

# **TOWN OF SAN ANSELMO**

## ***California***

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**Annual Financial Report  
June 30, 2015**

### **Town Council**

**John Wright  
Doug Kelly  
Kay Coleman  
Ford Greene  
Tom McInerney**

**Mayor  
Vice Mayor  
Member  
Member  
Member**

### **Appointed Officials**

***Town Manager*  
Debra Stutsman**

***Finance & Administrative Services Director*  
Daria Carrillo**

**TOWN OF SAN ANSELMO**

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# MARCELLO & COMPANY

## CERTIFIED PUBLIC ACCOUNTANTS

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2701 Cottage Way, Suite 30 / Sacramento, California 95825

### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor  
Members of the Town Council  
Town of San Anselmo, California

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of San Anselmo, California, as of and for the year ended June 30, 2015, which collectively comprise the Town'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 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 an opinion on these financial statements based upon our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 purposes of expressing an opinion on the effectiveness of the entity'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 estimates made by management, as well as evaluating the overall financial statement presentation.

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

Honorable Mayor  
Members of the Town Council  
Town of San Anselmo, California

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of San Anselmo, as of June 30, 2015, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-11, the Town's schedule of changes in the net pension liability and related ratios, and schedule of contributions on pages 46-47, the schedule of funding progress for the Town's other postemployment benefits plan on page 48, and the respective budgetary comparison information of the general and major funds on pages 49-53, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic 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 an opinion on the financial statements that collectively comprise the Town of San Anselmo's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### ***Implementation of New Accounting Standards***

As disclosed in the Note 2 to the financial statements, the Town of San Anselmo implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, during the fiscal year 2014-15.

*Marcello & Company*

Certified Public Accountants  
Sacramento, California  
October 9, 2015

**MANAGEMENT'S DISCUSSION & ANALYSIS**

*As Prepared by Management  
(unaudited)*

**Town of San Anselmo**  
**Management's Discussion and Analysis**  
**June 30, 2015**

This discussion and analysis of the Town's financial activities and performance provides an overview for the fiscal year ended June 30, 2015.

A major change this year is the implementation of Governmental Accounting Standards Board Statement No. 68 (GASB 68) which requires the Town to report its unfunded net pension liability in the government-wide financials. The unfunded liability takes into account both employer and employee contributions, investment earnings and benefits paid out by the pension plan trustee, CalPERS. The annual expense is now reported and calculated based upon investment earnings, member pension contributions, less benefits paid out. A prior period adjustment to the Net Position was recorded to show the unfunded net pension liability as of the beginning of the fiscal year.

Please read this in conjunction with the Town's financial statements, which follow this discussion and analysis.

Government-wide financial statement highlights

- The Government-wide statement of net position, appearing as the first statement of the basic financial statements and summarized in Management's Discussion and Analysis, reports the Town's total assets to be \$28,468,620, deferred outflows of resources at \$488,276, total liabilities of \$16,818,017, deferred inflows of resources at \$1,079,542, and net position of \$11,059,337.
- The Town's total revenue of \$18,707,969 was offset by total expenses of \$15,807,161. A prior period adjustment to net position of \$4,235,122 was made to record the Town's unfunded net pension liability of its defined benefit pension plan in accordance with GASB 68.
- The Town's capital assets, totaled \$22,011,189 net of \$10,306,613 in accumulated depreciation. This year's increase of \$2,034,088 was the result of building and infrastructure improvements, and the acquisition of two vehicles.
- The Town's long-term debt and obligations totaled \$15,463,826 as of June 30, 2015, an increase of \$2,094,815 over the prior fiscal year. The increase is primarily due to the implementation of GASB 68.

Fund Highlights

At the close of fiscal year 2015, the Town's governmental funds reported a combined ending fund balance of \$4,446,676 as compared to \$4,006,768 as of June 30, 2014. This increase was due primarily to greater than expected revenue from property and sales taxes, and the recently voter approved Measure D sales tax revenue.

Town's Highlights

The Town's financial outlook fell into a declining state beginning in fiscal year 2001-02, due to the poor economy, takeaways from the State of California, declining revenue and rising expenditures. In the ensuing years, the Town Council instituted a reduction in staffing levels, created measures to raise revenue, and reduced expenditures.

In the last few years, the Town's budget has stabilized at reduced appropriation levels, with minimal funds allocated to road maintenance, equipment replacement, and capital projects. With both the passage of Measure D creating new revenue for infrastructure improvements, and the signs of an economic recovery, the budget for fiscal year 2015-16 reflects a budget with increased equipment and capital improvement expenditures, particularly in the areas of street and drainage repairs.

Accomplishments for fiscal year 2014-15

- Street Resurfacing – Work was completed on the Year 3 Capital Improvement Plan, with portions of The Alameda and Berkeley, as well as Sunview, Toyon and Oak Knoll Drive being resurfaced. In addition, Loma Robles and a portion of Magnolia were repaved. In line with the Town's "Complete Streets" policy, a number of curb ramps and sidewalks were constructed to facilitate walkable, pedestrian friendly streets. Coordination with utilities was again a focus in fiscal year 2014-15, as our public works department staff worked to coordinate extensive utility work prior to our planned street paving program. This coordination has facilitated complete replacement of sewer, gas and water lines, where necessary, at a lower depth, resulting in much improved and longer lasting resurfaced streets and reducing the risk of untimely breaks that necessitate digging up newly paved roads.

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**Management's Discussion and Analysis**  
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- Slurry Seal Projects – A number of streets were slurry sealed, a sealing process that prolongs the life of roadways that are in fairly good condition. Streets that were sealed include Center Blvd., Broadmoor Avenue, Brookmont Circle, Miwok Drive, Nokomis Avenue, Tunstead Avenue, Jones, and portions of Woodland Avenue, Ross Avenue, Sequoia Drive, and Richmond Road.
- Sales Tax Measure – In November 2013 the voters of San Anselmo passed a one-half per cent general sales tax increase for the purpose of repairing potholes, repaving roads, reducing traffic congestion, maintaining and improving sidewalks, drainage and street medians, preserving public safety and improving other general Town services, facilities, and infrastructure. The sales tax measure is anticipated to bring in approximately \$700,000 per year for this much-needed work.
- Library Programming – We have now completed the fifth and final year of the Library's \$49 annual per parcel tax, and the programming and activities at the Library have continued to blossom. Children's programs abound, including toddler story times, French story times, Read to a Dog, Bookworms reading club, Poetry Club, Teen reading group and the very successful Summer Reading Program. Adult programs have also flourished, including the Book Club, Art Talk Tuesdays, and Saturday Lectures. The Library is celebrating its centennial this year with a number of special events. The Friends of the Library continue to support the Library through the newly-established Town Books program.
- Library Parcel Tax – With the expiration of the original Library Parcel Tax at June 30, 2015, the Town Council placed a measure on the June 2014 ballot that called for a Special Library Services Tax of \$54 per year per parcel, with a 3% annual cost of living increase for nine years. The measure passed with overwhelming support of 72% approval. The parcel tax will maintain and enhance the Library's open hours, adult and children's programs, and general library services. Thanks to the new parcel tax, Library hours in 2015 are extended by five hours, opening an additional three hours on Tuesday evenings and an additional two hours on Wednesday mornings.
- Community Events, Recreation and Volunteers - The Recreation department coordinates events that bring the community and volunteers together, including Country Fair Day, Picnics on the Plaza, Goblins' Parade, and the spring egg hunts. In addition, the department encourages and facilitates community events such as Film Night in the Park, Music in the Park, and the Art & Wine Festival. The summer camp program is thriving with children of all ages enjoying camp at Memorial Park and other specialty sports and art camps. The Ross Valley Seniors program brings seniors together on a monthly basis to enjoy lunch, games and lectures. The Parkside Preschool is a full time, full service operation, giving parents a lower cost alternative for childcare. The Community Facilities Master Plan process concluded and the Master Plan was approved by the Town Council.
- Grants – The Town has been successful in procuring significant grants for infrastructure improvements, including grants for sidewalks, bridge replacements, flood control work, trails, low-impact development and electric bicycles.
- Technology – Both the Town Council and Planning Commission meetings are videotaped and streamed live on the website utilizing the Community Media Center of Marin (CMCM) for videography and Granicus software for website viewing. The permit process has been digitized via Trakit software, streamlining the process and facilitating communication with the applicants and between departments.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

### **Government-wide Financial Statements**

The government-wide financial statements consist of the statement of net position, and the statement of activities. These statements are designed to provide readers with a broad overview of the Town's finances, in a manner

**Town of San Anselmo**  
**Management's Discussion and Analysis**  
**June 30, 2015**

similar to a private-sector business. They provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances.

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, some of the revenue and expenses reported in this statement may result in cash flows only in future fiscal periods, such as revenue related to uncollected taxes or interest expense incurred but not paid.

There are three new accounts reported in the statement of net position: 1) deferred outflows of resources—pensions, which is similar to a prepaid expense, 2) deferred inflows of resources—pensions, which is similar to deferred or unearned revenue, and 3) net pension liability which is the estimated amount required to pay current and future retirees their annuities less the amount of past, present and future employer and employee retirement plan contributions, and less the amount earned from investing those accumulated resources. These new accounts are required as a result of the implementation of GASB 68.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds of governmental entities are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on (1) short-term inflows and outflows of spendable resources and (2) the remaining year-end balances available for spending. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and statement of revenue, expenditures, and changes in fund balances provide a reconciliation to assist the reader with this comparison between governmental funds and governmental activities.

The Town maintains 22 individual governmental funds. In the governmental funds balance sheet, and the statement of revenue, expenditures, and change in fund balances, information is presented separately for the following funds considered to be major funds:

- General fund
- Grants fund
- Recreation fund
- Isabel Cook Complex fund

General Fund: this fund is the primary operating fund of the Town. It is used to account for governmental funds that are not classified as special revenue, capital project or debt service funds, and includes the following funds:

- General fund
- Emergency Reserve fund
- Downtown Revitalization fund
- Measure D Sales Tax fund



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Special Revenue Funds: these funds generally account for revenue derived from specific sources. These funds are required by statute or ordinance to finance particular functions or activities of government or are restricted as to their use, and include the following funds:

- Community Facilities Master Plan fund
- Gas Tax fund
- Library Services fund
- Robson House fund
- Special Events fund
- Measure A Parks fund

Capital Project Funds: these funds are used to account for the acquisition or construction of capital facilities and include the following funds:

- Capital Reconstruction fund - accounts for revenue set aside for capital projects.
- Equipment Replacement fund - accounts for revenue set aside for equipment replacement.
- Road Maintenance fund - accounts for revenue set aside for road maintenance projects.

Debt Service Fund: these funds are used to account for and accumulate financial resources to be used for principal and interest payments on the Town's long-term debt obligations, and include the following funds:

- Measure G Debt Service, Bond Series 2003 fund
- Measure G Debt Service, Bond Series 2011 fund
- Municipal Lease fund

Internal Service Fund: this fund accounts for the premium payments as well as the self-insured portion of the Town's workers' compensation and liability insurance programs.

Business-type Funds

The Town currently does not maintain business-type funds.

Fiduciary Funds

A fiduciary fund is used to account for assets held for the benefit of other individuals or entities. The Town currently acts as an agent on behalf of the Snack Shack.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes follow the basic financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information in addition to this discussion and analysis concerning (1) the Town's budgetary to actual comparison schedules, (2) a schedule of funding progress for the other postemployment benefits plan, and (3) the cost-sharing multiple-employer defined benefits pension plan schedule, which is administered by CalPERS as trustee for the plan.

Other Supplementary Information

This report presents combining nonmajor fund financial statements, which follow the required supplementary information section.

**Government-wide Financial Statement Analysis**

A condensed presentation of the Statement of Net Position is presented in the following table comparing last fiscal year to the most recently completed fiscal year:

**Town of San Anselmo  
Management's Discussion and Analysis  
June 30, 2015**

**Statement of Net Position  
Comparison of FY 2015 and FY 2014**

	June 30		Amount Change	Percent Change
	2015	2014		
<u>Assets and Deferrals</u>				
Current & other assets	\$ 5,822,276	\$ 5,197,881	\$ 624,395	12%
Capital assets, net	22,011,189	21,134,277	876,912	4%
Total assets	<u>27,833,465</u>	<u>26,332,158</u>	<u>1,501,307</u>	6%
Deferred outflows	488,276	88,354	399,922	453%
Totals	<u>28,321,741</u>	<u>26,420,512</u>	<u>1,901,229</u>	7%
<u>Liabilities and Deferrals</u>				
Current & other liabilities	1,354,191	142,727	1,211,464	849%
Noncurrent liabilities	15,463,826	13,271,457	2,192,369	17%
Total liabilities	<u>16,818,017</u>	<u>13,414,184</u>	<u>3,403,833</u>	25%
Deferred inflows	1,079,542	-	1,079,542	100%
Totals	<u>17,897,559</u>	<u>13,414,184</u>	<u>4,483,375</u>	33%
<u>Net Position</u>				
Amount invested in				
capital assets, net	14,134,300	12,612,850	1,521,450	12%
Restricted	1,200,788	1,284,047	(83,259)	0%
Unrestricted	<u>(4,275,781)</u>	<u>(1,503,246)</u>	<u>(2,772,535)</u>	184%
Totals	<u>\$ 11,059,307</u>	<u>\$ 12,393,651</u>	<u>\$ (1,334,344)</u>	-11%

Net position of \$11,059,307 at June 30, 2015 as compared to the prior fiscal year changed due to the following:

- Cash and investments of \$5,822,276 increased \$639,019 compared to the previous fiscal year which was largely due to increased property tax and sales tax revenue, including Measure D sales tax.
- Net capital assets increased \$876,912 due to additional infrastructure projects.
- Other assets of \$635,155, including accounts receivable, prepaid expenses and net deferred charges, decreased \$32,168.
- Current liabilities of \$1,354,191 decreased a net amount of \$68,536.
- Noncurrent liabilities of \$15,463,826 included the unfunded net pension liability, the noncurrent portion of insurance claim liabilities, the noncurrent portion of long-term debt, and the postemployment benefit plan obligation.

A condensed presentation of the Statement of Activities is presented in the following table comparing last fiscal year to the most recently completed fiscal year:

**Town of San Anselmo  
Management's Discussion and Analysis  
June 30, 2015**

**Statement of Activities  
Comparison of FY 2015 and 2014**

	June 30		Amount Change	Percent Change
	2015	2014		
<u>Revenue</u>				
Program revenue	\$ 2,334,720	\$ 3,709,690	\$(1,374,970)	-37%
General revenue	16,373,249	13,448,034	2,925,215	22%
Total revenue	<u>18,707,969</u>	<u>17,157,724</u>	<u>1,550,245</u>	9%
<u>Expenses</u>				
General government	1,800,613	1,965,820	(165,207)	-8%
Public safety	7,134,935	7,244,638	(109,703)	-2%
Public works/streets	1,745,830	1,474,349	271,481	18%
Planning/engineering	1,263,757	1,229,490	34,267	3%
Parks/recreation/library	2,798,587	2,891,483	(92,896)	-3%
Other	<u>1,063,439</u>	<u>486,663</u>	<u>576,776</u>	119%
Total expenses	<u>15,807,161</u>	<u>15,292,443</u>	<u>514,718</u>	3%
Change in Net Position	2,900,808	1,865,281	1,035,527	56%
Net Position - beginning	12,393,651	10,737,332	1,656,319	15%
Prior year adjustment	<u>(4,235,122)</u>	<u>(208,962)</u>	<u>(4,026,160)</u>	
Net Position - end of year	<u>\$ 11,059,337</u>	<u>\$ 12,393,651</u>	<u>\$(1,334,314)</u>	-11%

Net position increased \$2,900,808 (before the prior period adjustment) during fiscal year ended June 30, 2015, compared with an increase of \$1,865,281 in the previous year. The 2015 prior period adjustment reflects the implementation GASB 68.

**Analysis of Major Governmental Funds**

General Fund

Total revenue and *transfers in* from other funds that comprise the general fund include (1) the Measure D Sales Tax fund, (2) the Emergency fund, and (3) the Downtown Revitalization fund. Total general fund revenue exceeded budgeted revenue by \$1,167,762.

Property taxes in the general fund exceeded the budgeted amount by \$440,208 and exceeded last year's revenue by \$481,682. Measure D Sales Tax exceeded the budget by \$204,946, and other sales tax exceeded the budget by \$196,338. Sales tax, not including Measure D, exceeded last year's revenue by \$118,941. Fiscal year 2014-15 was the first full year that the Town collected Measure D sales tax revenue.

Intergovernmental revenue includes \$76,100 in unbudgeted reimbursements from the State for mandated costs from prior years.

The Emergency fund received unbudgeted insurance reimbursements of \$152,290 for expenditures related to a fire.

Expenditures and *transfers out* for the general fund were \$266,557 more than the budgeted amount. This was due primarily to the Town Hall Tower Repair costing \$73,100 more than originally anticipated, and to an unbudgeted

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Management's Discussion and Analysis  
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LED streetlight project charged to the general fund in the amount of \$159,352. It had been expected that PG&E would reimburse the Town in fiscal year 2014-15, however reimbursement was received late in the subsequent fiscal year.

Recreation Fund

During fiscal year 2014-15, revenue in the recreation fund was collected in the amount of \$1,316,014. Expenditures for the year totaled \$1,303,166. Included in the expenditures are construction costs for building improvements of \$47,967 and signage costs of \$9,000. The ending fund balance as of June 30, 2015 was \$307,663, which was \$12,847 greater than at the end of the prior fiscal year.

Isabel Cook Complex Fund

The Isabel Cook Complex fund had a beginning fund balance of negative (\$180,268). Revenue exceeded expenditures in fiscal year 2014-15 by \$23,000, bringing the ending fund balance to negative (\$157,268). This fund receives its revenue through rental income. Capital improvements were recently made to increase the space available for rent.

Grant Fund

The Grant fund's purpose is to track grant proceeds, mainly those associated with street resurfacing and other capital improvement projects. For fiscal year 2014-15, expenditures exceeded revenue by \$108,245. This deficit is due to timing differences in project reimbursements for Nokomis Bridge, Madrone Bridge, and Center Bridge construction costs.

Capital Asset and Debt Administration

Capital Assets - the Town's investment in capital assets at year end was \$22,011,189, net of depreciation, an increase of \$876,912 as compared with the previous fiscal year, primarily due to infrastructure improvements.

Long-term Debt - the Town had \$15,269,482 outstanding in long-term debt and obligations (not including claims payable). This is an increase of \$2,407,275 as compared to the prior fiscal year. This increase is primarily due to the implementation of GASB 68 which required the Town to recognize a net pension liability of \$3,643,856.

**ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET**

**Revenue:** the nationwide reduction in real estate activity appears to have bottomed out and there are definite signs of recovery. Our property tax revenue is projected to show an increase over fiscal year 2014-15 revenue of approximately \$110,000. There are indicators that real estate activity is picking up as well. Revenue sources are showing steady increases, including franchise fees, construction permits, sales taxes, and ERAF. While some of these increases are modest, they are an indicator that the economy appears to be improving.

**Expenditures:** the proposed budget represents the status quo in most department budgets. After years of budgeted spending reductions, department budgets continue at a level that is just adequate to meet minimum service level requirements.

Employee-related expenses make up approximately 70% of the Town expenditures, including the public safety fire and police departments. Town employees will receive a 3.5% increase in salary this fiscal year, and employees hired before January 1, 2013 will pay the remaining portion of the employee share of the required defined benefit pension plan contributions, which is either 1% or 2% depending upon the date of hire. Employees hired after January 1, 2013 are in the Public Employees Pension Reform Act (PEPRA) retirement system, and presently pay one-half of the required pension plan contributions. As of July 1, 2015, the Town will no longer pay any amount of the employee portion of retirement plan contributions.

In 2006, the Town's miscellaneous bargaining unit, SEIU 1021, agreed to a two-tiered retirement plan for employees hired after February 1, 2007 and all new benefitted employees, including management and confidential, were affected. In 2013 PEPRA was enacted, further reducing employer pension costs for newly-hired employees. In fiscal year 2015-16, more than half of the Town's employees are enrolled in the two lower cost plans, which has saved the Town approximately \$1.1 million over the past 8 years.

**Town of San Anselmo**  
**Management's Discussion and Analysis**  
**June 30, 2015**

The Town's Public Employees Retirement System's (CalPERS) defined benefit pension plan employer rate was reduced in 2013, reflecting the sale of Pension Obligation Bonds the previous year to pay off the Town's Employer Side Fund liability of \$3,521,184. Regarding the Side Fund liability, in 2003 CalPERS combined agencies with less than 100 members into risk-based cost-sharing pools based upon the plan type. The Employer Side Fund was created to account for the difference between the funded status of the total pool and the funded status of individual plans. The repayment of the Pension Obligation Bonds is reflected in the Expenditure Summary under General Fund Departments, Debt Service (Pension Obligation Bonds). Overall, the refinancing of the Side Fund is saving the Town approximately \$60,000 per year.

In May 2014, the CalPERS Board adopted changes to the existing pooling structure policies and a new policy for allocating the pools' unfunded accrued liability, effective for the fiscal year 2015-16 employer contribution rates. Due to unintended consequences resulting from the PEPRA changes and existing CalPERS policies on risk pools, changes were necessary to ensure the proper funding of the pools. In order to address the problem, CalPERS combined twelve risk pools into two; one pool for Safety plans, and one pool for Miscellaneous plans. Employer contributions toward the unfunded liability for plans in a risk pool will be collected as *dollar amounts* instead of *contribution rates* expressed as a percentage of payroll for an estimated 30 years. Employer pension rates for the two pension tiers fell 34.35% for the Tier 1 plan, and 26.32% for the Tier 2 plan. The reduction in rates is reflective of the new methodology of lump sum payments as opposed to percentage of salary.

**Risk Management:** the Town's experience with the Bay Cities Joint Powers Insurance Authority, our self-insurance pool, has remained fairly stable. Costs for workers compensation claims were as anticipated, but costs for liability claims were lower than anticipated. A fund transfer of \$50,000 to the Insurance Fund has been made to ensure that insurance reserves remain at the level deemed sufficient by the Bay Cities Joint Powers Insurance Authority to fully fund our outstanding claims going forward.

**Grants:** the proposed budget reflects a number of grants, some awarded in earlier years. Grants are accounted for in the Grant Fund, of which the majority of grants do not require matching funds. Figures below indicate the total amount of each grant. Actual budgeted expenditures for 2015-16 are, in many cases, less than the total amount of the grant as the projects are multi-year. Grants include:

- Federal Safe Routes to Schools (various neighborhoods) - \$617,495.
- Transportation Authority of Marin (TAM) street rehabilitation allocation - \$132,000.
- Caltrans funding for the design of Madrone, Nokomis and Center Blvd. Bridges - \$1.5 million.
- Caltrans grant to build the Red Hill/Sunny Hills trail - \$80,000.
- Low Impact Development (LID) grants for Magnolia lot, Greenfield lot and the Corporate Yard debris pad (\$546,517).

**Fiscal Challenges**

The long-term fiscal challenges facing the Town continue to be:

- Ensuring sufficient funds to maintain the Town's streets and storm drain infrastructure at current levels.
- Addressing aging infrastructure in Town buildings, parks and other public facilities and replacing aged and outdated equipment.
- Restoring Town services that have been reduced, such as in Streets and Parks maintenance.
- Relying heavily on a relatively fixed tax base, restricted by a geography offering few development possibilities for tax revenue expansion.

**Capital Project Commitments**

The 7-Year Capital Improvement Plan (CIP) was prepared by staff in fiscal year 2014-15 based on the 2014 Pavement Management Program Report that outlines the pavement condition index (PCI) of Town streets. It was reviewed and recommended to the Town Council by the Capital Program Monitoring Committee. It was also reviewed by the Town's Planning Commission for compliance with the California Environmental Quality Act and conformance with the Town's General Plan. The CIP was approved by the Town Council on June 9, 2015. Construction projects for 2015 are underway and reflected in the Road Maintenance Fund. The entire seven-year plan is available and can be viewed at: <http://www.townofsananselmo.org/DocumentCenter/View/3568>

**Town of San Anselmo**  
**Management's Discussion and Analysis**  
**June 30, 2015**

The fiscal year 2015-16 budget includes a \$400,000 contribution to the Town's road maintenance fund from the general fund, reflecting the Council's commitment to maintain the progress accomplished by the Town's Measure G bond program. The budget also reflects financing for the following capital projects:

- Improvements to Memorial Park through Snack Shack funds.
- Robson House ADA improvements, includes restrooms and lift.
- ADA improvements to Lansdale Park and Creek Park.
- Initiation of arterial median improvements through a Master Plan document.

**Budget Format**

The operations of the Town are budgeted primarily in the Town's general fund. Significant maintenance projects and other capital improvements are contained in the capital reconstruction fund. Road and drainage improvement projects are funded through the road maintenance fund and grants in the grant fund. The recreation fund accounts for most of the revenue and expenses related to recreation programs. The library tax fund tracks expenditures related to the voter approved library parcel tax. The newly-established sales tax fund tracks activity related to capital projects funded by the voter approved sales tax increase.

This financial report is designed to provide our citizens, taxpayers, creditors and government regulators with a general overview of the Town's finances and to demonstrate the Town's accountability for the public trust money it receives. Below is the contact address for questions about this report or requests for additional financial information.

Finance & Administrative Services Director  
Town of San Anselmo  
525 San Anselmo Avenue  
San Anselmo, CA 94960

***GOVERNMENT-WIDE FINANCIAL STATEMENTS***

**TOWN OF SAN ANSELMO**  
**Government-wide Financial Statements**  
**Statement of Net Position**  
**June 30, 2015**

	<b>Total Governmental Activities</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and investments	\$ 5,822,276
Receivables	585,000
Prepaid expenses	50,155
Total current assets	6,457,431
<b>Noncurrent Assets</b>	
Capital assets not being depreciated	2,591,850
Capital assets, net of depreciation	19,419,339
Total noncurrent assets	22,011,189
Total assets	28,468,620
<b>Deferred Outflows of Resources</b>	
Deferred pensions	488,276
Total assets and deferred outflows of resources	28,956,896
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Payables	388,019
Accrued interest	91,700
Deposits	515,080
Deferred revenue	259,440
Insurance claims payable	99,952
Total current liabilities	1,354,191
<b>Noncurrent Liabilities</b>	
Insurance claims due in more than one year	194,344
Due within one year	1,103,828
Due in more than one year	14,165,654
Total noncurrent liabilities	15,463,826
Total liabilities	16,818,017
<b>Deferred Inflows of Resources</b>	
Deferred pensions	1,079,542
Total liabilities and deferred inflows of resources	17,897,559
<b>Net Position</b>	
Invested in capital assets, net of related debt	14,134,330
Restricted	1,200,788
Unrestricted	(4,275,781)
Total net position	\$ 11,059,337

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



**TOWN OF SAN ANSELMO**  
**Government-wide Financial Statements**  
**Statement of Activities**  
**Year Ended June 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	
Governmental Activities:					
General government	\$ 1,800,613	\$ -	\$ -	\$ -	\$ (1,800,613)
Public safety	7,134,935	-	-	-	(7,134,935)
Planning/engineering	1,263,757	297,842	551,843	-	(414,072)
Public works/streets	1,745,830	133,435	-	-	(1,612,395)
Recreation, parks, library	2,798,587	1,342,636	-	-	(1,455,951)
Capital projects	975,913	8,964	-	-	(966,949)
Debt service	87,526	-	-	-	(87,526)
Totals	<u>\$ 15,807,161</u>	<u>\$ 1,782,877</u>	<u>\$ 551,843</u>	<u>\$ -</u>	<u>(13,472,441)</u>

**General Revenue**

Property taxes	11,288,894
Sales taxes	1,897,334
Franchise fees	682,411
Property transfer taxes	119,828
Special assessments	220,780
Fines and forfeitures	154,510
Intergovernmental	93,590
Licenses and permits	995,895
Gasoline taxes	367,868
Use of property and money	139,048
Other revenue	413,091
Total	<u>16,373,249</u>

**Change in Net Position**

Change in Net Position	2,900,808
Net Position - beginning	12,393,651
Prior period adjustment - Note 15	<u>(4,235,122)</u>
Beginning Net Position - as restated	<u>8,158,529</u>
Net Position - end of year	<u>\$ 11,059,337</u>

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

***FUND FINANCIAL STATEMENTS***

**TOWN OF SAN ANSELMO**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	General	Grants	Recreation	Isabel Cook Community	Other Governmental	Total Governmental
	Fund	Fund	Fund	Center	Funds	Funds
<b>ASSETS</b>						
Cash and investments	\$ 2,993,177	\$ -	\$ 564,717	\$ -	\$ 1,628,213	\$ 5,186,107
Receivables	422,254	60,200	46,876	-	54,311	583,641
Prepaid expense	29,503	-	3,974	206	2,742	36,425
Total assets	<u>\$ 3,444,934</u>	<u>\$ 60,200</u>	<u>\$ 615,567</u>	<u>\$ 206</u>	<u>\$ 1,685,266</u>	<u>\$ 5,806,173</u>
 <b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Payables	\$ 121,869	\$ 150,494	\$ 48,464	\$ 4,457	\$ 60,600	\$ 385,884
Cash overdraft	-	8,002	-	153,017	38,074	199,093
Deposits	510,975	-	-	-	4,105	515,080
Deferred revenue	-	-	259,440	-	-	259,440
Total liabilities	<u>632,844</u>	<u>158,496</u>	<u>307,904</u>	<u>157,474</u>	<u>102,779</u>	<u>1,359,497</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	214,124	-	-	-	986,664	1,200,788
Committed	-	-	-	-	-	-
Assigned	125,275	-	307,663	-	598,388	1,031,326
Unassigned	2,472,691	(98,296)	-	(157,268)	(2,565)	2,214,562
Total fund balances	<u>2,812,090</u>	<u>(98,296)</u>	<u>307,663</u>	<u>(157,268)</u>	<u>1,582,487</u>	<u>4,446,676</u>
Total liabilities and fund balances	<u>\$ 3,444,934</u>	<u>\$ 60,200</u>	<u>\$ 615,567</u>	<u>\$ 206</u>	<u>\$ 1,685,266</u>	<u>\$ 5,806,173</u>

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

**TOWN OF SAN ANSELMO**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2015**

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

Total fund balances - governmental funds (page 14)	\$ 4,446,676
(1) Capital assets used in governmental activities are not financial resources and therefore, are not reported in the balance sheet.	22,011,189
(2) Long-term liabilities and obligations are not due and payable in the current period and therefore, are not reported in the balance sheet.	(15,269,483)
(3) Accrued interest payable on long-term debt reported in the statement of net position.	(91,700)
(4) Internal Service Funds are used by management to charge the cost of insurance to one fund. Those assets and liabilities are included in the statement of net position.	553,921
(5) Deferred outflows of resources reported in the statement of net position.	488,276
(6) Deferred inflows of resources reported in the statement of net position.	<u>(1,079,542)</u>
Net position of governmental activities (page 12)	<u><u>\$ 11,059,337</u></u>

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

**TOWN OF SAN ANSELMO**  
**Statement of Revenue, Expenditures, and Change in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2015**

<b>REVENUE</b>	<b>General Fund</b>	<b>Grants Fund</b>	<b>Recreation Fund</b>	<b>Isabel Cook Community Center</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Property taxes	\$ 10,464,980	\$ -	\$ -	\$ -	\$ 823,914	\$ 11,288,894
Other taxes	1,971,111	-	-	-	266,831	2,237,942
Franchise fees	682,411	-	-	-	-	682,411
Fines and forfeitures	154,510	-	-	-	-	154,510
Use of money and property	-	-	-	93,629	45,419	139,048
Intergovernmental and agency	200,280	551,843	-	-	367,868	1,119,991
Licenses and permits	995,895	-	-	-	-	995,895
Charges for services	133,435	-	1,316,013	-	333,429	1,782,877
Other revenue	153,259	-	-	-	194,873	348,132
Total revenue	<u>14,755,881</u>	<u>551,843</u>	<u>1,316,013</u>	<u>93,629</u>	<u>2,032,334</u>	<u>18,749,700</u>
<b>EXPENDITURES</b>						
Current -						
Town administration	1,199,294	-	-	-	-	1,199,294
Non-departmental	456,835	-	-	-	-	456,835
Public safety	7,134,935	-	-	-	-	7,134,935
Planning	1,296,644	-	-	-	-	1,296,644
Public works	1,008,412	-	-	-	551,993	1,560,405
Library	540,952	-	-	-	233,300	774,252
Parks and recreation	633,520	-	1,255,199	80,629	142,910	2,112,258
Capital projects	715,692	660,087	47,967	-	537,319	1,961,065
Debt service	461,032	-	-	-	978,071	1,439,103
Total expenditures	<u>13,447,316</u>	<u>660,087</u>	<u>1,303,166</u>	<u>80,629</u>	<u>2,443,593</u>	<u>17,934,791</u>
Excess (Deficiency) of Revenue						
Over (Under) Expenditures	<u>1,308,565</u>	<u>(108,244)</u>	<u>12,847</u>	<u>13,000</u>	<u>(411,259)</u>	<u>814,909</u>
Other financing sources / (uses)						
Operating transfers in	367,868	-	-	10,000	788,517	1,166,385
Operating transfers (out)	<u>(1,173,517)</u>	-	-	-	<u>(367,868)</u>	<u>(1,541,385)</u>
Total other financing sources	<u>(805,649)</u>	-	-	<u>10,000</u>	<u>420,649</u>	<u>(375,000)</u>
<b>CHANGE IN FUND BALANCES</b>	502,916	(108,244)	12,847	23,000	9,390	439,909
Fund balances - beginning	<u>2,309,174</u>	<u>9,948</u>	<u>294,816</u>	<u>(180,268)</u>	<u>1,573,097</u>	<u>4,006,767</u>
Fund balances - end of year	<u>\$ 2,812,090</u>	<u>\$ (98,296)</u>	<u>\$ 307,663</u>	<u>\$ (157,268)</u>	<u>\$ 1,582,487</u>	<u>\$ 4,446,676</u>

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

**TOWN OF SAN ANSELMO**  
**Reconciliation of the Statement of Revenue, Expenditures, and Change in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2015**

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

Change in fund balances - governmental funds (page 16)	\$	439,909
 (1) Capital assets		
(a) The acquisition of capital assets uses current financial resources but has no effect on net position.		1,970,301
(b) The cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense in the statement of activities.		(1,093,389)
 (2) Long-term liabilities and obligations		
Payments against long-term liabilities and obligations use current resources but have no effect on net position.		1,351,580
 (3) Measurement focus		
Certain revenue and expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as revenue or expenditures in governmental funds.		
Internal service fund change in net position		232,407
 Change in net position of governmental activities (page 13)	 \$	 2,900,808

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

**TOWN OF SAN ANSELMO**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2015**

	<b>Governmental            Activities            Internal Service            Fund</b>
<b>Assets</b>	
Cash and investments	\$ 835,262
Receivables	1,359
Prepaid expenses	13,730
Total assets	850,351
<b>Liabilities</b>	
Current liabilities:	
Payables	2,135
Claims payable - current	99,952
Total current liabilities	102,087
Noncurrent liabilities:	
Claims payable - due in more than one year	194,344
Total liabilities	296,431
<b>Net Position</b>	
Unrestricted	553,920
Total net position	\$ 553,920

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

**TOWN OF SAN ANSELMO**  
**Proprietary Funds**  
**Statement of Revenue, Expenses, and Change in Net Position**  
**Year Ended June 30, 2015**

	<b>Governmental Activities Internal Service Fund</b>
<b>Operating Revenue</b>	<b>Fund</b>
Charge for services	\$ -
<b>Operating Expenses</b>	
Insurance costs	142,593
Operating income (loss)	(142,593)
Income Before Contributions/Transfers	
Transfers in	375,000
<b>Change in Net Position</b>	232,407
Net Position - beginning	321,513
Net Position - end of year	\$ 553,920

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



**TOWN OF SAN ANSELMO  
Proprietary Funds  
Statement of Cash Flows  
Year Ended June 30, 2015**

<b>CASH FLOWS PROVIDED BY (USED FOR)</b>	<b>Governmental Activities Internal Service Fund</b>
<b>Operating Activities</b>	
Cash paid to vendors	\$ (148,938)
Cash paid for benefit claims	(59,195)
Net cash provided (used)	<u>(208,133)</u>
<b>Noncapital Financing Activities</b>	
Transfers in	375,000
Net cash provided (used)	<u>375,000</u>
<b>Net Increase (Decrease) in Cash</b>	166,867
Cash and cash equivalents - beginning	668,395
Cash and cash equivalents - end of year	<u>\$ 835,262</u>
<b>Operating Activities Analysis</b>	
Operating Income (Loss)	\$ (142,593)
Reconciliation adjustments:	
(Increase) decrease in receivables	(1,359)
(Increase) decrease in prepaid expenses	3,658
Increase (decrease) in payables	(8,644)
Increase (decrease) in claims	(59,195)
Net cash provided (used)	<u>\$ (208,133)</u>

*The accompanying notes to financial statements are an integral part of this financial statement*

**TOWN OF SAN ANSELMO**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2015**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	<u>\$        14,242</u>
<b>LIABILITIES</b>	
Snack Shack - Deposits payable	<u>\$        14,242</u>

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

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2015**

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the Town as follows:

- Note 1 - Defining the Financial Reporting Entity
- Note 2 - Summary of Significant Accounting Policies
- Note 3 - Stewardship, Compliance and Accountability
- Note 4 - Cash and Investments
- Note 5 - Capital Assets
- Note 6 - Long-term Obligations
- Note 7 - Interfund Transfers
- Note 8 - Postemployment Benefits Other Than Pensions
- Note 9 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
- Note 10 - Jointly Governed Organizations
- Note 11 - Commitments and Contingencies
- Note 12 - Risk Management
- Note 13 - Subsequent Events
- Note 14 - Future Accounting Pronouncements
- Note 15 - Prior Period Adjustment
- Note 16 - Fund Balance Designations Section of the Balance Sheet

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2015**

**Note 1 - Defining the Financial Reporting Entity**

The Town of San Anselmo (the Town) was incorporated in 1907 under the laws of the State of California. San Anselmo operates under a Council-Manager form of government. The Town provides municipal services to its citizens including police, public works, community development and general administrative support. These financial statements present the financial status of the Town.

The Town participates in several Joint Powers Agreements (JPAs) with the following entities:

- Bay Cities Joint Powers Insurance Authority
- Central Marin Police Authority
- Hazardous Materials Spills Management JPA
- Marin Emergency Radio Authority
- Marin General Services Authority
- Marin Telecommunications Agency
- Ross Valley Fire Department JPA
- Ross Valley Paramedic Authority

The financial activities of the JPAs are not included in the accompanying financial statements because they are administered by governing boards which are separate from, and independent of the Town.

**Note 2 - Summary of Significant Accounting Policies**

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America 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 more significant accounting policies of the Town are described as follows:

Financial Statements

In accordance with GASB Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*," the financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The government-wide financial statements (ie, the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributors that are restricted to meeting the operational or capital requirements of a particular function or segment taxes.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2015**

Fund Accounting

The accounts of the Town are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/equity, revenue, 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 funds are organized as follows:

Governmental Funds

*The General Fund* is the Town's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

*Capital Projects Funds* are used to account for revenue and expenditures restricted to the acquisition or construction of major capital facilities (other than those financed by Proprietary or Trust funds).

*Debt Service Funds* are used to account for the accumulation of resources for, and the payment of, governmental fund long-term debt, both principal and interest.

Fiduciary Funds

*Agency Funds* are used to account for assets administered by the Town in a trustee capacity or as an agent for other governments, primarily special assessment districts. Agency Funds are custodial in nature (assets and liabilities), and do not involve measurement of results of operations.

Major Funds

The Town's Major Funds are as follows:

*General Fund* - this fund is used to account for the general operations of the Town, and is used to account for all financial resources except those required to be accounted for in another fund.

*Grants Fund* - this fund is used to account for the intergovernmental grant funds received with expenditure restrictions such as to be used for roads, sidewalks, and capital improvement projects.

*Recreation Fund* - this fund is used to account for services provided to the community such as sports, leisure, arts and recreational activities and classes, and is funded by user fees.

*Isabel Cook Community Center Fund* - this fund is designated to be used to account for operations of the complex and is funded by revenue from rents.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The government-wide financial statements are accounted for using the flow of economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net position. Revenue is recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2015**

The governmental funds financial statements are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Revenue is recognized when it becomes both measurable and available to finance the expenditures of the current period (susceptible to accrual). Major revenue sources susceptible to accrual include substantially all property taxes, taxpayer-assessed taxes (such as sales and use, utility users, business license, transient occupancy, franchise fees and gasoline taxes), interest, special assessments levied, state and federal grants, and charges for current services. Revenue from licenses, permits, fines and forfeits is recorded as received. Expenditures are recorded when the related fund liability is incurred. Fiduciary Fund revenue and expenses or expenditures (as appropriate) are recognized on the basis consistent with the fund's accounting measurement objective. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Use of Estimates

Financial statement preparation in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Investments

Deposits in financial institutions, money market funds, and the State Treasurer's investment pool are reported as cash and investments since funds can spend cash at any time without prior notice or penalty. All investments with fiscal agents are also considered cash equivalents if they are liquid. Investments are stated at fair value.

Receivables and Payables

Property, sales, and use taxes related to the current fiscal year are accrued as revenue and accounts receivable are considered available if received within 60 days of fiscal year end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available. The Town considers these taxes available if they are received during the period when settlement of prior fiscal year accounts payable and payroll charges normally occur. Grants, entitlements or shared revenue are recorded as receivables and revenue in the general, special revenue, and capital projects funds when they are received or susceptible to accrual.

Balances representing lending/borrowing transactions between funds outstanding at the end of the fiscal year are reported as either "due to/due from other funds" (amounts due within one year), "advances to/from other funds" (non-current portions of interfund lending/borrowing transactions), or "loans to/from other funds" (long-term lending/borrowing transactions as evidenced by loan agreements).

Allowance for Doubtful Accounts

Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Capital Assets

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2015**

Capital assets are reported in the government-wide statement of net position. Capital assets are stated at historical cost, when available and at estimated replacement cost when original cost was not available. Donated assets are stated at estimated market value at date of donation. The Town's policy is to capitalize all capital assets with costs exceeding a minimum threshold of \$10,000, with an estimated useful life in excess of two years. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, which range from five to thirty years. As permitted under GASB Statement No. 34, small governments are allowed to report infrastructure assets prospectively beginning in fiscal year 2003-04.

Compensated Absences

Compensated absences represent the vested portion of accumulated vacation and compensated time off with a maximum of 240 hours. The Town's method of calculating the liability is in accordance with GASB Statement No. 16, except that additional accruals for salary-related payments associated with the payment of compensated absences, for example, the employer's share of pension contributions, social security and medicare taxes, have not been accrued as that amount is not considered significant or material to the financial statements taken as a whole.

Long-term Obligations

In the government-wide financial statements, long-term debt and obligations are reported as liabilities in the applicable statement of net position. Bond premiums, issuance costs and discounts are deferred and amortized over the life of the bond. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Net Position and Fund Balances

Net position designations are classified on the government-wide statement of net position as follows:

- Invested in capital assets, net of related debt - represents the Town's total investment in capital assets reduced by any outstanding debt used to acquire those assets.
- Restricted net position - includes resources that the Town is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- Unrestricted net position - represents resources derived from sources without spending restrictions, are used for transactions relating to the general operations of the Town, and may be used at the discretion of those charged with governance to meet current expenses or obligations for any purpose.

In accordance with GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*," governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Town is bound to honor constraints on how specific amounts can be spent, as follows:

- Nonspendable - amounts that cannot be spent because they are either (a) legally or contractually required to be maintained intact or (b) not in spendable form such as long-term notes receivable.
- Restricted - amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.
- Committed - amounts that can be used only for the specific purposes determined by a *formal action* of the Town Council, to establish, modify or rescind a fund balance commitment.
- Assigned - amounts that are constrained by the government's *intent* to be used for specific purposes but do not meet the criteria to be classified as restricted or committed, as determined by a formal action or policy of the Town Council or its appointed official.

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- Unassigned - the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the Town recognizes a net pension liability, which represents the Town's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the California Public Employees Retirement System (CalPERS). The net pension liability is measured as of the Town's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the Town's pension plan with CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Property Tax Revenue

Property taxes in the State of California are administered for all local agencies at the County level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

- Property Valuations - are established by the Assessor of Marin County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the California State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.
- Tax Levies - are limited to 1% of full assessed value which results in a tax rate of \$1.00 per \$100 assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.
- Tax Levy Dates - are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on



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both real and unsecured personal property. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

- Tax Collections - are the responsibility of the Marin County's tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.
- Tax Levy Apportionments - due to the nature of the Town-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by each County auditor-controller based primarily on the ratio that each agency represented of the total Town-wide levy for the three fiscal years prior to fiscal year 1979.
- Property Tax Administration Fees - the State of California fiscal year 1990-91 Budget Act authorized Counties to collect an administrative fee for its collection and distribution of property taxes.

**New Accounting Pronouncements**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 68 "*Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.*" The provisions of this statement revise existing standards of financial reporting for most governments that provide their employees with pension benefits. The Statement establishes reporting requirements of the net pension plan liability in the government-wide financial statements, how to measure pension liabilities, and presentation of the financial information and disclosures related to the employer. This Statement is effective for periods beginning on or after June 15, 2014.

Statement No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.*" The objective of this statement is to address an issue regarding application of the transition provisions of Statement 68 relating to amounts associated with contributions made by a local government employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68.

***Note 3 - Stewardship, Compliance and Accountability***

**Budgetary Information**

The Town follows these procedures annually in establishing the budgetary data reflected in the financial statements:

1. The Town Manager submits to the Town Council a proposed draft budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. The Town Council reviews the proposed budget at special scheduled sessions which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
3. Prior to July 1, the budget is adopted through the passage of a resolution.

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4. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various Town departments. The Town Council may amend the budget by resolution during the fiscal year. The Town Manager may authorize transfers from one object or purpose to another within the same department, and between departments within the General Fund. All appropriations lapse at year end.

Economic Dependency

In fiscal year 2014-15, the Town received 71% of its total general fund revenue from one source; property taxes. Any reduction in assessed property values or reductions in the Town's property tax share due to the State's ongoing budget crisis could have serious consequences to the Town's operating budget.

Revenue Limitations Imposed By California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the Town's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in future years by the voters.

**Note 4 - Cash and Investments**

The Town follows the practice of pooling cash and investments of all funds except for restricted funds required to be held by outside custodians, fiscal agents or trustees under the provisions of bond indentures. Cash and investments at June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position		
Cash and investments	\$	5,822,276
Statement of Fiduciary Net Assets		
Cash and investments		14,242
	\$	<u>5,836,518</u>
Cash and Investments are comprised of the following:		
Deposits with financial institutions:		
checking accounts		4,922,685
Investment with Local Agency Investment Fund		913,833
	\$	<u>5,836,518</u>

Investment in State Investment Pool

The Town is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF, established in 1977, is regulated by California Government Code Section 16429 and under the day to day administration of the California State Treasurer. There is a five member Local Investment Advisory Board that is chaired by the State Treasurer. LAIF determines fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. LAIF is part of the Pooled Money Investment Account (PMIA) and under the control of the State Treasurer's Office, which is audited by the Bureau of State Audits on an annual basis. As of June 30, 2015, PMIA had approximately \$69.6 billion in investments. Audited financial statements of PMIA may be obtained from the California State Treasurer.

The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio

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(in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

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. Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the maturity date and yield of each investment:

		<u>Maturity / Yield</u>
State investment pool (LAIF)	\$913,833	7 months average maturity, 0.27% yield

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 Risk

The investment policy of the Town contains limitations on the amount that can be invested in any single issuer as follows: 30% to 40% for Bankers acceptances, 25% for Commercial paper, 30% for Negotiable certificates of deposit, 30% for Medium-term notes, and no limit for US Treasury obligations, US Agency obligations, Federal Instrumentalities, State of California Bonds and Registered Warrants, LAIF, Passbook savings account demand deposits, and Bonds, Notes, & Warrants of a local governmental agency within the State of California. There are no investments in any single issuer that represent 5% or more of total Town investments other than LAIF. Nearly 16% of the Town's cash and investments at year end were invested in LAIF.

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 California Government Code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: "the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies." California law also allows financial institutions to secure Town deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At fiscal year end the Town had \$4,803,303 that was not covered by depository insurance but collateralized by either marketable securities, first trust deed mortgage notes, or a combination of both.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**Note 5 - Capital Assets**

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The following is a summary of changes in the Town's capital assets as reported in the Governmental-wide financial statements:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
<i><u>Non-depreciable Assets</u></i>				
Land	\$ 2,591,850	\$ -	\$ -	\$ 2,591,850
<i><u>Depreciable Assets</u></i>				
Buildings and improvements	12,640,656	435,190	-	13,075,846
Furniture and equipment	2,307,307	361,692	(63,787)	2,605,212
Infrastructure	12,807,688	1,237,206	-	14,044,894
	27,755,651	2,034,088	(63,787)	29,725,952
<i><u>Accumulated Depreciation</u></i>	(9,213,224)	-	(1,093,389)	(10,306,613)
Depreciable assets, net	18,542,427	2,034,088	(1,157,176)	19,419,339
Total capital assets, net	<u>\$ 21,134,277</u>	<u>\$ 2,034,088</u>	<u>\$ (1,157,176)</u>	<u>\$ 22,011,189</u>

Depreciation expense was charged to functions and programs based upon their use of the related assets:

Public works/engineering	\$ 535,335
Finance	18,434
Fire	1,276
General administration	286,047
Library	61,508
Parks	12,297
Planning	97
Recreation	15,355
Streets	163,040
	<u>\$ 1,093,389</u>

**Note 6 - Long-term Obligations**

The following summarizes the change in long-term debt and obligations for the year:

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<u>Governmental Activities</u>	Beginning Balance	Additions	Reductions	End of Year	Due Within One Year
2003 General Obligation	\$ 2,120,000	\$ -	\$ (80,000)	\$ 2,040,000	\$ 85,000
2011 General Obligation	5,155,000	-	(430,000)	4,725,000	465,000
2012 Pension Obligation	2,976,000	-	(347,000)	2,629,000	375,000
Municipal lease	1,155,733	-	(106,164)	1,049,569	111,143
Vehicle leases	25,735	63,665	(27,110)	62,290	33,693
Due to BCJPIA	500,000	-	-	500,000	-
Net pension liability	-	3,643,856	-	3,643,856	-
Net OPEB obligation	781,097	-	(297,296)	483,801	-
Compensated absences	148,642	-	(12,676)	135,966	33,992
	<u>\$ 12,862,207</u>	<u>\$ 3,707,521</u>	<u>\$ (1,300,246)</u>	<u>\$ 15,269,482</u>	<u>\$ 1,103,828</u>
Bond premium	<u>\$ 153,313</u>	<u>\$ -</u>	<u>\$ (153,313)</u>	<u>\$ -</u>	
Bond issue costs	<u>\$ 88,354</u>	<u>\$ -</u>	<u>\$ (88,354)</u>	<u>\$ -</u>	

**2003 General Obligation Bonds**

On February 1, 2003, the Town issued \$2,565,000 of General Obligation Bonds to fund capital improvements to the Town's streets and storm drains. Interest is due semi-annually on February 1 and August 1, with principal payments due August 1 annually. Total annual payments are approximately \$180,000 increasing annually, with an average annual interest rate of 4.5%. The debt matures in fiscal year 2028-29. As of June 30, 2015, the outstanding balance was \$2,040,000.

**2011 General Obligation Bonds**

On April 21, 2011, the Town issued \$5,955,000 of 2011 General Obligation Bonds for the purpose of refunding the \$5,894,928 of outstanding 1995, 1997, and 2000 General Obligation Bonds. Interest is due semi-annually on February 1 and August 1, with principal payments due August 1 annually. Total annual payments are approximately \$640,000 increasing annually, with a current average annual interest rate of 3.2% that increases with time. The debt matures in fiscal year 2025-26. As of June 30, 2015, the outstanding balance was \$4,725,000.

**2012 Pension Obligation Bonds**

On May 29, 2012, the Town issued \$3,583,000 of 2012 Taxable Pension Obligation Bonds for the purpose of paying off the Town's outstanding "side fund" obligation due to the California's Public Retirement System. Principal and interest payments are due semi-annually each June 30 and December 31. Total annual payments are approximately \$230,000 increasing annually with an annual interest rate of 3.641%. The debt matures in fiscal year 2021-22. As of June 30, 2015, the outstanding balance was \$2,629,000.

Future bond payment requirements consist of the following:

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Year Ending					
June 30,	2003 Bonds	2011 Bonds	2012 Bonds	Interest	Total
2016	\$ 85,000	\$ 465,000	\$ 375,000	\$ 358,327	\$ 1,283,327
2017	90,000	495,000	405,000	326,838	1,316,838
2018	100,000	515,000	437,000	293,107	1,345,107
2019	110,000	545,000	470,000	257,103	1,382,103
2020	115,000	575,000	504,000	213,097	1,407,097
2021-25	730,000	1,925,000	438,000	557,531	3,650,531
2026-29	810,000	205,000	-	110,819	1,125,819
	<u>\$ 2,040,000</u>	<u>\$ 4,725,000</u>	<u>\$ 2,629,000</u>	<u>\$ 2,116,822</u>	<u>\$ 11,510,822</u>

**Municipal Lease - Fire Station**

On February 1, 2008, the Town entered into a 15 year site lease agreement with Municipal Asset Management, Inc. ("Corporation"), whereby the Town agrees to lease to the Corporation, the Town's Fire Station No. 19 ("property"), and the Corporation agrees to make available to the Town \$1,700,000 through an advanced rental payment agreement, which will enable the Town to finance the restoration, remodeling and expansion of the subject property. The Corporation agrees to lease the property back to the Town, and the Town agrees to make lease payments for use of the property. Payments are \$158,517 per year with an approximate interest rate of 4.5%. As of June 30, 2015, the outstanding balance was \$1,049,569.

Future minimum lease obligations and the net present value of the minimum lease payments consist of the following:

Year Ending June 30,	Net Present Value	Interest	Total Payments
2016	\$ 111,143	\$ 47,374	\$ 158,517
2017	116,354	42,163	158,517
2018	121,809	36,708	158,517
2019	127,521	30,996	158,517
2020	133,500	25,017	158,517
2021-2023	439,242	36,308	475,550
	<u>\$ 1,049,569</u>	<u>\$ 218,566</u>	<u>\$ 1,268,135</u>

**Capital Vehicles Leases**

The Town entered into three lease agreements, as lessee, for financing the acquisition of vehicles. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

On April 22, 2014, the Town entered into a lease/purchase agreement with Ally Bank for a 2014 Chevrolet truck. The term of the lease is 36 months, with monthly principal and interest payments of \$858 beginning April 2014 and ending March 2017. The value of the capital asset associated with the lease is \$27,844.

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On July 11, 2014, the Town entered into a lease/purchase agreement with Ally Bank for a 2014 Chevrolet truck. The term of the lease is 36 months, with monthly principal and interest payments of \$947 beginning July 2014 and ending June 2017. The value of the capital asset associated with the lease is \$30,922.

On September 10, 2014, the Town entered into a lease/purchase agreement with Ally Bank for a 2015 Chevrolet truck. The term of the lease is 36 months, with monthly principal and interest payments of \$1,003 beginning September 2014 and ending August 2017. The value of the capital asset associated with the lease is \$32,743.

Future minimum lease obligations and the net present value of these minimum lease payments consist of the following:

<u>Year Ending June 30,</u>		
2016	\$	33,693
2017		31,120
2018		<u>1,894</u>
Total minimum lease payments		66,707
Less: amount representing interest		<u>(4,417)</u>
Present value of minimum lease payments	\$	<u><u>62,290</u></u>

**Due to BCJPIA**

In fiscal year 2003, the Town acquired a real estate parcel for \$500,000 in connection with a settlement agreement, with terms stipulating that the Town repair and stabilize the land parcel with a prior landslide history. During fiscal years 2005 and 2006, the Town incurred costs of \$168,626 and \$581,377, respectively, to stabilize the land parcel. The Town's insurance carrier, Bay Cities Joint Powers Insurance Authority, agreed to, and paid, \$500,000 of the stabilization costs, for which the BCJPIA will be reimbursed by the Town upon the eventual sale of the land. The Town has no plans to sell the property within the next 12 months.

**Compensated Absences**

Town employees accumulate earned but unused vacation benefits which can be converted to cash at termination of employment. No expenditure is reported for these accrued amounts in the governmental funds financial statements. However, in the statement of activities the expenditure is allocated to each function based on usage. Vested compensated absences payable in accordance with various collective bargaining agreements at year end was reported in the statement of net position in the amount of \$135,966 of which \$33,992 (25%) is estimated to be paid within the next fiscal year.

***Note 7 - Interfund Transfers***

Operating interfund transfers for the fiscal year comprise the following:

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<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 367,868	\$ 1,173,517
Isabel Cook Community Center Fund	10,000	-
Road Maintenance Fund	400,000	-
Gasoline Tax Fund	-	367,868
Robson House Fund	40,000	-
Capital Reconstruction Fund	25,000	-
Equipment Replacement Fund	165,000	-
Municipal Lease Fund	158,517	-
Insurance Fund	375,000	-
	<u>\$ 1,541,385</u>	<u>\$ 1,541,385</u>

**Note 8 - Postemployment Benefits Other Than Pensions**

Plan Description

The Town provides retiree medical benefits to employees who retire from the Town at age 50 or later with at least 5 years of service and are eligible for a CalPERS pension. Eligible retirees are entitled to \$225 per month. This benefit continues for the life of the retiree and then for the life of a surviving spouse, as applicable.

Actuarial Method and Assumptions

The valuation was completed using the Entry Age Normal Cost Method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued.

Discount Rate

Valuation results were computed at a 4.00% discount rate. 4.00% is a reasonable long-term assumption of the Town's expected return on its investments.

Valuation Results and Accounting Requirements

The Actuarial Valuation of Postemployment Health Benefits report was prepared with a Valuation Date of June 30, 2014 to provide an estimate of the Town's liability for postemployment medical benefits attributable to past service rendered by current retirees and employees who are expected to receive the benefit. Public entities that sponsor postemployment benefits are required by Governmental Accounting Standards Board (GASB) Statement No. 45 to account for the cost of those benefits using accrual accounting rather than the more common pay-as-you-go accounting. This means that each employee's benefit will "accrue" throughout their working lifetime and that the Town will be required to show the annual accruals as a current year expense.

The amortization period and basis for developing payments was re-set effective July 1, 2014, following the transfer of active police employees to the Central Marin Police Authority and elimination of the unfunded AAL relating to those former employees. Collectively, the changes to the amortization period and method for developing the payments increased the annual required contribution relative to the prior approach.

The table below contains estimates of the present value of the cost of postemployment medical benefits attributable to past service rendered by current retirees and employees who are expected to receive the



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benefit. The estimates are based on the assumptions and methodology prescribed for Agencies that participate in the CalPERS administered California Employers' Retiree Benefit Trust Fund. The valuation results are based on a discount rate of 4.00%, assuming that the Town continues pay-as-you-go funding of the program. If the Town joins the CERBT Trust and contributes at least part of the Annual Required Contributions (ARC) each year, a higher discount rate may be possible. This could result in lower annual costs as reported under GASB 45.

A primary goal of GASB 45 is to require employers to recognize postemployment healthcare expense systematically over periods approximating employees' years of service. The Actuarial Accrued Liability represents the estimated present value of future benefits that are associated with past service rendered by employees and retirees. The Unfunded Actuarial Accrued Liability is the excess of the Actuarial Accrued Liability over the Actuarial Value of any Assets, as follows:

**Present Value of Future Postemployment Healthcare Cost**  
**Attributable to Past Service**  
**As of July 1, 2014**

	4%
	Discount Rate
Actives	\$ 324,135
Retirees and Spouses	1,339,846
Total Actuarial Accrued Liability	\$ 1,663,981
Actuarial Value of Assets	-
Unfunded Actuarial Accrued Liability	\$ 1,663,981

Projected Postemployment Health Benefit Costs

The following table provides a ten-year projection of the pay-as-you-go cost to provide postemployment benefits to current retirees and future retirees from the Town's current employees:

**Estimated Annual Pay-as-you-go Cost**

<u>Year</u>	<u>Estimated Amount</u>
2014/15	\$ 85,322
2015/16	85,847
2016/17	86,472
2017/18	87,409
2018/19	87,971
2019/20	88,433
2020/21	88,713
2021/22	88,846
2022/23	88,778
2023/24	88,656

Benefit Costs under GASB 45

The following table provides disclosure of information regarding the Town's Annual OPEB Cost. The

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Unfunded Actuarial Accrued Liability amount is currently not required by GASB to be reported in the Town's government-wide financial statements.

The Annual Required Contribution (ARC) consists of the Normal Cost plus the portion of the Unfunded Actuarial Accrued Liability that is to be amortized in the current year. The Normal Cost is the portion of the actuarial present value of future benefits that is allocated to the current year. Another interpretation is that the Normal Cost is the present value of future benefits that are "earned" by employees for service rendered during the current year. This valuation is based on the Entry Age Normal Cost method of calculation and an attribution period that runs from date of hire until the expected retirement date.

An employer is allowed to commence amortization of the Unfunded Actuarial Accrued Liability (UAAL) over a period not to exceed 30 years. The amortization method used in this valuation is the level dollar method. The UAAL amortization is occurring over a closed 30-year period that commenced in the 2008/09 fiscal year. The Plan's actuary assumed that 6 years of amortization have occurred since 2008/09 and that 24 years remained as of July 1, 2014. The following table is based on a level percentage of payroll amortization over 24 years:

**Development of 2014 / 2015 Fiscal Year**  
**Annual OPEB Cost - Based on a 4.00% discount rate**

Actuarial Accrued Liability	\$ 1,663,981
Actuarial Value of Assets	-
Unfunded Actuarial Accrued Liability	\$ 1,663,981
Amortization Period	24 years
Amortization Factor (based on 4.00% Discount Rate)	17.663
Annual % of Payroll Amortization of Unfunded AAL	\$ 94,207
Normal Cost (based on the Entry Age Normal Method)	48,168
Annual Required Contribution	142,375
Interest on Net OPEB Obligation	17,398
Adjustment to ARC	(25,610)
Annual OPEB Cost	134,163
Pay-as-you-go Cost	(85,322)
Increase in net OPEB Obligation	48,841
Net OPEB Obligation - beginning of year	434,960
Net OPEB Obligation - end of year	\$ 483,801

**Note 9 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan**

**A. General Information about the Plan**

Plan Description

The Town provides pension benefits to eligible employees through a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS).

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CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and Town ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50-55 with statutorily reduced benefits. Death benefits are the pre-retirement Optional Settlement 2W Death Benefit, and the post-retirement death benefit lump sum. The cost of living adjustments for each plan are applied as specified by the Public Employees Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous Plan		
	Prior to February 1, 2007	February 1, 2007 to December 31, 2012	On or after January 1, 2013
Hire date			
Benefit formula	2.7% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years svc	5 years svc	5 year svc
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	55	62
Monthly benefits, as a % of eligible compensation	2.7%	2.0%	2.0%
Required employee contribution rates	7.947%	6.891%	6.308%
Required employer contribution rates	15.685%	10.781%	6.250%

**Contributions**

The Town makes contributions required as the employer. Employee members are required to make contributions of their annual covered salary in an amount depending upon date of hire. The contribution requirements of plan are established and may be amended by CalPERS. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for this plan were as follows:

Contributions – employer	\$359,492
Contributions – employee	\$68,376

***B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2015**

As of June 30, 2015, the Town reported net pension liabilities for its Proportionate Share of the Net Pension Liability of the Plan in the amount of \$3,643,856.

The Town's net pension liability for its Plan with CalPERS is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures.

The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The Town's proportionate share of the net pension liability as of June 30, 2014 was as follows:

Miscellaneous Plan - first tier plan	0.06110%
Miscellaneous Plan - second tier plan	0.00322%
Miscellaneous Plan - PEPR	0.00000%

At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 359,492	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,324,624
Changes in proportion and differences between Town contributions and proportionate share of contributions	128,784	(245,082)
Differences between expected and actual experience	-	-
Totals	\$ 488,276	\$ 1,079,542

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to this pension plan will be recognized as pension expense as follows:

Year Ended June 30,	
2015	\$ (304,031)
2016	(304,031)
2017	(310,474)
2018	(336,253)
2019	46,430
	\$ (1,254,789)

**C. Actuarial Assumptions**

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**June 30, 2015**

The total pension liability for this plan in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous Plans
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)

(1) Depending on age, service, and type of employment

(2) Net of pension plan investment expenses, including inflation

**D. Discount Rate**

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset

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**June 30, 2015**

classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach.

Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

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

(1) an expected inflation rate of 2.5% is used for this period

(2) an expected inflation rate of 3.0% is used for this period

***E. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Town's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate: -1%	Current Discount	Discount Rate +1%
	<u>6.50%</u>	<u>Rate 7.50%</u>	<u>8.50%</u>
Misc-first tier	\$ 6,774,275	\$ 3,802,161	\$ 1,335,589
Misc-second tier	356,809	200,264	70,347
Misc-PEPRA	16	9	3

***Note 10 - Jointly Governed Organizations***

Central Marin Police Authority

The Central Marin Police Authority is a full service Police agency for the communities of Corte Madera, Larkspur, San Anselmo and portions of Greenbrae. The communities consolidated police services on January 1, 2013 after two years of planning and public discussion. The Central Marin Police Authority was formed under a Joint Powers Agreement (JPA) between the Town of Corte Madera, City of Larkspur and the Town of San Anselmo. Two members from each City/Town Council sit on and represent the Central Marin

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**June 30, 2015**

Police Council. Overall management of the Police Authority is the function of the Management Committee comprised of the City and Town Managers of each jurisdiction. Operational function of the Authority is assigned to the Chief of Police. The Authority provides police services and public safety dispatching to the communities of Corte Madera, Larkspur, San Anselmo and portions of Greenbrae, comprising of approximately 35,000 residents.

Hazardous Materials Spills Management Authority

This multi-agency and multi-jurisdictional agency responds to hazardous materials emergencies. The annual budget is determined by the Marin County Fire Chief's Association and is allocated on a jurisdiction percent of population based on the County of Marin's current census data. Financial statements may be obtained by mailing a request to the Hazardous Materials Response Team, c/o San Rafael Fire Department, 1039 C Street, San Rafael, CA 94901.

Marin Emergency Radio Authority

The Town participates in a joint powers agreement through the Marin Emergency Radio Authority ("MERA") under an operating agreement dated February 1, 1999. MERA was created July 1, 1997 by an agreement between certain public agencies in Marin County to provide a public safety radio system to its members. The members have agreed to pay a pro-rata share of MERA's operations costs and debt service through year 2022, which are projected at \$64,000 per year.

Marin General Services Authority

The Marin General Services Authority ("Authority") was created on April 26, 2005 to replace the Marin Street Light Acquisition Authority. All the original members of the Marin Street Light Acquisition Authority are eligible for membership. The Authority is established to finance, implement, and manage various municipal services within the member agencies including the taxicab regulation program and information management services. All assets and funds of the Street Light Authority are transferred to the General Services Authority. The financial responsibility of each member is based on a relative population and assessed value formula. Financial statements may be obtained by mailing a request to the Marin Street Light Authority at Marin County Auditor-Controller, County of Marin, Room 225, San Rafael, CA 94903.

Marin Telecommunications Agency

The Marin Telecommunications Agency was created in 1998, by an agreement between the County of Marin, the Cities of Belvedere, Larkspur, Mill Valley, Sausalito, and San Rafael, and the Towns of Corte Madera, Ross, San Anselmo, Fairfax, and Tiburon. The agreement provides for the regulation of rates for certain cable television services and equipment pursuant to the Cable Television Consumer Protection and Competition Act of 1992. The financial responsibility of each member is based on the number of its cable television subscribers. Financial statements may be obtained by mailing a request to the Marin Telecommunications Agency at Marin County Auditor-Controller, County of Marin, Room 225, San Rafael, CA 94903.

Ross Valley Fire Service

The Ross Valley Fire Service (the "Fire Service") was created in 1982 under a joint powers agreement between the Towns of Fairfax and San Anselmo to provide fire protection, emergency medical, and related services within the Fairfax-San Anselmo area. Primary funding for the Fire Service is through contributions from the Towns. The Fire Service is governed by a board of directors appointed by the two Towns and administered by the Town Manager of one of the Towns, as appointed by the board of directors. Financial statements may be obtained from Ross Valley Fire Service, 777 San Anselmo Avenue, San Anselmo, CA 94960.

Ross Valley Paramedic Authority

The Ross Valley Paramedic Authority ("RVPA") was created on December 14, 1982 by the Town of Corte Madera, Town of Fairfax, Kentfield Fire Protection District, City of Larkspur, County of Marin, Town of Ross,

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2015**

Town of San Anselmo, and Sleepy Hollow Fire Protection District to provide paramedic services to these eight public entities. The RVPA is controlled by an eight member board consisting of one member from each of the participating entities. None of the entities exercises specific control over the budgeting and financing of the RVPA's activities. The County of Marin Fire Department assigns seven full-time County employees as well as supervision by County fire department superior officers to render the paramedic service. RVPA's operations are financed by its members, through a tax on each residential unit and an equivalent tax for commercial property. During the fiscal year ended June 30, 2015, the tax was \$48.50 (including a \$.50 administrative fee) per living unit and per 1,500 square feet of structure on parcels in non-residential use. Financial statements may be obtained by mailing a request to the City of Larkspur, 400 Magnolia Avenue, Larkspur, CA 94939.

***Note 11 - Commitments and Contingencies***

The Town receives funding from a number of federal, state and local grant programs. These programs are subject to financial and compliance review by grantors. Accordingly, the Town's compliance with applicable grant requirements will be determined at some future date. Expenditures, if any, which may be disallowed by the granting agencies, cannot be determined at this time. The Town does not expect the undeterminable amounts of disallowed expenditures, if any, to materially affect the financial statements. Receipt of this federal, state and local grant revenue is not assured in the future.

***Note 12 - Risk Management***

The Town participates in a joint powers agreement through the Bay Cities Joint Powers Insurance Authority (BCJPIA) which is a workers compensation and general liability risk pool. The Town currently reports all of its risk management activities in its Internal Service Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. For the current fiscal year the Town paid \$184,920 for workers compensation coverage.

BCJPIA was created as a California Public Agency by an agreement between certain public agencies in the San Francisco Bay Area to provide vehicle, general liability, and workers compensation coverage. BCJPIA is governed by a Board of Directors which is comprised of officials appointed by each member town, city or agency.

The BCJPIA is an "account pool" as defined by Government Accounting Standards Board Statement No. 10 ("GASB 10"). The BCJPIA manages separate accounts for each pool member. Losses and expenses are paid from these pools above the self-insured retention limit of \$25,000 to \$1,000,000 per occurrence. This is the Primary Liability Program. The BCJPIA annually evaluates the financial risk cash position, less claims reserves, claims incurred but not reported ("IBNR"), and claims development of each member in the Primary Liability Program. If a member has a negative risk position, as defined by the BCJPIA, its annual assessment is increased.

The BCJPIA purchases excess insurance above the \$1,000,000 limit. This Excess Liability Program provides risk sharing pool coverage for its members of \$1,000,000 up to \$28,000,000 per occurrence. The workers' compensation fund is self-insured for the first \$150,000 of loss per accident; excess coverage policy is provided by an outside insurance carrier up to statutory limits. Financial statements may be obtained from BCJPIA, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

***Note 13 - Subsequent Events***



**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2015**

The management of the Town has reviewed the results of operations for the period from its year end June 30, 2015 through November 23, 2015, the date the draft financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

**Note 14 - Future Accounting Pronouncements**

GASB Statements Nos. 72-76 listed below will be implemented in future financial statements:

Statement No. 72 *"Fair Value Measurement and Application"*

The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2015.

Statement No. 73 *"Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provision of GASB Statements No. 67 and No. 68"*

The provisions of this statement are effective for fiscal years beginning after June 15, 2015 - except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016.

Statement No. 74 *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"*

The provisions of this statement are effective for fiscal years beginning after June 15, 2016.

Statement No. 75 *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans"*

The provisions of this statement are effective for fiscal years beginning after June 15, 2017.

Statement No. 76 *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"*

The provisions of this statement are effective for reporting periods beginning after June 15, 2015.

**Note 15 - Prior Period Adjustment**

A prior period adjustment of \$4,235,122 was made to decrease the Town's beginning net position to reflect the prior period's unfunded pension liability and deferrals in accordance with the implementation of GASB Statement No. 68.

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2015**

**Note 16 - Fund Balance Designations Section of the Balance Sheet**

<b>Fund Balances</b>	General Fund	Major Funds	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>	\$ -	\$ -	\$ -	\$ -
<b>Restricted for:</b>				
Measure D sales tax fund	214,124	-	-	214,124
Library tax fund	-	-	75,115	75,115
Measure A Marin county parks	-	-	81,536	81,536
Measure G debt service	-	-	160,983	160,983
Measure D 2011 debt service	-	-	669,030	669,030
Total restricted fund balances	<u>214,124</u>	<u>-</u>	<u>986,664</u>	<u>1,200,788</u>
<b>Committed to:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Assigned:</b>				
Emergency reserve fund	112,738	-	-	112,738
Downtown revitalization fund	12,537	-	-	12,537
Recreation fund	-	307,663	-	307,663
Road maintenance	-	-	428,088	428,088
Robson house fund	-	-	44,598	44,598
Special events fund	-	-	29,032	29,032
Capital Reconstruction fund	-	-	95,456	95,456
Equipment replacement fund	-	-	1,214	1,214
Total assigned fund balances	<u>125,275</u>	<u>307,663</u>	<u>598,388</u>	<u>1,031,326</u>
<b>Unassigned:</b>	<u>2,472,691</u>	<u>(255,564)</u>	<u>(2,565)</u>	<u>2,214,562</u>
<b>Total Fund Balances</b>	<u>\$ 2,812,090</u>	<u>\$ 52,099</u>	<u>\$ 1,582,487</u>	<u>\$ 4,446,676</u>

***REQUIRED SUPPLEMENTARY INFORMATION***

***(unaudited)***

**TOWN OF SAN ANSELMO**  
**Required Supplementary Information**  
**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan**  
**As of June 30, 2015**

Schedule of Changes in the Net Pension Liability and Related Ratios

The beginning and ending balances of the total pension liability, the plan assets available for pension benefits (called plan net position), and the net pension liability, as well as the change in those amounts during the year are presented by cause.

Total pension liability, plan net position, net pension liability, a ratio of plan net position divided by the total pension liability, payroll amount for current employees in the plan (covered-employee payroll), and a ratio of the net pension liability divided by covered-employee payroll.

Schedule of Contributions

If an agent employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the agent employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

**TOWN OF SAN ANSELMO**  
**Required Supplementary Information**  
**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan**  
**As of June 30, 2015**

**Schedule of Changes in the Net Pension Liability and Related Ratios**

<u>Total Pension Liability</u>	<u>2015</u>
Service cost	\$ 389,805
Interest on total pension liability	1,656,961
Recognized differences between expected and actual experience	-
Recognized changes in assumptions	-
Changes in benefit terms	-
Benefit payments, including refunds of employee contributions	-
Net change during 2013-14 in total pension liability	1,324,624
Total pension liability balance - beginning 6/30/2013 (VD)	22,258,984
Total pension liability balance - ending 6/30/2014 (MD)	<u>\$ 23,583,608</u>

Plan Fiduciary Net Position

Plan's proportionate share of aggregate employer contributions (current year)	\$ 529,507
Plan's proportionate share of aggregate employee contributions (current year)	173,266
Projected earnings on pension plan investments	1,251,503
Benefit payments	836,678
Net change in plan fiduciary net position	2,790,954
Plan fiduciary net position - beginning 6/30/2013 (VD)	16,790,220
Plan fiduciary net position - ending 6/30/2014 (MD)	<u>\$ 19,581,174</u>

Plan's Net Pension Liability/(Asset) (7.5% discount rate)	<u>\$ 3,643,856</u>
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Plan's proportion of the net pension liability/(asset)	0.064320%
Plan's proportionate share of the net pension liability/(asset)	\$ 4,002,434
Plan's covered-employee payroll	\$ 2,236,414
Plan's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	178.97%

**Schedule of Contributions**

Actuarially determined contribution	\$ 285,121
Contributions in relation to the actuarially determined contributions	(285,121)
Contribution deficiency (excess)	<u>\$ -</u>

Covered-employee payroll	\$ 2,236,415
Contributions as a percentage of covered employee payroll	12.75%

**TOWN OF SAN ANSELMMO**  
**Required Supplementary Information**  
**Schedule of Funding Progress (unaudited)**  
**Other Postemployment Benefits Plan**  
**As of June 30, 2015**

The Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend information from the actuarial studies is presented below:

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (b/a)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(a-b)/c]
July 1, 2008	\$ 1,747,300	\$ -	\$ 1,747,300	0%	\$ 3,725,600	46.9%
July 1, 2011	\$ 1,941,900	\$ -	\$ 1,941,900	0%	\$ 4,068,100	47.7%
July 1, 2014	\$ 1,628,827	\$ -	\$ 1,628,827	0%	\$ 2,706,026	60.2%

**TOWN OF SAN ANSELMO**  
**Required Supplementary Information**  
**Budgetary Comparison Information**  
**Year Ended June 30, 2015**

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to the close of each fiscal year, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed revenue and expenditures.
- Public hearings are conducted at Town Council meetings to obtain taxpayer comments prior to adoption of the budget in June.
- Prior to July 1, the budget is legally adopted for all governmental fund types through Council approved resolution.
- The Town Manager is authorized to transfer budget amounts within and between funds as deemed desirable and necessary in order to meet the Town's needs; however, revisions that alter the total expenditures must be approved by the Town Council. Formal budgetary integration is employed as a management control device during the year for the governmental type funds.
- Budgets for the governmental type funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts presented are as originally adopted and as further amended by the Town Council.

**TOWN OF SAN ANSELMO**  
**Required Supplementary Information**  
**Budgetary Comparison Information**  
**General Fund**  
**Year Ended June 30, 2015**

	<b>Budget Amounts (unaudited)</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Resources (inflows)</b>				
Property taxes	\$ 10,024,772	\$ 10,024,772	\$ 10,464,980	\$ 440,208
Other taxes	955,000	955,000	1,166,166	211,166
Franchise fees	643,123	643,123	682,411	39,288
Fines and penalties	131,834	131,834	154,510	22,676
Investment earnings	4,500	4,500	-	(4,500)
Intergovernmental and agency	94,927	94,927	200,280	105,353
Licenses and permits	1,052,934	1,052,934	995,895	(57,039)
Charges for services	101,100	101,100	133,435	32,335
Other revenue	1,630	1,630	33,303	31,673
Transfers in	325,120	325,120	367,868	42,748
Amounts Available for Appropriation	<u>13,334,940</u>	<u>13,334,940</u>	<u>14,198,848</u>	<u>863,908</u>
<b>Charges to Appropriations (outflow)</b>				
Town administration	1,101,536	1,168,328	1,199,294	(30,966)
Non-departmental	325,075	325,075	294,048	31,027
Public safety	7,140,268	7,140,268	7,134,935	5,333
Planning and engineering	1,258,266	1,442,186	1,296,644	145,542
Public works	1,118,476	1,451,353	1,008,412	442,941
Library	564,460	566,080	540,952	25,128
Recreation and parks	258,407	291,647	633,520	(341,873)
Capital projects	-	-	12,420	(12,420)
Debt service	452,207	452,207	461,032	(8,825)
Transfers out	1,093,517	1,173,517	1,173,517	-
Total Charges to Appropriations	<u>13,312,212</u>	<u>14,010,661</u>	<u>13,754,774</u>	<u>255,887</u>
<b>Surplus (Deficit)</b>	<u>\$ 22,728</u>	<u>\$ (675,721)</u>	<u>\$ 444,074</u>	<u>\$ 1,119,795</u>



**TOWN OF SAN ANSELMO**  
**Required Supplementary Information**  
**Budgetary Comparison Information**  
**Grants Fund**  
**Year Ended June 30, 2015**

<b>Resources (inflows)</b>	<b>Budget Amounts (unaudited)</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Franchise fees	-	-	-	-
Fines and penalties	-	-	-	-
Investment earnings	-	-	-	-
Intergovernmental and agency	3,336,795	3,381,374	551,843	(2,829,531)
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Transfers in	-	-	-	-
Amounts Available for Appropriation	<u>3,336,795</u>	<u>3,381,374</u>	<u>551,843</u>	<u>(2,829,531)</u>
<b>Charges to Appropriations (outflow)</b>				
Town administration	-	-	-	-
Non-departmental	-	-	-	-
Public safety	-	-	-	-
Planning and engineering	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Recreation and parks	-	-	-	-
Capital projects	3,337,495	3,381,374	660,087	2,721,287
Debt service	-	-	-	-
Transfers out	-	-	-	-
Total Charges to Appropriations	<u>3,337,495</u>	<u>3,381,374</u>	<u>660,087</u>	<u>2,721,287</u>
<b>Surplus (Deficit)</b>	<u>\$ (700)</u>	<u>\$ -</u>	<u>\$ (108,244)</u>	<u>\$ (108,244)</u>

**TOWN OF SAN ANSELMO**  
**Required Supplementary Information**  
**Budgetary Comparison Information**  
**Recreation Fund**  
**Year Ended June 30, 2015**

	Budget Amounts (unaudited)		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Resources (inflows)</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Franchise fees	-	-	-	-
Fines and penalties	-	-	-	-
Investment earnings	-	-	-	-
Intergovernmental and agency	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	1,163,485	1,163,485	1,316,013	152,528
Other revenue	-	-	-	-
Transfers in	-	-	-	-
Amounts Available for Appropriation	1,163,485	1,163,485	1,316,013	152,528
<b>Charges to Appropriations (outflow)</b>				
Town administration	-	-	-	-
Non-departmental	-	-	-	-
Public safety	-	-	-	-
Planning and engineering	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Recreation and parks	1,163,485	1,163,485	1,255,199	(91,714)
Capital projects	55,000	115,000	47,967	67,033
Debt service	-	-	-	-
Transfers out	-	-	-	-
Total Charges to Appropriations	1,218,485	1,278,485	1,303,166	(24,681)
<b>Surplus (Deficit)</b>	\$ (55,000)	\$ (115,000)	\$ 12,847	\$ 127,847

**TOWN OF SAN ANSELMO**  
**Required Supplementary Information**  
**Budgetary Comparison Information**  
**Isabel Cook Community Center Fund**  
**Year Ended June 30, 2015**

<b>Resources (inflows)</b>	<b>Budget Amounts (unaudited)</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Franchise fees	-	-	-	-
Fines and penalties	-	-	-	-
Use of money and property	89,009	89,009	93,629	4,620
Intergovernmental and agency	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Transfers in	-	10,000	10,000	-
Amounts Available for Appropriation	<u>89,009</u>	<u>99,009</u>	<u>103,629</u>	<u>4,620</u>
<b>Charges to Appropriations (outflow)</b>				
Town administration	-	-	-	-
Non-departmental	-	-	-	-
Public safety	-	-	-	-
Planning and engineering	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Recreation and parks	63,967	63,967	80,629	(16,662)
Capital projects	-	10,000	-	10,000
Debt service	-	-	-	-
Transfers out	-	-	-	-
Total Charges to Appropriations	<u>63,967</u>	<u>73,967</u>	<u>80,629</u>	<u>(6,662)</u>
<b>Surplus (Deficit)</b>	<u>\$ 25,042</u>	<u>\$ 25,042</u>	<u>\$ 23,000</u>	<u>\$ (2,042)</u>

***OTHER SUPPLEMENTARY INFORMATION***

**TOWN OF SAN ANSELMO**  
**General Fund**  
**Combining Balance Sheet**  
**June 30, 2015**

	<b>General Fund</b>	<b>Sales Tax Measure D Fund</b>	<b>Emergency Reserve Fund</b>	<b>Downtown Revitalization Fund</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and investments	\$ 2,757,866	\$ 110,036	\$ 112,738	\$ 12,537	\$ 2,993,177
Receivables	313,954	108,300	-	-	422,254
Prepaid expense	29,503	-	-	-	29,503
Total Assets	<u>\$ 3,101,323</u>	<u>\$ 218,336</u>	<u>\$ 112,738</u>	<u>\$ 12,537</u>	<u>\$ 3,444,934</u>
<b>LIABILITIES</b>					
Payables	\$ 117,657	\$ 4,212	\$ -	\$ -	\$ 121,869
Deposits	510,975	-	-	-	510,975
Deferred revenue	-	-	-	-	-
Total Liabilities	<u>628,632</u>	<u>4,212</u>	<u>-</u>	<u>-</u>	<u>632,844</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	214,124	-	-	214,124
Committed	-	-	-	-	-
Assigned	-	-	112,738	12,537	125,275
Unassigned	2,472,691	-	-	-	2,472,691
Total Fund Balances	<u>2,472,691</u>	<u>214,124</u>	<u>112,738</u>	<u>12,537</u>	<u>2,812,090</u>
Total Liabilities and Fund Balances	<u>\$ 3,101,323</u>	<u>\$ 218,336</u>	<u>\$ 112,738</u>	<u>\$ 12,537</u>	<u>\$ 3,444,934</u>

**TOWN OF SAN ANSELMO**  
**General Fund**  
**Combining Statement of Revenue, Expenditures and Change in Fund Balances**  
**Year Ended June 30, 2015**

Page 2 of 2

	<u>General Fund</u>	<u>Sales Tax Measure D Fund</u>	<u>Emergency Reserve Fund</u>	<u>Downtown Revitalization Fund</u>	<u>Totals</u>
<b>REVENUE</b>					
Property taxes	\$ 10,464,980	\$ -	\$ -	\$ -	\$ 10,464,980
Other taxes	1,166,166	804,945	-	-	1,971,111
Franchise fees	682,411	-	-	-	682,411
Fines and penalties	154,510	-	-	-	154,510
Use of money and property	-	-	-	-	-
Intergovernmental and agency	200,280	-	-	-	200,280
Licenses and permits	995,895	-	-	-	995,895
Charges for services	133,435	-	-	-	133,435
Other revenue	33,303	-	119,956	-	153,259
Total Revenue	<u>13,830,980</u>	<u>804,945</u>	<u>119,956</u>	<u>-</u>	<u>14,755,881</u>
<b>EXPENDITURES</b>					
Current -					
Town administration	1,199,294	-	-	-	1,199,294
Non-departmental	294,048	-	161,161	1,626	456,835
Public safety	7,134,935	-	-	-	7,134,935
Planning	1,296,644	-	-	-	1,296,644
Public works	1,008,412	-	-	-	1,008,412
Library	540,952	-	-	-	540,952
Parks and recreation	633,520	-	-	-	633,520
Capital projects	12,420	703,272	-	-	715,692
Debt service	461,032	-	-	-	461,032
Total Expenditures	<u>12,581,257</u>	<u>703,272</u>	<u>161,161</u>	<u>1,626</u>	<u>13,447,316</u>
Excess (Deficiency) of Revenue					
Over (Under) Expenditures	<u>1,249,723</u>	<u>101,673</u>	<u>(41,205)</u>	<u>(1,626)</u>	<u>1,308,565</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	367,868	-	-	-	367,868
Operating transfers (out)	<u>(1,173,517)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,173,517)</u>
Total Other Financing Sources	<u>(805,649)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(805,649)</u>
<b>CHANGE IN FUND BALANCES</b>					
Fund Balances - Beginning	<u>2,028,617</u>	<u>112,451</u>	<u>153,943</u>	<u>14,163</u>	<u>2,309,174</u>
Fund Balances - End of Year	<u>\$ 2,472,691</u>	<u>\$ 214,124</u>	<u>\$ 112,738</u>	<u>\$ 12,537</u>	<u>\$ 2,812,090</u>

**TOWN OF SAN ANSELMO**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2015**

	<u>Special Revenue Funds</u>							<u>Total Nonmajor Special Revenue Funds</u>
	<u>Community</u>							
	<u>Facilities Master Plan</u>	<u>Road Maintenance Fund</u>	<u>Gasoline Tax Fund</u>	<u>Library Tax Fund</u>	<u>Robson House Fund</u>	<u>Special Events Fund</u>	<u>Marin Cty Parks Measure A</u>	
<b>ASSETS</b>								
Cash & investments	\$ -	\$ 457,020	\$ -	\$ 73,638	\$ 49,832	\$ 30,551	\$ 81,536	\$ 692,577
Receivables	-	8,887	35,509	1,682	-	250	-	46,328
Prepaid expense	-	516	-	2,020	206	-	-	2,742
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 466,423</u>	<u>\$ 35,509</u>	<u>\$ 77,340</u>	<u>\$ 50,038</u>	<u>\$ 30,801</u>	<u>\$ 81,536</u>	<u>\$ 741,647</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 38,335	\$ -	\$ 2,225	\$ 1,335	\$ 1,769	\$ -	\$ 43,664
Cash overdraft	2,565	-	35,509	-	-	-	-	38,074
Deposits	-	-	-	-	4,105	-	-	4,105
Deferred revenue	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>2,565</u>	<u>38,335</u>	<u>35,509</u>	<u>2,225</u>	<u>5,440</u>	<u>1,769</u>	<u>-</u>	<u>85,843</u>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	75,115	-	-	81,536	156,651
Committed	-	-	-	-	-	-	-	-
Assigned	-	428,088	-	-	44,598	29,032	-	501,718
Unassigned	(2,565)	-	-	-	-	-	-	(2,565)
<b>Totals</b>	<u>(2,565)</u>	<u>428,088</u>	<u>-</u>	<u>75,115</u>	<u>44,598</u>	<u>29,032</u>	<u>81,536</u>	<u>655,804</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ 466,423</u>	<u>\$ 35,509</u>	<u>\$ 77,340</u>	<u>\$ 50,038</u>	<u>\$ 30,801</u>	<u>\$ 81,536</u>	<u>\$ 741,647</u>

**TOWN OF SAN ANSELMO**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2015**

	<u>Capital Project Funds:</u>		<u>Total</u>	<u>Debt Service Funds:</u>		<u>Total</u>	<u>Total</u>	<u>Total</u>
	<u>Capital Reconstruction Fund</u>	<u>Equipment Replacement Fund</u>	<u>Nonmajor Capital Project Funds</u>	<u>Measure G Debt Svc Fund</u>	<u>Measure G Debt Svc 2011</u>	<u>Total Debt Service Funds</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>								
Cash & investments	\$ 112,426	\$ 1,180	\$ 113,606	\$ 159,291	\$ 662,739	\$ 822,030	\$ 692,577	\$ 1,628,213
Receivables	-	-	-	1,692	6,291	7,983	46,328	54,311
Prepaid expense	-	-	-	-	-	-	2,742	2,742
<b>Total Assets</b>	<b>\$ 112,426</b>	<b>\$ 1,180</b>	<b>\$ 113,606</b>	<b>\$ 160,983</b>	<b>\$ 669,030</b>	<b>\$ 830,013</b>	<b>\$ 741,647</b>	<b>\$ 1,685,266</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 16,970	\$ (34)	\$ 16,936	\$ -	\$ -	\$ -	\$ 43,664	\$ 60,600
Cash overdraft	-	-	-	-	-	-	38,074	38,074
Deposits	-	-	-	-	-	-	4,105	4,105
Deferred revenue	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>16,970</b>	<b>(34)</b>	<b>16,936</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,843</b>	<b>102,779</b>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	160,983	669,030	830,013	156,651	986,664
Committed	-	-	-	-	-	-	-	-
Assigned	95,456	1,214	96,670	-	-	-	501,718	598,388
Unassigned	-	-	-	-	-	-	(2,565)	(2,565)
<b>Totals</b>	<b>95,456</b>	<b>1,214</b>	<b>96,670</b>	<b>160,983</b>	<b>669,030</b>	<b>830,013</b>	<b>655,804</b>	<b>1,582,487</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 112,426</b>	<b>\$ 1,180</b>	<b>\$ 113,606</b>	<b>\$ 160,983</b>	<b>\$ 669,030</b>	<b>\$ 830,013</b>	<b>\$ 741,647</b>	<b>\$ 1,685,266</b>



**TOWN OF SAN ANSELMO**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenue, Expenditures and Change in Fund Balances**  
**Year Ended June 30, 2015**

	<b>Special Revenue Funds:</b>							<b>Total Nonmajor Special Revenue Funds</b>
	<b>Community</b>							
	<b>Facilities Master Plan</b>	<b>Road Maintenance Fund</b>	<b>Gasoline Tax Fund</b>	<b>Library Tax Fund</b>	<b>Robson House Fund</b>	<b>Special Events Fund</b>	<b>Marin Cty Parks Measure A</b>	
<b>REVENUE</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	220,780	-	-	46,051	266,831
Franchises	-	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-	-
Use of money and property	-	220	-	-	43,470	-	-	43,690
Intergovernmental and agency	-	-	367,868	-	-	-	-	367,868
Licenses and permits	-	-	-	-	-	-	-	-
Charges for services	-	297,842	-	-	-	26,623	-	324,465
Other revenue	-	193,273	-	-	-	-	-	193,273
<b>Total Revenue</b>	<b>-</b>	<b>491,335</b>	<b>367,868</b>	<b>220,780</b>	<b>43,470</b>	<b>26,623</b>	<b>46,051</b>	<b>1,196,127</b>
<b>EXPENDITURES</b>								
Current -								
Town administration	-	-	-	-	-	-	-	-
Non-departmental	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-
Public works	-	551,993	-	-	-	-	-	551,993
Library	-	-	-	233,300	-	-	-	233,300
Parks and recreation	-	-	-	-	63,496	23,920	55,494	142,910
Capital projects	80,326	-	-	-	-	-	-	80,326
Debt service	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>80,326</b>	<b>551,993</b>	<b>-</b>	<b>233,300</b>	<b>63,496</b>	<b>23,920</b>	<b>55,494</b>	<b>1,008,529</b>
Excess (Deficiency) of Revenue								
Over (Under) Expenditures	(80,326)	(60,658)	367,868	(12,520)	(20,026)	2,703	(9,443)	187,598
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	-	400,000	-	-	40,000	-	-	440,000
Operating transfers (out)	-	-	(367,868)	-	-	-	-	(367,868)
<b>Total Other Financing Sources</b>	<b>-</b>	<b>400,000</b>	<b>(367,868)</b>	<b>-</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>72,132</b>
<b>CHANGE IN FUND BALANCES</b>	<b>(80,326)</b>	<b>339,342</b>	<b>-</b>	<b>(12,520)</b>	<b>19,974</b>	<b>2,703</b>	<b>(9,443)</b>	<b>259,730</b>
Fund Balances - Beginning	77,761	88,746	-	87,635	24,624	26,329	90,979	396,074
Fund Balances - End of Year	\$ (2,565)	\$ 428,088	\$ -	\$ 75,115	\$ 44,598	\$ 29,032	\$ 81,536	\$ 655,804

**TOWN OF SAN ANSELMO**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenue, Expenditures and Change in Fund Balances**  
**Year Ended June 30, 2015**

	<u>Capital Project Funds</u>		<u>Total</u>	<u>Debt Service Funds:</u>		<u>Total</u>	<u>Total</u>	<u>Total</u>
	<u>Capital</u>	<u>Equipment</u>	<u>Nonmajor</u>	<u>Measure G</u>	<u>Measure G</u>	<u>Total</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>Reconstruction</u>	<u>Replacement</u>	<u>Capital</u>	<u>Debt Svc</u>	<u>Debt Svc</u>	<u>Debt</u>	<u>Special</u>	<u>Nonmajor</u>
	<u>Fund</u>	<u>Fund</u>	<u>Project</u>	<u>Fund</u>	<u>2011</u>	<u>Service</u>	<u>Revenue</u>	<u>Governmental</u>
<b>REVENUE</b>								
Property taxes	\$ -	\$ -	\$ -	\$ 173,409	\$ 650,505	\$ 823,914	\$ -	\$ 823,914
Other taxes	-	-	-	-	-	-	266,831	266,831
Franchises	-	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	403	1,326	1,729	43,690	45,419
Intergovernmental and agency	-	-	-	-	-	-	367,868	367,868
Licenses and permits	-	-	-	-	-	-	-	-
Charges for services	8,964	-	8,964	-	-	-	324,465	333,429
Other revenue	-	1,600	1,600	-	-	-	193,273	194,873
<b>Total Revenue</b>	<b>8,964</b>	<b>1,600</b>	<b>10,564</b>	<b>173,812</b>	<b>651,831</b>	<b>825,643</b>	<b>1,196,127</b>	<b>2,032,334</b>
<b>EXPENDITURES</b>								
Current -								
Town administration	-	-	-	-	-	-	-	-
Non-departmental	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	551,993	551,993
Library	-	-	-	-	-	-	233,300	233,300
Parks and recreation	-	-	-	-	-	-	142,910	142,910
Capital projects	250,820	206,173	456,993	-	-	-	80,326	537,319
Debt service	-	31,745	31,745	177,265	610,544	946,326	-	978,071
<b>Total Expenditures</b>	<b>250,820</b>	<b>237,918</b>	<b>488,738</b>	<b>177,265</b>	<b>610,544</b>	<b>946,326</b>	<b>1,008,529</b>	<b>2,443,593</b>
Excess (Deficiency) of Revenue								
Over (Under) Expenditures	(241,856)	(236,318)	(478,174)	(3,453)	41,287	(120,683)	187,598	(411,259)
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	25,000	165,000	190,000	-	-	158,517	440,000	788,517
Operating transfers (out)	-	-	-	-	-	-	(367,868)	(367,868)
<b>Total Other Financing Sources</b>	<b>25,000</b>	<b>165,000</b>	<b>190,000</b>	<b>-</b>	<b>-</b>	<b>158,517</b>	<b>72,132</b>	<b>420,649</b>
<b>CHANGE IN FUND BALANCES</b>	<b>(216,856)</b>	<b>(71,318)</b>	<b>(288,174)</b>	<b>(3,453)</b>	<b>41,287</b>	<b>37,834</b>	<b>259,730</b>	<b>9,390</b>
Fund Balances - Beginning	312,312	72,532	384,844	164,436	627,743	792,179	396,074	1,573,097
Fund Balances - End of Year	\$ 95,456	\$ 1,214	\$ 96,670	\$ 160,983	\$ 669,030	\$ 830,013	\$ 655,804	\$ 1,582,487

