>	<u>\$468,034.00</u>	<u>\$510,324.42</u>	<u>\$42,290.42</u>
<u>PARK AND RECREATION FUND</u>			
Property Taxes			
Current year	\$ 22,018.00	\$ 22,137.88	\$ 119.88
Prior years	250.00	314.27	64.27
<u>Total Park and Recreation Fund</u>	<u>\$ 22,268.00</u>	<u>\$ 22,452.15</u>	<u>\$ 184.15</u>
<u>LIBRARY FUND</u>			
Property Taxes			
Current year	\$ 24,195.00	\$ 24,425.82	\$ 230.82
Prior years	300.00	338.44	38.44
Library Fines and Rentals	4,600.00	5,799.13	1,199.13
<u>Total Library Fund</u>	<u>\$ 29,095.00</u>	<u>\$ 30,563.39</u>	<u>\$ 1,468.39</u>
<u>TRAFFIC SAFETY FUND</u>			
Vehicle Code Fines	\$ 7,325.00	\$ 8,318.84	\$ 993.84
Other Court Fines	4,675.00	5,195.09	520.09
<u>Total Traffic Safety Fund</u>	<u>\$ 12,000.00</u>	<u>\$ 13,513.93</u>	<u>\$ 1,513.93</u>
<u>MOTOR VEHICLE LICENSE FEE FUND</u>			
State Motor Vehicle In Lieu Tax	\$ 53,000.00	\$ 50,381.34	\$(2,618.66)
<u>Total Motor Vehicle License Fee Fund</u>	<u>\$ 53,000.00</u>	<u>\$ 50,381.34</u>	<u>\$(2,618.66)</u>
<u>SPECIAL GAS TAX FUND</u>			
Street Maintenance and Construction	\$ 35,434.00	\$ 35,398.90	\$ (35.10)
Engineering	6,000.00	6,000.00	-0-
<u>Total Special Gas Tax Fund</u>	<u>\$ 41,434.00</u>	<u>\$ 41,398.90</u>	<u>\$ (35.10)</u>
<u>TOTAL - ALL FUNDS</u>	<u>\$625,831.00</u>	<u>\$668,634.13</u>	<u>\$42,803.13</u>

City of San Anselmo  
Statement of Expenditures and Encumbrances  
Compared with Authorizations  
Year Ended June 30, 1959

COOPER & KERR  
 CERTIFIED PUBLIC ACCOUNTANTS

Schedule 4.

Activities	Budget Appropriation	Expenditures	Encumbrances	Unencumbered Balance
<b>GENERAL FUND</b>				
<u>General Government</u>				
GA 401 - City Council	\$ 350.00	\$ 342.11		\$ 7.89
GA 402 - City Manager	10,119.00	11,244.05		(1,125.05)
GA 403 - City Clerk	11,459.00	9,314.37	\$ 2,700.00	(555.87)
GA 404 - City Treasurer & Tax Collector	2,042.00	2,246.82		(204.82)
GA 405 - Finance Officer	9,881.00	9,992.08	1,009.75	(1,120.83)
GA 410 - City Attorney	5,700.00	5,746.80		(46.80)
GA 415 - City Planning	2,429.00	2,336.27		92.73
GA 416 - Personnel	3,245.00	2,982.77		262.23
GA 421 - City Hall Operation	6,954.00	7,447.65		(493.65)
GA 450 - Civic Promotion & Participation	1,950.00	1,185.00		765.00
GA 451 - Elections	300.00	513.78		(213.78)
GA 452 - Retirement	4,750.00	6,356.94		(1,606.94)
GA 453 - Insurance	12,500.00	13,974.27		(1,474.27)
<b>Total General Government</b>	<b>\$ 71,679.00</b>	<b>\$ 73,683.41</b>	<b>\$ 3,709.75</b>	<b>\$ (5,714.16)</b>
<u>Police Department</u>				
GA 500 - General Administration	\$ 38,418.00	\$ 29,647.61		\$ 8,770.39
GA 502 - General Patrol	46,341.00	43,923.42		2,417.58
GA 503 - Traffic Control	24,714.00	25,966.62		(1,252.62)
<b>Total Police Department</b>	<b>\$109,473.00</b>	<b>\$ 99,537.65</b>		<b>\$ 9,935.35</b>
<u>Fire Department</u>				
GA 520 - Fire Fighting Force	\$ 81,765.00	\$ 78,600.60		\$ 3,164.40
GA 526 - Fire Alarm & Radio Communication	4,922.00	4,562.47		359.53
GA 527 - Hydrants & Water Services	6,403.00	5,477.90		925.10
GA 528 - Fire Equipment	14,786.00	16,320.21		(2,034.21)
GA 529 - Fire Station Operation	25,583.00	37,620.83	\$ 28.72	(12,066.55)
<b>Total Fire Department</b>	<b>\$133,459.00</b>	<b>\$143,082.01</b>	<b>\$ 28.72</b>	<b>\$ (9,651.73)</b>
<u>Miscellaneous</u>				
GA 550 - Building Regulation	\$ 3,323.00	\$ 2,060.15		\$ 1,262.85
GA 551 - Animal Regulation	3,000.00	2,214.00		786.00
GA 552 - Lot Burning	900.00	931.45		(31.45)
<b>Total Miscellaneous</b>	<b>\$ 7,223.00</b>	<b>\$ 5,205.60</b>		<b>\$ 2,017.40</b>
<u>Public Works Department</u>				
GA 600 - Public Works Administration	\$ 3,964.00	\$ 917.94		\$ 3,046.06
GA 610 - Engineering	2,635.00	4,830.89		(2,195.89)
GA 620 - Storm Drain Maintenance	8,356.00	3,851.79	\$ 379.08	4,125.13
GA 621 - Street Cleaning	7,442.00	7,283.21	947.70	(788.91)
GA 622 - Street Lighting	18,700.00	16,486.82		2,213.18
GA 623 - Street Maintenance	52,028.00	37,125.06	2,031.22	12,871.72
GA 630 - Traffic Signal Maintenance	1,545.00	2,266.61		(721.61)
GA 631 - Street Trees and Parkway Maintenance	4,066.00	3,482.53	189.54	393.93
GA 632 - Traffic Control Signs and Striping	6,228.00	5,532.30	152.55	543.15
GA 640 - Bridge Maintenance	2,521.00	1,900.65	189.54	430.81
GA 645 - Corporation Yard Operation	1,172.00	1,261.43		(89.43)
GA 700 - Capital Projects	140,045.00	98,360.31	39,459.63	2,225.06
<b>Total Public Works Department</b>	<b>\$248,702.00</b>	<b>\$183,299.54</b>	<b>\$ 43,349.26</b>	<b>\$ 22,053.20</b>
<b>TOTAL GENERAL FUND</b>	<b>\$570,536.00</b>	<b>\$504,808.21</b>	<b>\$ 47,087.73</b>	<b>\$ 18,640.06</b>
<u>PARK AND RECREATION FUND</u>				
RB 800 - Park Division	\$ 12,000.00	\$ 10,179.07		\$ 1,820.93
RB 850 - Recreation Division	9,662.00	8,974.12		687.88
<b>TOTAL PARK AND RECREATION FUND</b>	<b>\$ 21,662.00</b>	<b>\$ 19,153.19</b>		<b>\$ 2,508.81</b>
<u>LIBRARY FUND</u>				
RA 900 - Library	\$ 27,540.00	\$ 24,248.01		\$ 3,291.99
<b>TOTAL LIBRARY FUND</b>	<b>\$ 27,540.00</b>	<b>\$ 24,248.01</b>		<b>\$ 3,291.99</b>
<u>SPECIAL STATE GAS TAX FUND</u>				
SA 799	\$ 34,843.00	\$ 18,018.86	\$ 3,240.40	\$ 13,583.74
<b>TOTAL SPECIAL STATE GAS TAX FUND</b>	<b>\$ 34,843.00</b>	<b>\$ 18,018.86</b>	<b>\$ 3,240.40</b>	<b>\$ 13,583.74</b>

City of San Anselmo  
Statement of Cash on Hand and in Banks  
June 30, 1959

Schedule 5.

Treasurer's Balance:

Per Depository Statements, June 30, 1959:

American Trust Company - General Account	\$ 88,538.86
Bank of America - General Account	26,327.60
Bank of America - Special Gas Tax Fund	20,412.89
Bank of America - Treasurers Trust Fund	<u>6,092.17</u>
Total per Depository Statements	\$141,371.52

Time Deposits:

American Trust Company	\$ 50,637.50
Bank of America	50,637.50

Imprest Funds

625.00

Total Treasurer's Balance, June 30, 1959

\$243,271.52

Add Deposits in Transit to Bank

31,332.40  
\$274,603.92

Deduct Outstanding Checks

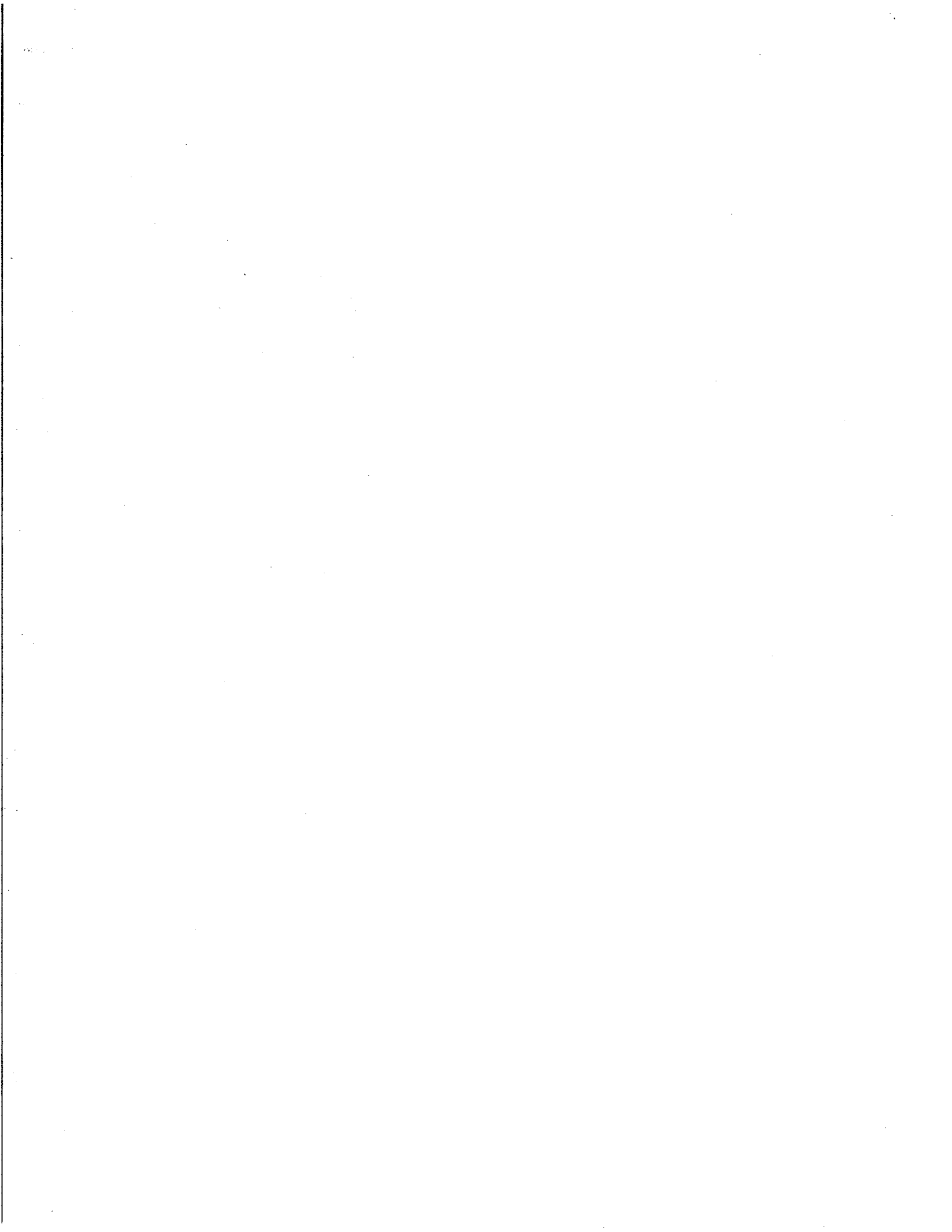
17,550.02

Comptroller's Balance, June 30, 1959

\$257,053.90

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City of San Anselmo  
Statement of Cash Receipts and Disbursements  
Year Ended June 30, 1959

Schedule 6.

	<u>Balance</u>	<u>Receipts</u>	<u>Transfers</u>		<u>Disbursements</u>	<u>Adjustments</u>		<u>Balance</u>
	<u>July 1, 1958</u>		<u>Increase</u>	<u>Decrease</u>		<u>Increase</u>	<u>Decrease</u>	<u>June 30, 1959</u>
General Fund	\$138,297.42	\$447,041.11	\$76,219.27	\$	\$435,503.51	\$132.39(1)	\$	\$226,186.68
Park and Recreation Fund	527.79	21,976.86			18,853.72			3,650.93
Library Fund	1,775.76	30,040.54			23,476.27			8,340.03
Traffic Safety Fund		13,513.93		13,513.93				-0-
Motor Vehicle License Fee Fund		50,381.34		50,381.34				-0-
Special Gas Tax Fund	<u>7,436.97</u>	<u>41,398.90</u>	<u>          </u>	<u>12,324.00</u>	<u>17,635.61</u>	<u>          </u>	<u>          </u>	<u>18,876.26</u>
	\$148,037.94	\$604,352.68	\$76,219.27	\$76,219.27	\$495,469.11	\$132.39	\$	\$257,053.90
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

(1) Increase in balance due to cancellation of outstanding warrants of prior years.