

# **TOWN OF SAN ANSELMO**

## ***California***

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**Annual Financial Report**  
**June 30, 2019**

### **Town Council**

**Matt Brown**  
**Ford Greene**  
**Brian Colbert**  
**Kay Coleman**  
**John Wright**

**Mayor**  
**Vice Mayor**  
**Member**  
**Member**  
**Member**

### **Appointed Officials**

***Town Manager***  
**David P. Donery**

***Finance & Administrative Services Director***  
**Helen Yu-Scott**

**TOWN OF SAN ANSELMO**

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# MARCELLO & COMPANY

## CERTIFIED PUBLIC ACCOUNTANTS

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Post Office Box 60127 / Sacramento, California 95860-0127

### 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, 2019, and the related notes to the financial statements, 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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules and schedules of funding progress, other postemployment benefits plan schedule of funding progress, and the respective budgetary comparison information of the general and major funds as listed in the table of contents 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Marcello & Company***

Certified Public Accountants  
Sacramento, California  
November 22, 2019

**MANAGEMENT'S DISCUSSION & ANALYSIS**

*As Prepared by Management  
(unaudited)*

**Town of San Anselmo  
Management's Discussion and Analysis  
June 30, 2019**

This discussion and analysis of the Town's financial activities and performance provides an overview for the fiscal year ended June 30, 2019. Please read this in conjunction with the Town's financial statements, which follow this discussion and analysis.

**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: Government-wide Financial Statements, Fund Financial Statements, and 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 similar to a private-sector business. They provide information about the activities of the Town as a whole and present a long-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.

**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 both short-term inflows and outflows of spendable resources and 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 the 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.

**Town of San Anselmo  
Management's Discussion and Analysis  
June 30, 2019**

The Town maintains 19 individual governmental funds. In the governmental funds balance sheet, and the statement of revenue, expenditures, and changes in fund balances, information is presented separately for the following funds considered to be major funds:

- General Fund
- Road Maintenance Fund
- Grants 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

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
- Isabel Cook Complex Fund
- Robson House Fund
- Special Events Fund
- Measure A Parks Fund
- Recreation 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.

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 obligations, and include the following funds:

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

Proprietary Funds

The Town currently reports one Internal Service fund; the Insurance 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.

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.

**Town of San Anselmo  
Management's Discussion and Analysis  
June 30, 2019**

**Notes to the 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 the Town's budgetary to actual comparison schedules, its schedule of funding progress for the other postemployment benefits plan, and its cost-sharing multiple-employer defined benefits pension plan schedule, which is administered by CalPERS as trustee for the plan. This report presents combining nonmajor fund financial statements, which follow the required supplementary information section.

**FINANCIAL HIGHLIGHTS**

**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 \$39,292,425, deferred outflows of resources at \$2,270,997, total liabilities of \$20,388,838, deferred inflows of resources at \$949,360, and net position of \$20,225,224.
- The Town's total revenue for governmental funds of \$26,374,478 was offset by total expenses of \$26,395,025, resulting in a decrease in governmental fund balances of \$20,547.
- The Town's capital assets totaled \$28,473,122, net of \$12,045,879 in accumulated depreciation.
- The Town's long-term debt and obligations totaled \$17,192,417 as of June 30, 2019, a decrease of \$1,215,460 over the prior fiscal year. The decrease is mainly contributed from payments made to reduce the general obligation bonds, pension obligation bonds, and municipal lease.

**Fund Financial Statement Highlights**

At the close of fiscal year 2019, the Town's governmental funds reported a combined ending fund balance of \$7,368,118 as compared to \$7,388,665 as of June 30, 2018, approximately the same as last year.

**Accomplishments for 2018-19**

- Road Resurfacing – Work completed this year includes numerous ADA curb ramps, paving on Meadowcroft Drive, Morningside Drive, Brookside Drive, and San Francisco Boulevard.
- Pavement Maintenance – Permanent pavement repair of large potholes, crack sealing and/or slurry sealing took place on various roads throughout San Anselmo, and new retaining walls constructed on Luna Lane, Scenic Avenue, The Alameda Avenue, and Summit Road. In addition, the Town constructed emergency repairs covered by FEMA on Summit Road and along San Anselmo Creek.
- Drainage – Drainage improvements were also included on the projects above.
- Low Impact Development Project – Work was completed on three bio-retention projects (partially grant funded) at Magnolia Avenue parking lot, a median on Greenfield Avenue and the green waste pad at the Corporation Yard.
- Utility Projects – Issued permits, performed inspections and reviewed PG&E, MMWD, and RVSD projects in excess of \$17 million valuation for 394 encroachment permits issued, including major sewer work on Butterfield Road and Morningside neighborhood.



**Town of San Anselmo**  
**Management's Discussion and Analysis**  
**June 30, 2019**

- Sales Tax Measure – In November 2013 the voters of San Anselmo passed a one-half percent 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 Measure D sales tax revenue was \$1,011,996 for 2018-19.
- Library Programming – A grant from the US Institute of Museum and Library Services through the California State Library funded a major technology upgrade in the Carnegie Reading room. A projection screen, recording equipment, and a sound system and monitor, enabled programs to be held in the library itself as well as continuous promotion of events and services. The “Take & Make” collection was launched for patron in-home use which includes a rock tumbler, a ukulele, a Go-Pro, an embroidery kit and more. Overdue fines were cut in half for adult and children’s DVDs and “Kanopy” was launched which is a movie streaming service available to San Anselmo residents.

Children’s programs include toddler story times, French and Spanish story times, Kiddo Crafternoons, reading clubs, Teen Library Council, and the very successful Summer Reading Program. Adult programs include the book clubs, Art Talk Tuesdays, sketchbook drawing classes, the bead meet up and participation in the Marin Comics Fest which is for all ages. The library continues to be a vibrant community resource due in part to the generosity of the Friends of the Library and to the library parcel tax.

- Community Events, Recreation and Volunteers – The Recreation Department develops programs, coordinates events, and manage facilities. The department is responsible for sports, Parkside Preschool, Robson-Aftercare, After-School Enrichment, summer and break camps and the Activity Guide. In addition, the Department encourages and facilitates community events such as Picnics on the Plaza, Country Fair Day and annual holiday events. Our sports programs, preschool, after-care programs and camps are thriving with children of all ages enjoying programs. The Ross Valley Seniors program brings seniors together on a monthly basis to enjoy lunch, games and lectures.
- Grants – The Town has been successful in procuring significant grants for infrastructure improvements, including grants for sidewalks, bridge replacement, a Complete Street grant to pave Sir Francis Drake from Tunstead to Bolinas, a bike spine grant, and a Hub Reconfiguration Study grant. Nokomis and Madrone Bridges are approximately 40% complete in design.
- Technology – In 2018-19, staff launched DocuSign and Dude Solutions software programs. DocuSign enables staff to send out documents for virtual signatures. Dude Solutions is a software for organizing facility needs. Various town staff from each department formed the Communications Team and worked on the Connect San Anselmo project. Connect San Anselmo is a web portal built for the end user to find and discover information more easily. Microsoft announced it will stop supporting Windows 7 in January 2020 and Cisco will be discontinuing the Smartnet firewall protection for our servers in August 2020. Because of this, most of the IT time has been mitigating future issues. This includes replacing and configuring workstations or upgrading workstations capable of running Windows 10 and data migration, role transfers and decommissioning of a couple of servers in 2019-20.

**Town of San Anselmo  
Management's Discussion and Analysis  
June 30, 2019**

**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:

<b>Statement of Net Position Comparison of FY 2019 and FY 2018</b>				
	June 30		Amount Change	Percent Change
	2019	2018		
<u>Assets</u>				
Current and other assets	\$ 10,819,303	\$ 9,890,486	\$ 928,817	9%
Capital assets, net	28,473,122	24,665,249	3,807,873	15%
Total assets	39,292,425	34,555,735	4,736,690	14%
<u>Deferred outflows</u>	2,270,997	2,194,449	76,548	3%
Totals	41,563,422	36,750,184	4,813,238	13%
<u>Liabilities</u>				
Current and other liabilities	3,028,292	2,243,305	784,987	35%
Noncurrent liabilities	17,360,546	18,638,914	(1,278,368)	-7%
Total liabilities	20,388,838	20,882,219	(493,381)	-2%
<u>Deferred inflows</u>	949,360	719,949	229,411	32%
Totals	21,338,198	21,602,168	(263,970)	-1%
<u>Net Position</u>				
Net investment in capital assets	23,540,379	18,949,985	4,590,394	24%
Restricted	2,812,297	1,862,517	949,780	51%
Unrestricted	(6,127,452)	(5,664,486)	(462,966)	8%
Total net position	\$ 20,225,224	\$ 15,148,016	\$ 5,077,208	34%

Net position of \$20,225,224 at June 30, 2019 as compared to \$15,148,016 at the close of the prior fiscal year changed due to the following:

- Receivables increased by \$1,807,010 due to increased tax revenue and grant reimbursements.
- Net capital assets increased by \$3,807,873 due to additional infrastructure projects, such as San Francisco Blvd Paving project, Magnolia Parking improvement, various retaining wall projects, etc.,
- Total liabilities decreased by \$493,381 due payments made to reduce the general obligation bonds, pension obligation bonds, and municipal lease.
- Noncurrent liabilities of \$17,360,546 included the unfunded net pension liability, noncurrent portion of insurance claim liabilities, the noncurrent portion of long-term debt, and the postemployment benefit plan obligation.

**Town of San Anselmo  
Management's Discussion and Analysis  
June 30, 2019**

**General Government Functions**

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:

<b>Statement of Activities Comparison of FY 2019 and 2018</b>				
	June 30		Amount Change	Percent Change
	2019	2018		
<b><u>Revenue</u></b>				
Program revenue	\$ 4,877,658	\$ 3,058,944	\$ 1,818,714	59%
General revenue	19,083,902	17,734,094	1,349,808	8%
Total revenue	23,961,560	20,793,038	3,168,522	15%
<b><u>Expenses</u></b>				
General government	2,518,983	2,946,737	(427,754)	-15%
Public safety	8,471,476	8,128,759	342,717	4%
Planning/engineering	1,581,614	1,848,836	(267,222)	-14%
Public works/streets	2,018,687	3,085,155	(1,066,468)	-35%
Recreation, parks, library	3,217,947	3,878,274	(660,327)	-17%
Other	1,075,645	1,216,749	(141,104)	-12%
Total expenses	18,884,352	21,104,510	(2,220,158)	-11%
Change in Net Position	5,077,208	(311,472)	5,388,680	-1730%
Net Position - beginning	15,148,016	15,459,488	(311,472)	-2%
Net Position - end of year	\$ 20,225,224	\$ 15,148,016	\$ 5,077,208	34%

- Total revenue increased by \$3,168,522 due primarily to increased tax revenue and grant reimbursements for various capital projects.
- Total expense decreases were due to the nature of allocations of expenses in the government-wide statements and the continuing impact of GASB 68 (Pension Plan expense) and GASB 75 (OPEB retiree medical benefits plan expense). When the expected Discount Rate (return on investments) on these two plans is less than anticipated, the difference is amortized over a five-year period.
- Public safety expenses increased by \$342,717 primarily due to the cost of services increased for FY2018-2019.

**FINANCIAL 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 No. 01 revenue exceeded budgeted revenue by \$884,539. This includes property tax exceeding the budgeted amount by \$400,313, and sales tax exceeding the budget by \$261,774. Expenditures and *transfers out* for the General Fund were \$532,832 less than the budgeted amount, mainly because of the Town recorded its \$500,000 Pension Trust contribution as the Town's asset instead of expenditure due to GASB 67 requirements.

**Town of San Anselmo  
Management's Discussion and Analysis  
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Road Maintenance Fund

During fiscal year 2018-19, revenue and transfers in for the Road Maintenance fund was collected in the amount of \$1,520,817, which was approximately \$94,000 more than the budgeted amount. Expenditures for the year totaled \$1,730,105. The ending balance decreased by approximately \$209,000.

Grants Fund

The Grants fund's purpose is to track grant proceeds, mainly those associated with street resurfacing and other capital improvement projects. For fiscal year 2018-19, revenue exceeded expenditures by \$8,372.

Isabel Cook Complex Fund

The Isabel Cook Complex fund had a negative beginning fund balance of (\$50,834). Revenue exceeded expenditures in fiscal year 2018-19 by \$25,067, bringing the ending fund balance to negative (\$25,767). This fund receives its revenue through rental income.

Capital Assets and Debt Administration

Capital Assets - the Town's investment in capital assets at year end was \$28,476,122, net of depreciation; an increase of \$3,870,873 as compared with the previous fiscal year, primarily due to infrastructure improvements.

Long-term Debt and Obligations- the Town had \$17,192,417 outstanding in long-term debt and obligations (not including insurance claims). This is a decrease of \$1,215,460 as compared to the prior fiscal year. This decrease is primarily due to payments made to reduce the general obligation bonds, pension obligation bonds, and municipal lease.

**ECONOMIC OUTLOOK AND BUDGET FOR 2019-2020**

**Revenue:** The California economy continues to rebound from the recession to officially reach the longest economic expansion in US history. The rising housing market and consistent job growth contribute to the strong operating results of the Town's general fund. However, growth is beginning to slow. Our secured property tax revenue is projected to show an increase over 2018-19 figures of 3%. Approximately 76% of our General fund revenue comes from property tax revenue.

Sales tax and use tax (Measure D) combined, represent the Town's second largest tax revenue generators. It has achieved a 9% gain over the previous year, which will start leveling off. The trend of consumer spending continues to shift away from brick-and-mortar locations to online retailers.

**Expenditures:** The 2019-20 Town Budget represents the status quo in most Department budgets. Employee-related expenses make up approximately 77% of the Town expenditures, including the Fire and Police Departments. Town employees received a 3% salary increase in the 2019-20 fiscal year.

In 2006, the Town's Miscellaneous Employees 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. On January 1, 2013 the California Public Employees' Pension Reform Act of 2013 (PEPRA) went into effect. The pension reform bill impacts new public employees and establishes a cap on the amount of compensation that can be used to calculate a retirement benefit. In 2019-20, more than 80% of the Town's employees were enrolled in the two lower cost tiers.

In 2019-20, employer pension rates for the pension tiers are 13.182 % for the Tier 1 plan, 10.221% for the Tier 2 plan, and 6.985% for the PEPRA group. In addition to this percentage of salary normal cost rates, the Town is also required to pay a lump sum payment of \$525,019 towards its unfunded pension liability.

The Town's experience rating 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 \$450,000 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 fund our outstanding claims going forward.

**Town of San Anselmo  
Management's Discussion and Analysis  
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**Grants:** The proposed budget reflects a number of grants, some awarded in earlier years. Grants are accounted for in the Grant Fund with the majority requiring no matching funds by the Town. Figures below indicate the total amount of each grant. Actual budgeted expenditures for 2019-20 are, in many cases, less than the total amount of the grant since projects usually span multiple years. Grants include:

- Federal Highway Bridge Program funding to rebuild the bridge over San Anselmo Creek at Nokomis Avenue. Total grant for design is estimated at \$1,235,975, but approximately \$365,000 is scheduled to be expended this year. There is no required match for this bridge grant.
- Federal Highway Bridge Program funding to rebuild the bridge over San Anselmo Creek at Madrone Avenue. Total grant for design is \$1,267,875, with approximately \$381,000 scheduled to be expended this year. There is a required match of 11.5% that is being covered by the County of Marin Flood Zone 9 Flood Fee.
- Zero Waste Grant, funding to work toward our goal of zero waste with a grant amount of \$38,000.
- CalRecycle grant for managing recycling and waste recovery, \$5,000 total.
- Bridge Preventative Maintenance Program. Funds were granted by the State for preventative maintenance in the total amount of approximately \$1.2 million on three bridges consisting of Center Boulevard Bridge at Lansdale, Sir Francis Drake Bridge at Tunstead, and Barber Avenue Bridge. This funding is for bridges that do not need to be replaced but that need preventative maintenance. This fiscal year's funding is expected to be approximately \$157,006 total (\$139,000 from the grant, and \$18,000 local match).
- Bike Spine grant providing safe bike paths along school corridors, \$269,000 total and \$35,313 this year.
- TAM has allocated a \$350,000 grant to design and construct sidewalks and other pedestrian improvements along Butterfield Road from Brookside School to Sir Francis Drake Boulevard (SFD), and along on SFD to the Fairfax Town Limit. The design process is underway and the total cost is \$102,000 (\$57,000 from the grant, and \$45,000 local match).
- Hub Reconfiguration Study to look at alternatives to improve traffic flow. The total grant is \$309,000, with a local match of \$41,000.
- Red Hill Median Project – This project will be funded by an anonymous donation, the Red Hill Median project will replace the dead and diseased elm trees in the Red Hill Median with new trees and understory plants, along with bio-retention to treat the stormwater runoff. The donation is approximately \$1,500,000.
- SB 2 Grant from the Building Homes and Jobs Act (SB 2, 2017), which established a \$75 recording fee on real estate documents to increase the supply of affordable homes in California. The Town will receive \$160,000 to help prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production. The funds are planned to be spent on objective design and development standards for multifamily development; Accessory Dwelling Unit (ADU) website and workbook; and inclusionary housing ordinance, fee and residential and commercial nexus study.
- Sir Francis Drake Boulevard Rehabilitation from the Hub to Bolinas Avenue. This is a Completes Streets grant that will pay for repaving, pedestrian and bicyclist improvements in the amount of \$1,134,000. This year's budget amount is \$145,000 for design.

**Town of San Anselmo  
Management's Discussion and Analysis  
June 30, 2019**

**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 older, outdated equipment.
- Restoring Town services that were previously cut, 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 5-Year Capital Improvement Plan (CIP) was prepared by staff in 2018-2019. It was reviewed and recommended to the Town Council by the Capital Program Monitoring Committee. It was also reviewed by the Planning Commission for compliance with the California Environmental Quality Act and conformance with the Town's General Plan. Construction planning for 2019-20 is underway and reflected in the Road Maintenance Fund and Measure D Sales Tax Fund. The entire 5-year plan is available on the Town's website at:

[https://sananselmo-ca.granicus.com/MetaViewer.php?view\\_id=1&clip\\_id=372&meta\\_id=60807](https://sananselmo-ca.granicus.com/MetaViewer.php?view_id=1&clip_id=372&meta_id=60807)

The budget also 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.

**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 special Library services tax. The Measure D Sales Tax Fund tracks activity related to capital projects funded through the fund.

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 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  
(415) 258-4678

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TOWN OF SAN ANSELMO**  
**Government-wide Financial Statements**  
**Statement of Net Position**  
**June 30, 2019**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and investments	\$ 7,266,964
Receivables	2,931,125
Prepaid expenses	119,792
Investment with Pension Trust	501,422
Total current assets	<u>10,819,303</u>
<b>Noncurrent Assets</b>	
Capital assets not being depreciated	4,405,056
Capital assets, net of depreciation	24,068,066
Total noncurrent assets	<u>28,473,122</u>
Total assets	<u>39,292,425</u>
<b>Deferred Outflows of Resources</b>	
Deferred pension contributions	1,965,102
Deferred retirement medical plan contributions	305,895
Total assets and deferred outflows of resources	<u>41,563,422</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Payables	1,077,524
Accrued interest	122,360
Deposits	1,393,001
Deferred revenue	366,373
Insurance claims payable	69,034
Total current liabilities	<u>3,028,292</u>
<b>Noncurrent Liabilities</b>	
Due within one year	1,299,917
Due in more than one year	15,892,500
Insurance claims due in more than one year	168,129
Total noncurrent liabilities	<u>17,360,546</u>
Total liabilities	<u>20,388,838</u>
<b>Deferred Inflows of Resources</b>	
Deferred pension inflows	845,201
Deferred retirement medical plan inflows	104,159
Total liabilities and deferred inflows of resources	<u>21,338,198</u>
<b>NET POSITION</b>	
Net investment in capital assets	23,540,379
Restricted	2,812,297
Unrestricted	(6,127,452)
Total net position	<u>\$ 20,225,224</u>

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



**TOWN OF SAN ANSELMO**  
**Government-wide Financial Statements**  
**Statement of Activities**  
**Year Ended June 30, 2019**

<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	\$ 2,518,983	\$ -	\$ 18,463	\$ -	\$ (2,500,520)
Public safety-police	4,385,056	-	-	-	(4,385,056)
Public safety-fire	4,086,420	-	-	-	(4,086,420)
Planning/engineering	1,581,614	140,931	-	-	(1,440,683)
Public works/streets	2,018,687	332,766	439,365	2,206,213	959,657
Recreation, parks, library	3,217,947	1,739,920	-	-	(1,478,027)
Depreciation	713,422	-	-	-	(713,422)
Interest Expense	362,223	-	-	-	(362,223)
Totals	<u>\$ 18,884,352</u>	<u>\$ 2,213,617</u>	<u>\$ 457,828</u>	<u>\$ 2,206,213</u>	<u>(14,006,694)</u>

**General Revenue**

Property taxes	13,970,142
Sales taxes	2,716,922
Franchise fees	764,120
Fines and forfeitures	227,425
Use of property and money	230,918
Licenses and permits	1,037,296
Other revenue	137,079
Total	<u>19,083,902</u>

Change in Net Position	5,077,208
Net Position - beginning	15,148,016
Net Position - end of year	<u>\$ 20,225,224</u>

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

***FUND FINANCIAL STATEMENTS***

**TOWN OF SAN ANSELMO**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	<u>General Fund</u>	<u>Road Maintenance</u>	<u>Grants Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and investments	\$ 4,622,422	\$ 647,458	\$ -	\$ 2,862,507	\$ 8,132,387
Receivables	1,457,160	146,715	1,259,130	68,120	2,931,125
Prepaid expenses	40,486	1,901	-	61,831	104,218
Investment with Pension Trust	501,422	-	-	-	501,422
Total assets	<u>\$ 6,621,490</u>	<u>\$ 796,074</u>	<u>\$ 1,259,130</u>	<u>\$ 2,992,458</u>	<u>\$ 11,669,152</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Payables	\$ 277,342	\$ 636,554	\$ 60,569	\$ 99,478	\$ 1,073,943
Cash overdraft	257,397	-	1,149,240	61,080	1,467,717
Deposits	1,389,396	-	-	3,605	1,393,001
Deferred revenue	-	-	22,500	343,873	366,373
Total liabilities	<u>1,924,135</u>	<u>636,554</u>	<u>1,232,309</u>	<u>508,036</u>	<u>4,301,034</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	542,831	159,520	26,821	2,083,125	2,812,297
Committed	-	-	-	-	-
Assigned	471,918	-	-	403,967	875,885
Unassigned	3,682,606	-	-	(2,670)	3,679,936
Total fund balances	<u>4,697,355</u>	<u>159,520</u>	<u>26,821</u>	<u>2,484,422</u>	<u>7,368,118</u>
Total liabilities and fund balances	<u>\$ 6,621,490</u>	<u>\$ 796,074</u>	<u>\$ 1,259,130</u>	<u>\$ 2,992,458</u>	<u>\$ 11,669,152</u>

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

**TOWN OF SAN ANSELMO**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2019**

Total fund balances - governmental funds (page 14)	\$ 7,368,118
Amounts reported for governmental activities in the statement of net position are different because:	
(1) Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the balance sheet.	28,473,122
(2) Pension plan contributions are reported as deferred outflows of resources in the statement of net position.	1,965,102
(3) Other post-retirement employee medical benefit plan contributions are reported as deferred outflows of resources in the statement of net position.	305,895
(4) Accrued interest payable on long-term debt is reported in the statement of net position.	(122,360)
(5) Long-term liabilities and obligations are not due and payable in the current period and therefore, are not reported in the governmental funds balance sheet. All such liabilities are reported in the statement of net position.	(17,192,417)
(6) Deferred pension plan inflows of resources are not recognized as revenue in the governmental funds financial statements.	(845,201)
(7) Other post-retirement employee medical benefit plan inflows of resources are not recognized as revenue in the governmental funds financial statements.	(104,159)
(8) Internal Service Funds are used by management to charge the cost of insurance to one fund. Those assets and liabilities are included in governmental activities in the statement of net position.	<u>377,124</u>
Net position of governmental activities (page 12)	<u><u>\$ 20,225,224</u></u>

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

**TOWN OF SAN ANSELMO**  
**Statement of Revenue, Expenditures, and Change in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2019**

	<b>General Fund</b>	<b>Road Maintenance</b>	<b>Grants Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUE</b>					
Property taxes	\$ 12,825,891	\$ -	\$ -	\$ 1,144,251	\$ 13,970,142
Sales taxes	2,613,863	-	-	103,059	2,716,922
Franchise fees	764,120	-	-	-	764,120
Fines and forfeitures	227,425	-	-	-	227,425
Use of money and property	65,360	1,994	-	163,564	230,918
Intergovernmental and agency	452,828	-	1,697,484	513,729	2,664,041
Licenses and permits	1,037,296	-	-	-	1,037,296
Charges for services	140,931	332,766	-	1,739,920	2,213,617
Other revenue	118,645	-	-	18,434	137,079
Total revenue	<u>18,246,359</u>	<u>334,760</u>	<u>1,697,484</u>	<u>3,682,957</u>	<u>23,961,560</u>
<b>EXPENDITURES</b>					
Current -					
Town administration	1,379,514	-	-	-	1,379,514
Non-departmental	940,094	-	20,414	109,455	1,069,963
Public safety - police	4,385,056	-	-	-	4,385,056
Public safety - fire	4,086,420	-	-	-	4,086,420
Streets	918,778	1,730,105	-	-	2,648,883
Community development	1,867,953	-	1,668,698	117,692	3,654,343
Library	640,668	-	-	291,196	931,864
Parks and recreation	630,764	-	-	1,585,813	2,216,577
Capital projects	1,494,650	-	-	184,708	1,679,358
Debt service	518,433	-	-	1,011,696	1,530,129
Total expenditures	<u>16,862,330</u>	<u>1,730,105</u>	<u>1,689,112</u>	<u>3,300,560</u>	<u>23,582,107</u>
Excess of Revenue					
Over (Under) Expenditures	<u>1,384,029</u>	<u>(1,395,345)</u>	<u>8,372</u>	<u>382,397</u>	<u>379,453</u>
Other Financing Sources / (Uses)					
Operating transfers in	558,344	1,186,057	-	668,517	2,412,918
Operating transfers (out)	(2,251,517)	-	-	(561,401)	(2,812,918)
Total other financing sources	<u>(1,693,173)</u>	<u>1,186,057</u>	<u>-</u>	<u>107,116</u>	<u>(400,000)</u>
<b>CHANGE IN FUND BALANCES</b>	(309,144)	(209,288)	8,372	489,513	(20,547)
Fund balances - beginning	5,006,499	368,808	18,449	1,994,909	7,388,665
Fund balances - end of year	<u>\$ 4,697,355</u>	<u>\$ 159,520</u>	<u>\$ 26,821</u>	<u>\$ 2,484,422</u>	<u>\$ 7,368,118</u>

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

**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, 2019**

Change in fund balances - governmental funds (page 16) \$ (20,547)

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

Capital Assets

- (1) The acquisition of capital assets uses current financial resources but has no effect on net position. 4,521,295
- (2) The cost of capital assets is allocated over their estimated useful lives and and reported as depreciation expense in the statement of activities. (713,422)

Measurement focus

- (3) Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.
  - Change in accrued interest expense on long-term debt 84,618
  - Change in compensated absences expense liability (32,059)
  - Change in net pension plan expense liability and deferrals (266,216)
  - Change in net OPEB plan expense liability and deferrals 70,053

Long-term Liabilities and Obligations

- (4) Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,215,460

Internal Service funds

- (5) Internal service funds are used by management to charge the costs of insurance to an individual fund. The net revenue (loss) is reported with governmental activities in the statement of activities. 218,026

Change in net position of governmental activities (page 13) \$ 5,077,208

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

**TOWN OF SAN ANSELMO  
Proprietary Funds  
Statement of Net Position  
June 30, 2019**

	<b>Governmental Activities Internal Service Fund</b>
<b>ASSETS</b>	
Cash and investments	\$ 602,294
Receivables	-
Prepaid expenses	15,574
Total assets	617,868
<b>LIABILITIES</b>	
Current liabilities:	
Payables	3,581
Claims payable - current	69,034
Total current liabilities	72,615
Noncurrent liabilities:	
Claims payable - due in more than one year	168,129
Total liabilities	240,744
<b>NET POSITION</b>	
Unrestricted	377,124
Total net position	\$ 377,124

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

**TOWN OF SAN ANSELMO**  
**Proprietary Funds**  
**Statement of Revenue, Expenses, and Change in Net Position**  
**Year Ended June 30, 2019**

	<b>Governmental            Activities            Internal Service            Fund</b>
<b>OPERATING REVENUE</b>	
Charge for services	\$ -
<b>OPERATING EXPENSES</b>	
Insurance costs	<u>181,974</u>
Operating income (loss)	(181,974)
Transfers in	<u>400,000</u>
<b>CHANGE IN NET POSIION</b>	218,026
Net Position - beginning	<u>159,098</u>
Net Position - end of year	<u><u>\$ 377,124</u></u>

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



**TOWN OF SAN ANSELMO  
Proprietary Funds  
Statement of Cash Flows  
Year Ended June 30, 2019**

<b>CASH FLOWS PROVIDED BY (USED FOR)</b>	<b>Governmental Activities Internal Service Fund</b>
<b>Operating Activities</b>	
Cash paid to vendors and insurance claims	\$ (277,417)
Net cash provided (used)	<u>(277,417)</u>
<b>Noncapital Financing Activities</b>	
Transfers in	400,000
Net cash provided (used)	<u>400,000</u>
<b>Net Increase (Decrease) in Cash</b>	
Cash and cash equivalents - beginning	479,711
Cash and cash equivalents - end of year	<u>\$ 602,294</u>
<b>Operating Activities Analysis</b>	
Operating Income (Loss)	\$ (181,974)
Reconciliation adjustments:	
(Increase) decrease in receivables	2,711
(Increase) decrease in prepaid expenses	(361)
Increase (decrease) in payables	1,432
Increase (decrease) in claims	(99,225)
Net cash provided (used)	<u>\$ (277,417)</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, 2019**

	<u>Agency Fund</u>
<b>Assets</b>	
Cash and investments	\$ 8,636
<b>Liabilities</b>	
Deposits - Snack Shack food concession stand	\$ 8,636

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

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

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 - Other Postemployment Benefits Plan (OPEB)
- 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 - New Pronouncements
- Note 15 - Fund Balance Designations Section of the Balance Sheet

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

***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 Climate and Energy Partnership
- 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***

**Basis of Presentation**

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants as applicable to governments. The following is a summary of the more significant policies.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary 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 and indirect expenses of a given function or segment are 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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenue are reported instead as general revenue. Expenses reported for functional activities include allocated indirect expenses.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the later are excluded from the government-wide financial statements. Major

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

The accounting system of the Town is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenue, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operation fund of the Town, or the government has determined that a fund is important to the financial statement user, or it meets the following criteria:

- Total assets, liabilities, revenue, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10% of the corresponding total for all funds of that category or type.
- Total assets, liabilities, revenue, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Fund Types

Governmental funds are those through which most general government functions typically are financed. The Town maintains the following fund types:

- General Fund - this fund accounts for all unrestricted resources except those required to be accounted for in another fund.
- Special Revenue Funds - these funds are used to account for the proceeds of specific revenue resources (other than major capital projects) that are legally restricted to expenditures for specified purposes.
- Capital Projects Funds - these funds are used to account for financial resources to be used for the acquisition, improvements or construction of streets, infrastructure and major capital projects.
- Proprietary Fund Types - these funds are used to account for activities that are similar to those found in the private sector. The measurement focus is upon determination of net income and cost reimbursement.
  - (1) *Enterprise Funds* are established to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the Town is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Town currently does not have enterprise funds.
  - (2) *Internal Service Funds* are established to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town, and to other government units on a cost reimbursement basis. The Town's self-insurance employee benefit program is reported as internal service funds.
- Fiduciary Fund Types - these funds are used to account for assets held by the Town as a trustee or agent for individuals, private organizations, and other units of governments.

Major Funds

The following are the Town's major funds this year:

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

- *General Fund* - this fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- *Road Maintenance Fund* - this fund is used to account for road impact fee revenue that is restricted for road maintenance expenditures.
- *Grants Fund* - this fund is used to account for various intergovernmental revenue sources that are restricted primarily for road and infrastructure repair and improvement expenditures.

**Measurement Focus**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. The government-wide statement of net position and the statement of activities, and both governmental and business-type activities are presented using the economic resources measurement focus. The accounting objectives of the economic measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used, as appropriate. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The proprietary fund utilizes an "economic resources" measurement focus. Proprietary fund equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**Basis of Accounting**

In the government-wide statement of net position, and in the statement of activities, both governmental and business-like activities are presented using the "accrual basis of accounting." Under the accrual basis of accounting, revenue is recognized when earned, and expenses are recorded when the liability is incurred and the amount of obligation is ascertainable. Revenue, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the "modified accrual basis of accounting." Under this modified accrual basis of accounting, revenue is recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Revenue which is susceptible to accrual includes property taxes and special assessments that are levied for and due for the fiscal year and collected within 60 days after year-end. Licenses, permits, fines, penalties, charges for services, and miscellaneous revenue are recorded as governmental fund type revenue when received in cash because they are not generally measurable until actually received. Revenue from taxpayer assessed taxes, such as sales taxes, are recognized in the accounting period in which they became both measurable and available to finance expenditures of the fiscal period. Grant revenue, which is normally reimbursements of expenses under contractual agreements, is recorded as a receivable when earned rather than when susceptible to accrual. Generally, this occurs when authorized expenditures are made under the grant program or contractual agreement. Expenditures are recognized

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

when the fund liability is incurred, if measurable, except for unmatured interest on long-term debt in the governmental funds, which is recognized when due.

Proprietary funds use the “accrual basis of accounting” which records the financial effect on an enterprise of transactions and other events and circumstances that have cash consequences for an enterprise in the periods in which those transactions, events and circumstances occur rather than only when cash is received or paid by the enterprise.

**Budgetary Data**

General Budget Policies: the Town maintains budgetary controls of which the objective is to ensure compliance with legal provisions embodied in the annual budget approval by the Town Council. Budgetary control for operations is maintained at the department level by individual funds. Budgetary control for capital improvement projects (i.e., project-length financial plans) is maintained at the individual project level by fund. The Town’s budgeted expenditure authority lapses at the end of each fiscal year. However, outstanding purchase order commitments or capital improvement projects may be re-appropriated for the subsequent fiscal year upon Town Council approval.

Budget Basis of Accounting: budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America as prescribed by the GASB and the AICPA. The Budgetary Comparison Schedule of the general fund presents comparisons of legally adopted budget amounts (both the original budget and final budget), and actual amounts, on the budgetary basis. The budgeting basis is substantially equivalent to the Town's accounting basis; thus no reconciliation between the two is considered necessary.

**Other Accounting Policies**

**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.

**Restricted Assets**

Certain cash and investments of the Town are classified as restricted because their uses are limited by revenue sources. When an expense is incurred for purposes for which there are both restricted and unrestricted cash assets available, restricted cash is used first, then unrestricted cash as it is needed

**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

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

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

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 by GASB, small governments are allowed to report infrastructure assets prospectively beginning in fiscal year 2003-04.

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.

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 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:

- Net Investment in capital assets - 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.



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

Other Postemployment Benefits Plan (OPEB)

In government-wide financial statements, as required by GASB Statement No. 75, OPEB plans are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as OPEB expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

The Town recognizes a net OPEB liability, which represents the excess of the total OPEB liability over the fiduciary net position (*plan assets owned*) as reflected in the actuarial report provided by the plan actuarial analyst. The net OPEB liability is measured as of the Town's prior fiscal year-end. Changes in the net OPEB liability are recorded, in the period incurred, as OPEB expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net OPEB 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 OPEB plan and are recorded as a component of OPEB expense beginning with the period in which they are incurred.

Pension Plan

In government-wide financial statements, retirement plans 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.

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 (*plan assets owned*) 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.

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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 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.

**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

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interested persons.

3. Prior to July 1, the budget is adopted through the passage of a resolution.
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 2018-19, the Town received 58% of its total revenue from one source; property taxes. Sales tax provided 11% of total revenue. Any reduction in assessed property values or reductions in the Town's property tax share due to the State's ongoing budget issues 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, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 7,266,964
Statement of Fiduciary Net Assets	
Cash and investments	8,636
	<u>\$ 7,275,600</u>
Cash and Investments are comprised of the following:	
Deposits with financial institutions:	
checking accounts	1,394,817
Investment with Local Agency Investment Fund	5,880,783
	<u>\$ 7,275,600</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

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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, 2019, PMIA had approximately \$106 billion in investments. Audited financial statements of PMIA may be obtained from the California State Treasurer.

The fair value of the Town's investment in this pool is reported in the accompanying financial statements at amounts based upon the Town's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (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)	\$5,880,783	6 months average maturity, 2.4% 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 81% 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 \$2,425,329 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

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(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**

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
Construction-in-progress	688,959	1,124,247	-	1,813,206
	<u>3,280,809</u>	<u>1,124,247</u>	<u>-</u>	<u>4,405,056</u>
<i><u>Depreciable Assets</u></i>				
Buildings and improvements	15,085,711	1,152,219	-	16,237,930
Furniture and equipment	1,368,306	141,355	-	1,509,661
Infrastructure	16,262,880	2,103,474	-	18,366,354
	32,716,897	3,397,048	-	36,113,945
<i><u>Accumulated Depreciation</u></i>	<u>(11,332,457)</u>	<u>(713,422)</u>	<u>-</u>	<u>(12,045,879)</u>
Depreciable assets, net	<u>21,384,440</u>	<u>2,683,626</u>	<u>-</u>	<u>24,068,066</u>
Total capital assets, net	<u>\$ 24,665,249</u>	<u>\$ 3,807,873</u>	<u>\$ -</u>	<u>\$ 28,473,122</u>

Annual depreciation expense was charged to department functions and programs based upon their use of the related capital assets:

Engineering	\$ 290,982
Public safety fire dept.	839
Town administration	172,751
Parks	20,095
Recreation	14,067
Streets	214,688
	<u>\$ 713,422</u>

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**Note 6 - Long-term Obligations**

The following is a summary changes in the Town's long-term debt and obligations as reported in the Government-wide financial statements:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>	<u>Due Within One Year</u>
2003 General Obligation	\$ 1,765,000	\$ -	\$ (110,000)	\$ 1,655,000	\$ 110,000
2011 General Obligation	3,250,000	-	(545,000)	2,705,000	545,000
2012 Pension Obligation	1,412,000	-	(470,000)	942,000	470,000
Municipal Lease	700,264	-	(127,521)	572,743	127,521
Due to BCJPIA	500,000	-	-	500,000	-
Net pension liability	7,789,536	-	(117,262)	7,672,274	-
Net OPEB liability	2,833,554	122,264	-	2,955,818	-
Compensated absences	157,523	32,059	-	189,582	47,396
	<u>\$ 18,407,877</u>	<u>\$ 154,323</u>	<u>\$ (1,369,783)</u>	<u>\$17,192,417</u>	<u>\$ 1,299,917</u>

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 or department. Vested compensated absences are payable in accordance with various collective bargaining agreements. At year end, \$189,582 was reported in the statement of net position of which \$47,396 (25%) is estimated to be paid within the next fiscal year.

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 \$193,000 increasing annually, with an average annual interest rate of 4.5%. The debt matures in fiscal year 2028-29.

2011 General Obligation Bonds

On April 21, 2011, the Town issued \$5,955,000 of 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 \$660,000 increasing annually, with a current average annual interest rate of 3.2% that increases with time. The debt matures in fiscal year 2025-26.

2012 Pension Obligation Bonds

On May 29, 2012, the Town issued \$3,583,000 of 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 \$517,000 increasing annually with an annual interest rate of 3.6%. The debt matures in fiscal year 2021-22.

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Future bond payment requirements consist of the following:

Year Ending					
June 30,	2003 Bonds	2011 Bonds	2012 Bonds	Interest	Total
2020	\$ 115,000	\$ 575,000	\$ 504,000	\$ 213,097	\$ 1,407,097
2021	125,000	620,000	211,000	173,484	1,129,484
2022	135,000	450,000	227,000	135,187	947,187
2023	145,000	475,000	-	104,836	724,836
2024	155,000	185,000	-	79,238	419,238
2025-2029	980,000	400,000	-	175,605	1,555,605
	<u>\$ 1,655,000</u>	<u>\$ 2,705,000</u>	<u>\$ 942,000</u>	<u>\$ 881,447</u>	<u>\$ 6,183,447</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 effective interest rate of 4.635% per annum.

Year Ending June 30,	Principal	Interest	Total Payments
2020	\$ 133,500	\$ 25,017	\$ 158,517
2021	139,759	18,758	158,517
2022	146,312	12,205	158,517
2023	153,172	5,345	158,517
	<u>\$ 572,743</u>	<u>\$ 61,325</u>	<u>\$ 634,068</u>

Due to BCJPIA

In fiscal year 2003, the Town acquired a real estate parcel a cost of \$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 (BCJPIA), paid \$500,000 of the stabilization costs for which BCJPIA will be reimbursed by the Town in the eventual sale of the land. The Town has no plans to sell the property within the next fiscal year.

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**Note 7 - Interfund Transfers**

Operating interfund transfers for the fiscal year comprise the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 308,344	\$ 2,251,517
Road Maintenance fund	1,186,057	-
Gasoline Tax fund	-	513,729
Recreation fund	-	47,672
Capital Reconstruction fund	220,000	-
Equipment Replacement fund	200,000	-
Community Facilities Master Plan fund	30,000	-
Robson House fund	60,000	-
Emergency Reserve fund	250,000	-
Municipal Lease fund	158,517	-
Internal Service fund - Insurance fund	400,000	-
	<u>\$ 2,812,918</u>	<u>\$ 2,812,918</u>

**Note 8 - Other Postemployment Benefits Plan (OPEB)**

Plan Description and Eligibility

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.

California Public Employees Retirement System Trust

In fiscal year 2018-19, the Town elected to begin prefunding its OPEB obligation through the use of an irrevocable trust established with the California Employers' Retiree Benefit Trust Fund (CERBT). This trust fund is an agent multiple-employer plan which is administered by the CalPERS Board of Administration. The trust will be used to accumulate and invest funds necessary to pay for future retiree benefits and to reduce the Town's future cash flow requirements. The Town contributed \$100,000 to the trust in fiscal year 2018-19. As of June 30, 2019 the trust account balance was \$101,096.

Contributions

The obligation of the Town to contribute to the Plan is established and may be amended by the Town Council. For this fiscal year end, the Town's average contribution rate was not applicable. Employees are currently not required to contribute to the plan.

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The June 30, 2017 valuation was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018



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Reporting Date	June 30, 2019
Actuarial Assumptions:	
Funding Method	Entry age normal cost, level of percent of pay
Amortization Method	Straight-line amortization over a closed 5-year period
Discount Rate	2.98% for fiscal year end June 30, 2019
General Inflation	2.75%
Payroll Growth Rate	3.25%
Participation Rate	100% for employees that qualify for subsidized coverage, and 50% for future employees
Spouse Coverage	60% of future retirees
Healthcare Cost Trend Rate	8.00% effective January 1, 2018
Mortality Factors	CalPERS 2014 Experience Study

Funded Status

Total OPEB Plan Liability	\$ 2,955,818
Plan Fiduciary Net Position ( <i>assets owned</i> )	-
Net OPEB Plan Liability	2,955,818
OPEB plan expense for the fiscal year	\$ 189,266

Discount Rate

Valuation results were computed at a 2.98% discount rate, which the Actuary has determined is a reasonable long-term assumption of the Town's expected return on its investments.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town calculated using the discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. The impact of a 1% increase or decrease in these assumptions is shown in the chart below:

	Discount Rate -1%	Current Discount	Discount Rate +1%
	<u>1.98%</u>	<u>Rate 2.98%</u>	<u>3.98%</u>
Net OPEB liability / (asset)	\$ 3,404,367	\$ 2,955,818	\$ 2,598,456

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability calculated using the Healthcare Cost Trend discount rate assumed to start at 8.0% (effective January 1, 2018) down grade down to 5% for years 2024 and thereafter.

The impact of a 1% increase or decrease in these assumptions are shown in the chart below:

	Discount Rate -1%	Current Discount	Discount Rate +1%
	<u>1.98%</u>	<u>Rate 2.98%</u>	<u>3.98%</u>
Net OPEB liability / (asset)	\$ 2,560,914	\$ 2,955,818	\$ 3,649,027

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Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 259,319	\$ -
Differences between projected and actual experience	-	-
Changes of assumptions	46,576	104,159
Net difference between projected and actual earnings of OPEB Plan investments	-	-
Totals	<u>\$ 305,895</u>	<u>\$ 104,159</u>

The Town will recognize the Deferred Contributions in the next fiscal year. In addition, future recognition of these deferred resources is shown below:

<u>Year Ending June 30:</u>	
2020	(24,644)
2021	(24,644)
2022	(18,388)
2023	10,093

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

Overview of the Plan

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68), requires public employers to comply with new accounting and financial reporting standards. GASB 68 outlines a different approach to the recognition and calculation of pension obligations. Under GASB 68, employers that participate in a defined benefit pension plan administered as a trust or equivalent arrangement are required to record their portion of the net pension liability, pension expense, and deferred outflows/deferred inflows of resources related to pensions in their financial statements as part of their financial position. Net pension liability is the plan's total pension liability based on the entry age normal actuarial cost method less the plan's fiduciary net position. This may be a net pension asset when the Plan's fiduciary net position exceeds its total pension liability. Pension expense is the change in net pension liability from the previous reporting period to the current reporting period less adjustments. This may be a negative expense (pension income), which should be reported as a credit in pension expense. Deferred outflows of resources and deferred inflows of resources related to pensions are certain changes in total pension liability and fiduciary net position that are to be recognized in future pension expense.

Public Agency Retirement System Trust

On March 26, 2019, Town Council passed a resolution to participate in the Public Agency Retirement System (PARS) Pension Benefits Trust Program, an irrevocable trust established to prefund pension obligations. The trust will be used to accumulate and invest funds necessary to pay for future retiree benefits and to reduce the Town's future cash flow requirements. The Town contributed \$500,000 in fiscal year 2018-19. As of June 30, 2019, the total balance of \$501,422 was recorded as a restricted investment in the Town's general fund.

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Summary of Significant Accounting Policies

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

General Information about the Pension Plan

The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan's June 30, 2017 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website: <https://www.calpers.ca.gov>

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2017 valuation was rolled forward to determine the June 30, 2018 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018
Reporting Date	June 30, 2019
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal Cost
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using Membership Data
Investment Rate of Return	7.00%, net of investment expense
Post Retirement Benefit Increase	Contract COLA up to 2.50%

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

Funded Status

Total Pension Plan Liability	\$ 28,299,438
Plan Fiduciary Net Position ( <i>assets owned</i> )	20,627,164
Net Pension Plan Liability	7,672,274
Pension plan expense for the fiscal year	\$ 928,617

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the 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. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) 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 PERF 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 equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects 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.

<u>Asset Class</u>	<u>Current Target Allocation</u>
Global Equity	50.00%
Fixed Income	28.00%
Private Equity	8.00%
Real Assets	13.00%
Liquid Assets	1.00%
	<u>100.00%</u>

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss, as follows:

- Net Difference between projected and actual earnings on pension plan investments: 5 year straight-line amortization.
- All Other Amounts: Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

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 unfunded net pension liability calculated using the discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate -1%	Current Rate	Discount Rate +1%
	6.15%	7.15%	8.15%
Net Pension Liability	\$ 11,500,372	\$ 7,672,274	\$ 4,512,242

Deferred Outflows/Inflows of Resources Related to Pensions

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 294,372	\$ 100,173
Changes of assumptions	874,662	214,363
Differences between projected and actual investment earnings	37,930	-
Change in employer's proportion	57,439	149,072
Differences between employer's share of contributions	-	381,593
Pension contributions subsequent to the measurement date	700,699	-
Totals	\$ 1,965,102	\$ 845,201

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

The Town will recognize the Deferred Contributions in the next fiscal year. In addition, future recognition of these deferred resources is shown below:

Fiscal Year Ending June 30:	
2020	\$ 569,931
2021	250,691
2022	(332,412)
2023	69,008

**Note 10 - Jointly Governed Organizations**

Central Marin Police Authority

The Central Marin Police Authority is a full service public safety and dispatch 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, Town of Larkspur and the Town of San Anselmo. Two members from each Town/Town Council sit on and represent the Central Marin Police Council. Overall management of the Police Authority is the function of the Management Committee comprised of the Town and Town Managers of each jurisdiction. Operational function of the Authority is assigned to the Chief of Police.

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 Climate and Energy Partnership

The Marin Climate and Energy Partnership (MCEP) was created in 2007 by the County of Marin, eleven Marin cities and towns, the Transportation Authority of Marin, Marin Clean Energy, and the Marin Municipal Water District. The member agencies work together to reduce greenhouse gas emissions in our government operations and in our communities. The MCEP developed greenhouse gas inventories and climate action plans for our member cities and work together to implement a wide range of greenhouse gas reduction programs, such as green building regulations, electric vehicle charging stations, LED streetlights, zero waste initiatives, and green purchasing policies. The MCEP demonstrates a way for local governments to collaborate on various energy and climate-related issues and address AB 32 goals on a countywide basis.

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

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

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 Department

The Ross Valley Fire Department (Department) was created in 1982. An Amended and Restated Joint Powers Agreement was entered into effective July 1, 2010, between the Town of Fairfax, Town of San Anselmo and the Sleepy Hollow Fire Protection District (Sleepy Hollow), to provide fire protection, emergency medical and related services within their respective jurisdictions. On July 1, 2012, the Department entered into a First Amendment to the Amended and Restated Joint Powers Agreement to admit the Town of Ross as a member. Primary funding for the Department is through contributions from the member agencies. The Department is governed by an eight voting member Board of Directors, consisting of, two from the Fairfax Town Council, two from the San Anselmo Town Council, two from Sleepy Hollow Fire Protection District, and two from Ross Town Council. The Department is administered by the Town Manager (Executive Officer) and shall rotate among Fairfax, San Anselmo, and Ross for two year terms, or such other terms as may be determined by the Board. 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, Town of Larkspur, County of Marin, Town of Ross, 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. The tax is \$75.00 (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 Town 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

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

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. 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, Town 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***

The management of the Town has reviewed the results of operations for the period from its year end June 30, 2019 through December 6, 2019, 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 - New Pronouncements***

The Governmental Accounting Standards Board (GASB) has released the following new pronouncements, which can be read in their entirety at <http://www.gasb.org>

**GASB Statement No. 84, Fiduciary Activities**

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. (Issued 01/17)

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included



**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 87, Leases

Effective Date: For reporting periods beginning after December 15, 2019. (Issued 06/17)

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**TOWN OF SAN ANSELMO**  
**Notes to Financial Statements**  
**June 30, 2019**

**Note 15 - Fund Balance Designations Section of the Balance Sheet**

<b>Fund Balances</b>	General Fund	Road Maintenance Fund	Grants Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restricted for:</b>					
Measure D sales tax	41,409	-	-	-	41,409
Pension trust	501,422	-	-	-	501,422
Grant funded projects	-	-	26,821	-	26,821
Recreation activities	-	-	-	706,086	706,086
Library	-	-	-	24,780	24,780
Road maintenance	-	159,520	-	-	159,520
Measure A Marin County parks	-	-	-	399,037	399,037
Measure G 2003 debt service	-	-	-	198,800	198,800
Measure G 2011 debt service	-	-	-	754,422	754,422
Total restricted fund balances	<u>542,831</u>	<u>159,520</u>	<u>26,821</u>	<u>2,083,125</u>	<u>2,812,297</u>
<b>Committed to:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Assigned:</b>					
Emergency reserve	340,007	-	-	-	340,007
Downtown projects	16,054	-	-	-	16,054
Merchant parking	115,857	-	-	-	115,857
Community Facilities Master Plan	-	-	-	4,851	4,851
Robson House	-	-	-	134,457	134,457
Special events	-	-	-	-	-
Capital Reconstruction	-	-	-	121,632	121,632
Equipment replacement	-	-	-	143,027	143,027
Total assigned fund balances	<u>471,918</u>	<u>-</u>	<u>-</u>	<u>403,967</u>	<u>875,885</u>
<b>Unassigned:</b>	<u>3,682,606</u>	<u>-</u>	<u>-</u>	<u>(2,670)</u>	<u>3,679,936</u>
<b>Total Fund Balances</b>	<u><u>\$ 4,697,355</u></u>	<u><u>\$ 159,520</u></u>	<u><u>\$ 26,821</u></u>	<u><u>\$ 2,484,422</u></u>	<u><u>\$ 7,368,118</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

*(unaudited)*

**TOWN OF SAN ANSELMO**  
**Required Supplementary Information (unaudited)**  
**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan**  
**As of June 30, 2019**

Schedule of Proportionate Share of the Net Pension Liability

The proportion (percentage) of the collective net pension liability represents the Town's share of the cost-sharing plan assets offset against the actuarial determined collective pension liability.

The proportionate share (dollar amount) of the collective net pension liability represents the Town's share of the cost-sharing plan assets offset against the actuarial determined collective pension liability.

The employer's covered-employee payroll represents the payroll of employees that are provided with pensions through the plan.

Schedule of Contributions

The employer's contributions to the plan is actuarially determined or based on statutory or contractual requirements which comprise the following: (1) the agent employer's actuarially determined contribution to the pension plan (its statutorily/contractually required contribution), (2) the employer's actual contributions, the difference between the actual and actuarially determined contributions (its statutorily/contractually required contributions), and (3) a ratio of the actual contributions divided by covered-employee payroll.

**TOWN OF SAN ANSELMO**  
**Required Supplementary Information (unaudited)**  
**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan**  
**Last Five Fiscal Years\***

Schedule of the Town's Proportionate Share of the Plan's Net Pension Liability:	Measurement Date - Fiscal Year Ending June 30:				
	2018	2017	2016	2015	2014
Town's proportion of the net pension liability	0.07962%	0.07855%	0.07844%	0.07721%	0.06400%
Town's proportionate share of the net pension liability	\$ 7,672,274	\$ 7,789,536	\$ 6,787,374	\$ 5,299,442	\$ 4,002,425
Town's covered-employee payroll **	\$ 2,847,262	\$ 2,598,726	\$ 2,418,737	\$ 2,435,975	\$ 2,236,414
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	269%	300%	281%	218%	179%
Plan fiduciary net position as a percentage of the total pension liability	75%	73%	74%	78%	79%

Schedule of the Town's Contributions	Fiscal Year Ending June 30:				
	2019	2018	2017	2016	2015
Contractually required employer contribution	\$ 700,699	\$ 457,426	\$ 533,161	\$ 466,182	\$ 359,492
Contributions in relation to the contractually required employer contribution	700,699	457,426	533,161	466,182	359,492
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll ***	\$ 2,992,886	\$ 2,847,262	\$ 2,598,726	\$ 2,418,737	\$ 2,435,975
Contributions as a percentage of covered employee payroll	23%	16%	21%	19%	15%

\* Fiscal year 2015 was the first year of implementation, therefore only five years are shown

\*\* For the measurement date fiscal year

\*\*\* For the fiscal year ending on the date shown

**TOWN OF SAN ANSELMO**  
**Required Supplementary Information (unaudited)**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Last Two Fiscal Years\***

For Reporting at Fiscal Year Ended June 30:	2019	2018
Measurement Date - Fiscal Year Ending June 30:	2018	2017
<hr/>		
<u>Total OPEB Liability</u>		
Service Cost	\$ 123,701	\$ 132,020
Interest Cost	90,209	80,504
Expected Investment Income	-	-
Employer Contributions	(150,383)	(146,144)
Changes of Benefit Terms	-	-
Benefit Payments	-	-
Assumption Changes	58,737	(177,769)
Net Change in Total OPEB Liability	<u>122,264</u>	<u>(111,389)</u>
Total OPEB Liability - beginning	2,833,554	2,944,943
Total OPEB Liability - end of year	<u><u>\$ 2,955,818</u></u>	<u><u>\$ 2,833,554</u></u>
 <u>Plan Fiduciary Net Position</u>		
Contributions - employer	\$ 150,383	\$ 146,144
Net investment income	-	-
Benefit payments	(150,383)	(146,144)
Net Change in Plan Fiduciary Net Position	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - beginning	-	-
Plan Fiduciary Net Position - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 <u>Net OPEB Liability</u>	 <u><u>\$ 2,955,818</u></u>	 <u><u>\$ 2,833,554</u></u>
 Covered-employee payroll	 \$ 2,844,381	 \$ 2,598,726
 Net OPEB liability as a percentage of covered-employee payroll	 105%	 109%

\* Fiscal year 2018 was the first year of implementation, therefore only two years are shown

**TOWN OF SAN ANSELMO**  
**Required Supplementary Information (unaudited)**  
**Budgetary Comparison Information**  
**Year Ended June 30, 2019**

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 (unaudited)**  
**Budgetary Comparison Information**  
**General Fund No. 01**  
**Year Ended June 30, 2019**

<i><b>Resources</b></i>	<u>Budget Amounts (unaudited)</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Results</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Property taxes	\$ 12,425,578	\$ 12,425,578	\$ 12,825,891	\$ 400,313
Sales taxes	1,340,093	1,340,093	1,601,867	261,774
Franchise fees	725,000	743,000	764,120	21,120
Fines and forfeitures	130,000	130,000	227,425	97,425
Use of money and property	10,000	10,000	65,360	55,360
Intergovernmental and agency	4,800	4,800	18,463	13,663
Licenses and permits	1,017,500	1,047,500	1,037,296	(10,204)
Charges for services	106,100	106,100	140,931	34,831
Other revenue	92,000	92,000	118,645	26,645
Transfers in	324,732	324,732	308,344	(16,388)
Amounts Available for Appropriation	<u>16,175,803</u>	<u>16,223,803</u>	<u>17,108,342</u>	<u>884,539</u>
<i><b>Charges to Appropriations</b></i>				
Town administration	1,400,934	1,430,229	1,379,514	50,715
Non-departmental	837,406	1,437,406	940,094	497,312
Public safety - police	4,373,208	4,384,693	4,385,056	(363)
Public safety - fire	4,087,775	4,087,775	4,086,420	1,355
Streets	783,238	829,258	918,778	(89,520)
Community development	1,687,408	1,913,372	1,867,953	45,419
Library	626,935	642,239	640,668	1,571
Parks and recreation	641,955	656,907	630,764	26,143
Capital projects	-	-	-	-
Debt service	518,633	518,633	518,433	200
Transfers out	1,318,517	2,251,517	2,251,517	-
Total Charges to Appropriations	<u>16,276,009</u>	<u>18,152,029</u>	<u>17,619,197</u>	<u>532,832</u>
<i><b>Surplus (Deficit)</b></i>	<u>\$ (100,206)</u>	<u>\$ (1,928,226)</u>	<u>\$ (510,855)</u>	<u>\$ 1,417,371</u>



**TOWN OF SAN ANSELMO**  
**Required Supplementary Information (unaudited)**  
**Budgetary Comparison Information**  
**Road Maintenance Fund No. 19**  
**Year Ended June 30, 2019**

<b>Resources</b>	<b>Budget Amounts (unaudited)</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Results</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Franchise fees	-	-	-	-
Fines and penalties	-	-	-	-
Investment earnings	800	800	1,994	1,194
Intergovernmental and agency	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	263,600	263,600	332,766	69,166
Other revenue	-	-	-	-
Transfers in	630,000	1,163,000	1,186,057	23,057
Amounts Available for Appropriation	894,400	1,427,400	1,520,817	93,417
<b>Charges to Appropriations</b>				
Town administration	-	-	-	-
Non-departmental	-	-	-	-
Public safety	-	-	-	-
Streets	1,259,367	1,794,582	1,730,105	64,477
Community development	-	-	-	-
Library	-	-	-	-
Parks and recreation	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Transfers out	-	-	-	-
Total Charges to Appropriations	1,259,367	1,794,582	1,730,105	64,477
<b>Surplus (Deficit)</b>	<b>\$ (364,967)</b>	<b>\$ (367,182)</b>	<b>\$ (209,288)</b>	<b>\$ 157,894</b>

**TOWN OF SAN ANSELMO**  
**Required Supplementary Information (unaudited)**  
**Budgetary Comparison Information**  
**Grants Fund No. 14**  
**Year Ended June 30, 2019**

<b>Resources</b>	<b>Budget Amounts (unaudited)</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Results</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Franchise fees	-	-	-	-
Fines and penalties	-	-	-	-
Investment earnings	-	-	-	-
Intergovernmental and agency	3,777,005	3,802,005	1,697,484	(2,104,521)
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Transfers in	-	-	-	-
Amounts Available for Appropriation	<u>3,777,005</u>	<u>3,802,005</u>	<u>1,697,484</u>	<u>(2,104,521)</u>
<b>Charges to Appropriations</b>				
Town administration	-	-	-	-
Non-departmental	21,080	21,080	20,414	666
Public safety	-	-	-	-
Streets	-	-	-	-
Community development	5,000	5,000	4,243	757
Library	-	25,000	-	25,000
Parks and recreation	-	-	-	-
Capital projects	3,750,925	3,750,925	1,664,455	2,086,470
Debt service	-	-	-	-
Transfers out	-	-	-	-
Total Charges to Appropriations	<u>3,777,005</u>	<u>3,802,005</u>	<u>1,689,112</u>	<u>2,112,893</u>
<b>Surplus (Deficit)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,372</u>	<u>\$ 8,372</u>

***OTHER SUPPLEMENTARY INFORMATION***

**TOWN OF SAN ANSELMO**  
**General Fund**  
**Combining Balance Sheet**  
**June 30, 2019**

	General Fund	Sales Tax Measure D Fund	Emergency Reserve Fund	Downtown Revitalization Fund	Totals
<b>ASSETS</b>					
Cash and investments	\$ 4,607,984	\$ -	\$ -	\$ 14,438	\$ 4,622,422
Receivables	791,431	231,364	434,365	-	1,457,160
Prepaid expenses	40,486	-	-	-	40,486
Investment with Pension Trust	501,422	-	-	-	501,422
<b>Total Assets</b>	<b><u>\$ 5,941,323</u></b>	<b><u>\$ 231,364</u></b>	<b><u>\$ 434,365</u></b>	<b><u>\$ 14,438</u></b>	<b><u>\$ 6,621,490</u></b>
<b>LIABILITIES</b>					
Payables	\$ 250,426	\$ 26,916	\$ -	\$ -	\$ 277,342
Cash overdraft	-	163,039	94,358	-	257,397
Deposits	-	-	-	-	-
Deferred revenue	1,389,396	-	-	-	1,389,396
<b>Total Liabilities</b>	<b><u>1,639,822</u></b>	<b><u>189,955</u></b>	<b><u>94,358</u></b>	<b><u>-</u></b>	<b><u>1,924,135</u></b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	501,422	41,409	-	-	542,831
Committed	-	-	-	-	-
Assigned	117,473	-	340,007	14,438	471,918
Unassigned	3,682,606	-	-	-	3,682,606
<b>Total Fund Balances</b>	<b><u>4,301,501</u></b>	<b><u>41,409</u></b>	<b><u>340,007</u></b>	<b><u>14,438</u></b>	<b><u>4,697,355</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 5,941,323</u></b>	<b><u>\$ 231,364</u></b>	<b><u>\$ 434,365</u></b>	<b><u>\$ 14,438</u></b>	<b><u>\$ 6,621,490</u></b>

**TOWN OF SAN ANSELMO**

**General Fund**

**Combining Statement of Revenue, Expenditures and Change in Fund Balances**

**Year Ended June 30, 2019**

Page 2 of 2

	General Fund	Sales Tax Measure D Fund	Emergency Reserve Fund	Downtown Revitalization Fund	Totals
<b>REVENUE</b>					
Property taxes	\$ 12,825,891	\$ -	\$ -	\$ -	\$ 12,825,891
Sales taxes	1,601,867	1,011,996	-	-	2,613,863
Franchise fees	764,120	-	-	-	764,120
Fines and forfeitures	227,425	-	-	-	227,425
Use of money and property	65,360	-	-	-	65,360
Intergovernmental	18,463	-	434,365	-	452,828
Licenses and permits	1,037,296	-	-	-	1,037,296
Charges for services	140,931	-	-	-	140,931
Other revenue	118,645	-	-	-	118,645
Total Revenue	<u>16,799,998</u>	<u>1,011,996</u>	<u>434,365</u>	<u>-</u>	<u>18,246,359</u>
<b>EXPENDITURES</b>					
Current -					
Town administration	1,379,514	-	-	-	1,379,514
Non-departmental	940,094	-	-	-	940,094
Public safety - police	4,385,056	-	-	-	4,385,056
Public safety - fire	4,086,420	-	-	-	4,086,420
Streets	918,778	-	-	-	918,778
Community development	1,867,953	-	-	-	1,867,953
Library	640,668	-	-	-	640,668
Parks and recreation	630,764	-	-	-	630,764
Capital projects	-	1,038,088	455,500	1,062	1,494,650
Debt service	518,433	-	-	-	518,433
Total Expenditures	<u>15,367,680</u>	<u>1,038,088</u>	<u>455,500</u>	<u>1,062</u>	<u>16,862,330</u>
Excess Revenue over (under) Expenditures	<u>1,432,318</u>	<u>(26,092)</u>	<u>(21,135)</u>	<u>(1,062)</u>	<u>1,384,029</u>
<b>OTHER FINANCING SOURCES</b>					
Operating transfers in	308,344	-	250,000	-	558,344
Operating transfers (out)	<u>(2,251,517)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,251,517)</u>
Total Other Financing Sources	<u>(1,943,173)</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>(1,693,173)</u>
<b>CHANGE IN FUND BALANCES</b>					
Fund Balances - Beginning	(510,855)	(26,092)	228,865	(1,062)	(309,144)
Fund Balances - Beginning	<u>4,812,356</u>	<u>67,501</u>	<u>111,142</u>	<u>15,500</u>	<u>5,006,499</u>
Fund Balances - End of Year	<u>\$ 4,301,501</u>	<u>\$ 41,409</u>	<u>\$ 340,007</u>	<u>\$ 14,438</u>	<u>\$ 4,697,355</u>

**TOWN OF SAN ANSELMO**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2019**

	Special Revenue Funds								Total Special Revenue Funds
	Community Facilities Master Plan	Gas Tax Fund	Library Tax Fund	Isabel Cook Community Center	Robson House Fund	Special Events Fund	Marin Cty Parks Measure A	Recreation Fund	
<b>ASSETS</b>									
Cash & investments	\$ 4,851	\$ -	\$ 31,077	\$ -	\$ 143,432	\$ 23,279	\$ 347,424	\$ 1,118,320	\$ 1,668,383
Receivables	-	42,547	1,168	-	-	-	-	-	43,715
Prepaid expenses	-	-	2,931	200	200	-	51,613	6,887	61,831
<b>Total Assets</b>	<b>\$ 4,851</b>	<b>\$ 42,547</b>	<b>\$ 35,176</b>	<b>\$ 200</b>	<b>\$ 143,632</b>	<b>\$ 23,279</b>	<b>\$ 399,037</b>	<b>\$ 1,125,207</b>	<b>\$ 1,773,929</b>
<b>LIABILITIES</b>									
Payables	\$ -	\$ -	\$ 10,396	\$ 7,434	\$ 5,570	\$ 182	\$ -	\$ 75,248	\$ 98,830
Cash overdraft	-	42,547	-	18,533	-	-	-	-	61,080
Deposits	-	-	-	-	3,605	-	-	-	3,605
Deferred revenue	-	-	-	-	-	-	-	343,873	343,873
<b>Total Liabilities</b>	<b>-</b>	<b>42,547</b>	<b>10,396</b>	<b>25,967</b>	<b>9,175</b>	<b>182</b>	<b>-</b>	<b>419,121</b>	<b>507,388</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	24,780	-	-	-	399,037	706,086	1,129,903
Committed	-	-	-	-	-	-	-	-	-
Assigned	4,851	-	-	-	134,457	-	-	-	139,308
Unassigned	-	-	-	(25,767)	-	23,097	-	-	(2,670)
<b>Totals</b>	<b>4,851</b>	<b>-</b>	<b>24,780</b>	<b>(25,767)</b>	<b>134,457</b>	<b>23,097</b>	<b>399,037</b>	<b>706,086</b>	<b>1,266,541</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,851</b>	<b>\$ 42,547</b>	<b>\$ 35,176</b>	<b>\$ 200</b>	<b>\$ 143,632</b>	<b>\$ 23,279</b>	<b>\$ 399,037</b>	<b>\$ 1,125,207</b>	<b>\$ 1,773,929</b>

**TOWN OF SAN ANSELMO**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2019**

	Capital Project Funds			Debt Service Funds			Total Debt Service Funds	Total Special Revenue Funds	Total Nonmajor Governmental Funds
	Capital Reconstruction Fund	Equipment Replacement Fund	Total Capital Project Funds	Measure G Debt Svc 2003	Measure G Debt Svc 2011	Municipal Lease Fund			
<b>ASSETS</b>									
Cash & investments	\$ 117,493	\$ 130,678	\$ 248,171	\$ 197,169	\$ 748,784	\$ -	\$ 945,953	\$ 1,668,383	\$ 2,862,507
Receivables	4,636	12,500	17,136	1,631	5,638	-	7,269	43,715	68,120
Prepaid expenses	-	-	-	-	-	-	-	61,831	61,831
<b>Total Assets</b>	<b>\$ 122,129</b>	<b>\$ 143,178</b>	<b>\$ 265,307</b>	<b>\$ 198,800</b>	<b>\$ 754,422</b>	<b>\$ -</b>	<b>\$ 953,222</b>	<b>\$ 1,773,929</b>	<b>\$ 2,992,458</b>
<b>LIABILITIES</b>									
Payables	\$ 497	\$ 151	\$ 648	\$ -	\$ -	\$ -	\$ -	\$ 98,830	\$ 99,478
Cash overdraft	-	-	-	-	-	-	-	61,080	61,080
Deposits	-	-	-	-	-	-	-	3,605	3,605
Deferred revenue	-	-	-	-	-	-	-	343,873	343,873
<b>Total Liabilities</b>	<b>497</b>	<b>151</b>	<b>648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>507,388</b>	<b>508,036</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	198,800	754,422	-	953,222	1,129,903	2,083,125
Committed	-	-	-	-	-	-	-	-	-
Assigned	121,632	143,027	264,659	-	-	-	-	139,308	403,967
Unassigned	-	-	-	-	-	-	-	(2,670)	(2,670)
<b>Totals</b>	<b>121,632</b>	<b>143,027</b>	<b>264,659</b>	<b>198,800</b>	<b>754,422</b>	<b>-</b>	<b>953,222</b>	<b>1,266,541</b>	<b>2,484,422</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 122,129</b>	<b>\$ 143,178</b>	<b>\$ 265,307</b>	<b>\$ 198,800</b>	<b>\$ 754,422</b>	<b>\$ -</b>	<b>\$ 953,222</b>	<b>\$ 1,773,929</b>	<b>\$ 2,992,458</b>

**TOWN OF SAN ANSELMO**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenue, Expenditures, and Change in Fund Balances**  
**Year Ended June 30, 2019**

	Special Revenue Funds								Total Special Revenue Funds
	Community	Gas	Library	Isabel	Robson	Special	Marin Cty		
	Facilities	Tax	Tax	Cook	House	Events	Parks	Recreation	
	Master Plan	Fund	Fund	Community Center	Fund	Fund	Measure A	Fund	
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ 266,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,228
Sales taxes	-	-	-	-	-	-	103,059	-	103,059
Franchises	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	104,100	40,145	-	7,553	-	151,798
Intergovernmental	-	513,729	-	-	-	-	-	-	513,729
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	25,971	-	1,713,949	1,739,920
Other revenue	-	-	-	-	-	-	-	-	-
Total Revenue	-	513,729	266,228	104,100	40,145	25,971	110,612	1,713,949	2,774,734
<b>EXPENDITURES</b>									
Current -									
Town administration	-	-	-	-	-	-	-	-	-
Non-departmental	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Streets	-	-	-	-	-	-	-	-	-
Community development	-	-	-	79,033	38,659	-	-	-	117,692
Library	-	-	291,196	-	-	-	-	-	291,196
Parks and recreation	78,789	-	-	-	-	25,051	-	1,481,973	1,585,813
Capital projects	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Total Expenditures	78,789	-	291,196	79,033	38,659	25,051	-	1,481,973	1,994,701
Excess Revenue over (under) Expenditures	(78,789)	513,729	(24,968)	25,067	1,486	920	110,612	231,976	780,033
<b>OTHER FINANCING</b>									
<b>SOURCES (USES)</b>									
Operating transfers in	30,000	-	-	-	60,000	-	-	-	90,000
Operating transfers (out)	-	(513,729)	-	-	-	-	-	(47,672)	(561,401)
Totals	30,000	(513,729)	-	-	60,000	-	-	(47,672)	(471,401)
<b>CHANGE IN FUND BALANCES</b>	(48,789)	-	(24,968)	25,067	61,486	920	110,612	184,304	308,632
Fund Balances - Beginning	53,640	-	49,748	(50,834)	72,971	22,177	288,425	521,782	957,909
Fund Balances - End of Year	\$ 4,851	\$ -	\$ 24,780	\$ (25,767)	\$ 134,457	\$ 23,097	\$ 399,037	\$ 706,086	\$ 1,266,541



**TOWN OF SAN ANSELMO**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenue, Expenditures, and Change in Fund Balances**  
**Year Ended June 30, 2019**

	Capital Project Funds			Debt Service Funds			Total Debt Service Funds	Total Special Revenue Funds	Total Nonmajor Governmental Funds
	Capital	Equipment	Total	Measure G	Measure G	Municipal			
	Reconstruction Fund	Replacement Fund	Capital Project Funds	Debt Svc 2003	Debt Svc 2011	Lease Fund			
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ 214,965	\$ 663,058	\$ -	\$ 878,023	\$ 266,228	\$ 1,144,251
Sales taxes	-	-	-	-	-	-	-	103,059	103,059
Franchises	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	2,284	9,482	-	11,766	151,798	163,564
Intergovernmental	-	-	-	-	-	-	-	513,729	513,729
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	1,739,920	1,739,920
Other revenue	18,434	-	18,434	-	-	-	-	-	18,434
<b>Total Revenue</b>	<b>18,434</b>	<b>-</b>	<b>18,434</b>	<b>217,249</b>	<b>672,540</b>	<b>-</b>	<b>889,789</b>	<b>2,774,734</b>	<b>3,682,957</b>
<b>EXPENDITURES</b>									
<b>Current -</b>									
Town administration	-	-	-	-	-	-	-	-	-
Non-departmental	-	109,455	109,455	-	-	-	-	-	109,455
Public safety	-	-	-	-	-	-	-	-	-
Streets	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	117,692	117,692
Library	-	-	-	-	-	-	-	291,196	291,196
Parks and recreation	-	-	-	-	-	-	-	1,585,813	1,585,813
Capital projects	184,708	-	184,708	-	-	-	-	-	184,708
Debt service	-	-	-	191,385	661,794	158,517	1,011,696	-	1,011,696
<b>Total Expenditures</b>	<b>184,708</b>	<b>109,455</b>	<b>294,163</b>	<b>191,385</b>	<b>661,794</b>	<b>158,517</b>	<b>1,011,696</b>	<b>1,994,701</b>	<b>3,300,560</b>
Excess Revenue over (under) Expenditures	(166,274)	(109,455)	(275,729)	25,864	10,746	(158,517)	(121,907)	780,033	382,397
<b>OTHER FINANCING</b>									
<b>SOURCES (USES)</b>									
Operating transfers in	220,000	200,000	420,000	-	-	158,517	158,517	90,000	668,517
Operating transfers (out)	-	-	-	-	-	-	-	(561,401)	(561,401)
<b>Totals</b>	<b>220,000</b>	<b>200,000</b>	<b>420,000</b>	<b>-</b>	<b>-</b>	<b>158,517</b>	<b>158,517</b>	<b>(471,401)</b>	<b>107,116</b>
<b>CHANGE IN FUND BALANCES</b>	<b>53,726</b>	<b>90,545</b>	<b>144,271</b>	<b>25,864</b>	<b>10,746</b>	<b>-</b>	<b>36,610</b>	<b>308,632</b>	<b>489,513</b>
Fund Balances - Beginning	67,906	52,482	120,388	172,936	743,676	-	916,612	957,909	1,994,909
Fund Balances - End of Year	\$ 121,632	\$ 143,027	\$ 264,659	\$ 198,800	\$ 754,422	\$ -	\$ 953,222	\$ 1,266,541	\$ 2,484,422

