

CITY OF

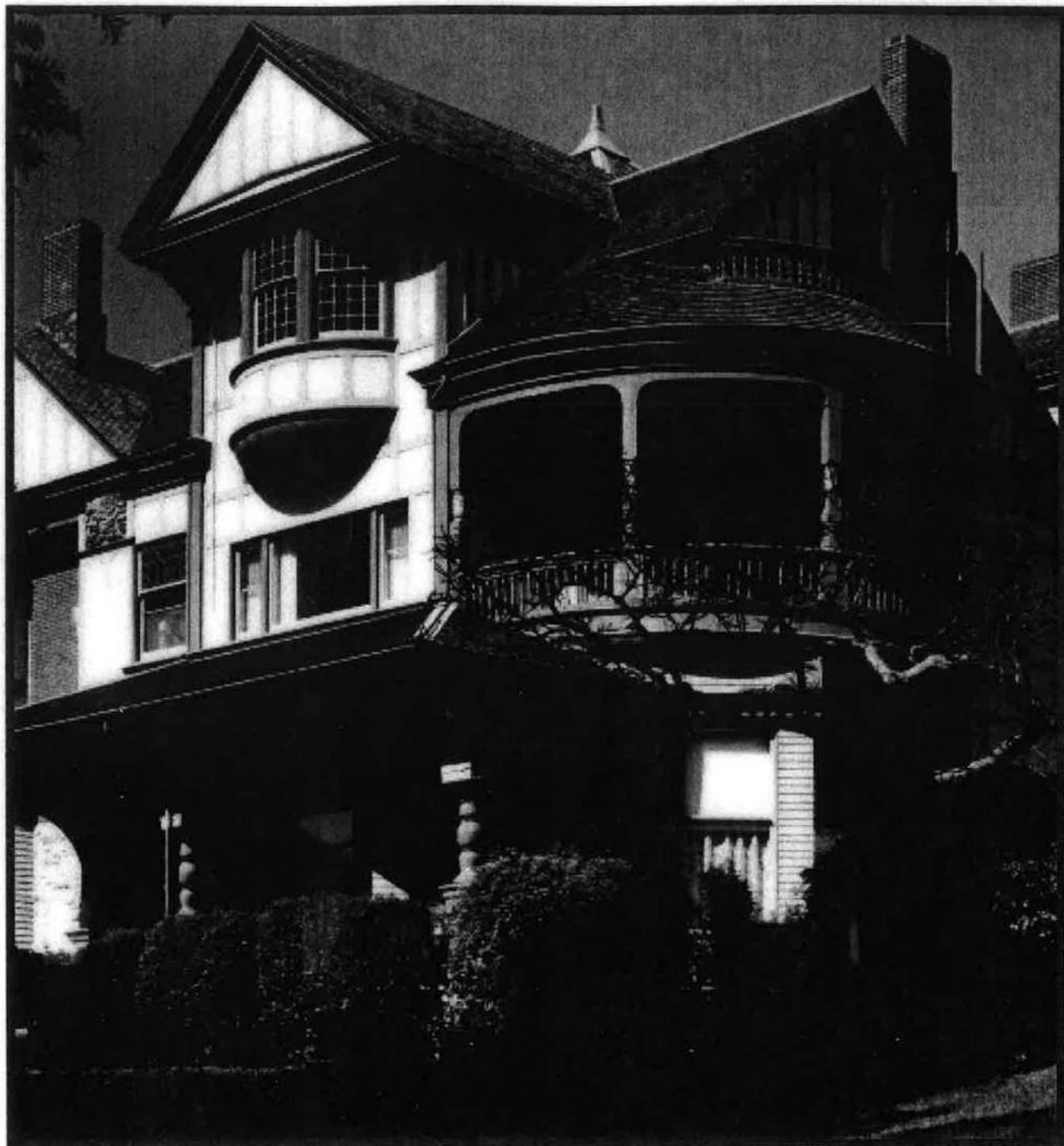
SRCC ITEM #7
2/20/01)

San Rafael

CALIFORNIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2000



Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2000

City of San Rafael, California
P.O. Box 151560
1400 Fifth Avenue
San Rafael, California 94915-1560

Prepared by the Management Services Department

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MISSION STATEMENT

The Mission of the City of San Rafael is to enhance the quality of life and to provide for a safe, healthy, prosperous and livable environment in partnership with the community.

VISION STATEMENT

Our vision for San Rafael is to be a vibrant economic and cultural center reflective of our diversity, with unique and distinct neighborhoods in a beautiful natural environment, sustained by active and informed residents and a responsible innovative local government.

January 1996

Albert J. Boro, Mayor
Barbara Heller, Vice Mayor
Paul M. Cohen, Council Member
Gary Phillips, Council Member
Cyr Miller, Council Member

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Introductory Section



CITY OF



San Rafael

*Mayor
Albert J. Boro*

*Council Members
Paul M. Cohen
Barbara Heller
Cyr N. Miller
Gary O. Phillips*

December 29, 2000

Honorable Mayor, Members of the City Council and Residents of San Rafael

The Comprehensive Annual Financial Report (CAFR) of the City of San Rafael for the year ended June 30, 2000, is hereby submitted as mandated by both local ordinances and State of California statutes. These ordinances and statutes require that the City of San Rafael annually issue a report on its financial position and activity, and that an independent firm of certified public accountants audits this report.

Responsibility for both the data accuracy, and the completeness and fairness of the presentation, rests with management. To the best of our knowledge and belief, the data presented is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds, account groups and component units of the City of San Rafael. The financial statements are prepared in accordance with Generally Accepted Accounting Principles as promulgated by the Governmental Accounting Standards Board (GASB) and include the report of the independent certified public accounting firm, Caporicci, Cropper and Larson, LLP.

Further, the CAFR is prepared in accordance with procedures and policies set by the Government Finance Officers Association and the California Society of Municipal Finance Officers. The CAFR is organized into three sections:

1. Introductory section, which is unaudited, includes this letter of transmittal, an organizational chart and a list of the City of San Rafael's elected and appointed officials.
2. Financial section includes the general-purpose financial statements, related footnote disclosures, and the combining and individual fund and account group financial statements and schedules, as well as the independent auditors' report.
3. Statistical section, which is unaudited, includes selected financial and demographic information, presented on a multi-year basis. Generally, ten-year data is presented for expenditures, revenues, assessed valuation for local properties and construction activity.

REPORTING ENTITY

This report is prepared utilizing Government Accounting Standards Board Statement (GASB) No. 14, the purpose of which was to define the various entities that should be included in a CAFR. The financial reporting entity includes all the funds and account groups of the primary government (i.e., the City of San Rafael), as

well as all of its related component units. The definition of a primary government entity is a separately elected governing body - one that is elected by a majority of citizens in a popular, general election. Conversely, component units are separate legal entities whose elected leaders are financially accountable to or reliable on the primary entity. Component unit presentation is required in order to provide the CAFR reader a complete, comprehensive financial picture.

Component units are broken down into two categories. Blended component units are part of the City's operations, and therefore their financial data is included with that of San Rafael. The second category, discrete component units, has financial data presented separate from the City's information in order to recognize that they are separate legal entities with different governing bodies.

Under GASB Statement No. 14, the San Rafael Redevelopment Agency and the San Rafael Joint Powers Financing Authority are considered blended component units and are combined with the City's figures in this report. The San Rafael Sanitation District is a discretely presented component unit of the City of San Rafael and is presented independent of City financial information. For a further explanation of these entities, refer to Footnote No. 1 in the Financial Section of the CAFR.

The City participates in various organizations through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these agencies exercise full powers and authorities within the scope of the related Joint Powers Agreement including the preparation of annual budgets, accountability for all funds, and the power to make and execute contracts. Obligations and liabilities of the separate entities are not those of the City. For a further explanation of these separate entities, refer to Footnote No. 18 in the CAFR.

GOVERNMENTAL STRUCTURE AND SERVICES

The Mission San Rafael Archangel was founded in 1817; San Rafael was incorporated in 1874 and became a Charter City in 1913 by vote within the City. The City Council is composed of five members; four are elected at large to four-year terms. The mayor is also elected separately to a four-year term. The City currently has a land area of 22 square miles that includes 17 square miles of land and five of water and tide lands. San Rafael has a population of 54,752.

The City of San Rafael is located 17 miles north of San Francisco in Marin County. Protected by its Mediterranean like setting along the shores of the San Francisco Bay, the City enjoys a mild climate year round. As the County seat, San Rafael is considered the trade, financial and industrial leader of Marin County. Recreational facilities are available in and around the San Rafael area. In addition to the City's cultural, park and recreational resources, there are other attractions which include Muir Woods, five State parks, the San Francisco area, Oakland and the nearby wine country.

The City of San Rafael provides municipal services required by statute or charter, namely: Fire, Police, Community Development (encompassing Building, Planning and Code Enforcement), Public Works, Community Services (both Recreation and ChildCare programs), Redevelopment, Library and General Administrative Services.

ECONOMIC CONDITION

San Rafael is a regional employment center for the County. The number of jobs within the City exceeds the number of employed residents. Our diversified economic mix includes high-tech, financial, service based, entertainment and industrial businesses. Successes for the past several years have been lead by the Redevelopment Agency's commitment to a revitalization of downtown. Partnerships with community members and the Chamber of Commerce have paved the way for both new businesses as well as expansion needs of existing companies. Tourism and travel continue to support hotel and related industries and many come from all over the world to enjoy the physical beauty of San Rafael and the surrounding areas.

1999-2000 saw several new businesses come to life in San Rafael. This included the development of a Walgreen's drug store, Clock Tower mixed used project and a Kaiser Health Clinic downtown. BMW opened a first rate automobile dealership and Snader and Associates relocated from Sausalito. Chili's restaurant and new office tenants setup shop in the northern part of town. These new businesses continue added new jobs and revenues to the City.

The future continues to looks bright in San Rafael. Numerous projects are in the design process or under construction. Marin Community Foundation corporate offices should break ground next year. Wilson Equity Partners will have two buildings (over 150,000 square feet of Class A office space) ready for occupancy in December 2001. The Rafael Town Center, a mixed-use project in downtown, will be occupied next summer. A light industrial complex in North San Rafael and office complexes in East San Rafael should be under construction early next year

The booming economy fueled State tax surpluses in amounts that have never been achieved in California's history. California has over \$4 billion dollars in surplus. Despite focused efforts from cities statewide, only a drip of the excess taxes trickled back to local communities during the 2000 Legislative session. Property tax diversion away from local service demands continues to grow. Correction of this situation is bleak at best for the foreseeable future. This tax shift costs San Rafael in excess of \$1 million per year.

Assuming no new unfunded mandates occur at the hands of the State or Federal government, San Rafael should be able to refine service delivery in the coming years. Growth of economically sensitive revenues will be expected to slow. Recent rises in federal interest rates, poor stock market performance and rising fuel costs could combine may bring the 'boom' back to earth. Rapid growth in home values, coupled with limited supply, challenges employers and the City to seek housing and transportation solutions that can serve the San Rafael well into the future.

Demographic Data

A sampling of demographic information is provided to give the user an understanding of the character and diversity that make San Rafael an exceptional place to live and work. Key demographics elements for San Rafael are outlined below.

Population:*	San Rafael	County
Totals-1999	54,402	247,934
White	68%	74%
Latino	17%	17%
Asian	7%	5%
African- American	8%	3%
Median Age	38.6	39.9
Mean Household		
Income - 2000	\$87,900	\$100,600
College Degrees	44%	51%

* - sources include San Rafael Chamber of Commerce Economic Profile 2000, California Department of Finance, Association of Bay Area Governments Projections 2000 and Bureau of Economic Analysis Regional Accounts Data (1999)

Housing Units:**		
Totals-1999	22,735	104,420
Detached	10,373	62,445
Attached	2,110	9,553
Multiple 2-4	2,167	8,580
Multiple 5 plus	7,640	22,119
Mobile Homes	445	1,723
Occupied	21,828	98,225
% Vacant	3.99%	5.93%
Persons/ Household	2.42	2.43

** - California Department of Finance E5 Report 1999

Home Sales-1999:***		
Detached-Mean	\$553,249	\$534,776
Detached-Median	\$468,150	\$499,000
# units sold	494	3246
Attached-Mean	\$279,780	\$303,072
Attached-Median	\$250,000	\$272,500
# of unit sold	301	1,249

*** - Marin County Assessor's Office January 2000

- ☒ Economic development organizations in San Rafael include the Redevelopment Agency, Chamber of Commerce and the Marin County Economic Commission.
- ☒ San Rafael's population rate grew at about 3% per annum from 1990 (48,404) to 1999 (54,402).
- ☒ Unemployment rates for 1999 were 2.3% for the City and 1.6% countywide. Entry level positions are one area of concern to business. The low unemployment, coupled with high housing costs, makes attracting and retaining these type of workers a significant challenge.
- ☒ Countywide office vacancies rates remained extremely tight - 2.7% for 1999.
- ☒ Office rents in Central San Rafael were \$2.37 per square foot; in North San Rafael the rate average \$2.14. Comparable rates on other Bay Area regions can be \$5.00 per square foot in San Francisco and as high as \$8.00 in high tech areas such as the Peninsula communities.
- ☒ Industrial space rents averaged \$0.97 per square foot for San Rafael.
- ☒ Major shopping areas, as measured in available retails square footage, include the Downtown corridor (900,000 aggregate), the Mall at Northgate (743,000), Montecito Center (130,000) and Northgate One (113,900).
- ☒ Total Marin County land acreage of 388,352 breaks down as 55,424 in waterways, 128,519 for public use, 23,241 subject to exemption, 97,615 contract restricted (open space and agriculture), and 83,913 as developed. The latter category denotes only 22% of all acreage is saved for development.
- ☒ Several hotels and motels support tourism activity, lead by 235 room facilities for both the Embassy Suites and Four Points Sheraton (formerly Wyndham Gardens).

MAJOR INITIATIVES

Current Year Projects, Accomplishments and Service Efforts

For the prior three fiscal years up through 1998-99, the City Council developed a set of "Priorities" at the initiation of the budget process. This action was completed on annual basis to coincide with budgetary cycles. In the spring of 1999, the City Council approved the use of a two-year budget. Reporting periods are still

completed in twelve-month increments. However, setting "Priorities" is now conducted prior to the biennial budget development. Objectives were reviewed at the 'mid period' point of the budget in June of 2000. Consistent with past practices, these Priorities were created prior to the allocation of budget resources and establishment of goals and objectives for each department.

San Rafael's fiscal practices are codified in the City's Financial Management Policies. The Policies were adopted to manage current and long-term financial resources, allow for adequate controls, and most importantly, to encourage input and participation in the City's financial affairs.

A list of the 1999-2001 Priorities is presented in the left-hand column of the table below. The right hand column identifies specific accomplishments or progress completed relative to each Priority.

<i>Priorities 1999-2001:</i>	<i>Accomplishment/Progress</i>
Public Safety Services	
Further evolution of community-oriented policing and fire services	<ul style="list-style-type: none"> ➤ Police have initiated mental health partnership with County social service agencies and made sergeants more accountable for COPS (Community Oriented Public Service). ➤ Instituted Boy Scout Troop 2000 in Canal neighborhoods. ➤ Fire Department is transferring responsibility for community fire servicing to the engine companies. ➤ Established partnerships with Red Cross for CPR training in Canal neighborhoods.
Enhance disaster preparedness in conjunction with neighborhoods	<ul style="list-style-type: none"> ➤ Planning to train DART graduates to organize neighborhoods. ➤ Completed presentations on disaster preparedness to numerous community groups. ➤ Developed a brochure in Spanish and Vietnamese for Canal apartments.
Partner with schools to prevent school violence	<ul style="list-style-type: none"> ➤ Offered five School safety forums in conjunction with San Rafael and Dixie School Districts (including one bi-lingual session).
Prudent Responses to Social Problems	
Relocate St. Vincent de Paul dining room to Third Street site.	<ul style="list-style-type: none"> ❖ St. Vincent's leaders fully accepted the planned relocation. ❖ PG&E and Marriott completing purchase negotiations. ❖ Facilitating PG&E move to Andersen site, subject to traffic count approvals in fall 2000.
Work cooperatively with other agencies to establish a permanent detox center.	<ul style="list-style-type: none"> ❖ County seeks to move detox to Marin General Hospital.

<i>Priorities 1999-2001:</i>	<i>Accomplishment/Progress</i>
<p>Determine the most appropriate role for the City in cooperation with the Continuum of Care in responding to the needs of people without shelter.</p>	<ul style="list-style-type: none"> ❖ Worked with Continuum on City's administration of Community Development Block Grant (CDBG) programs. ❖ Informal talks with Homeward Bound and Ritter House. ❖ Concerted code enforcement on Fourth Street with relocation assistance of Continuum. ❖ Revised BMR (Below Market Rate) rental standard was approved for new project applications.
Canal Neighborhood Capacity Building	
<p>Connect the collaborative efforts of the Canal Development Team with the network of community leaders</p>	<ul style="list-style-type: none"> ✓ Developed Pickleweed Advisory Board. ✓ Held discussions with County Health about services in the Canal. ✓ Reached out to Marin Community Foundation and San Francisco Foundation. ✓ Refocused Canal Development Team on pressing issues.
<p>Target redevelopment projects to support community-building activities with particular emphasis on Pickleweed Park, housing, recreation, jobs and commercial uses</p>	<ul style="list-style-type: none"> ✓ Advisory Board presented results of community planning efforts for Pickleweed building program to Council. ✓ Redevelopment Housing assistance programs (CAHIP and CASH) are in full swing - used to partially pay for affordable unit project on Belvedere Street. ✓ New playing fields at Pickleweed Park under construction in October 2000. ✓ Learning Center now a branch library at Pickleweed Community Center. ✓ Mercado market approved for second season.
Upgrade Critical Infrastructure and Technology	
<p>Develop funding alternatives for unfunded infrastructure needs</p>	<ul style="list-style-type: none"> ⇒ Wilson Equity Office Partners acquired Lindaro office site October 2000. Cash and in-kind contributions, project commitments and land sale transaction fees are valued at over \$3.5 million. ⇒ Marin Community Foundation sale parameters approved so deal can close in 2001 - provides \$1.1 million for Falkirk Mansion renovation assistance. ⇒ Leveraged 50 year \$1 lease for new Corporation Yard at Fasken site.
<p>Plan, coordinate, communicate and execute capital improvement projects</p>	<ul style="list-style-type: none"> ⇒ Second Street widening completed. ⇒ Lindaro pump station finished. ⇒ 67 streets repaved in August and September of 1999. ⇒ 53 streets set for repaving in October 2000. ⇒ Hoffman and Freitas Park improvements accomplished. ⇒ Lindaro utilities undergrounding done. ⇒ Phase II of the Loop, a traffic improvement effort in East San Rafael, is under design.

<i>Priorities 1999-2001:</i>	<i>Accomplishment/Progress</i>
Successfully implement San Rafael's portion of the Marin emergency radio system	<ul style="list-style-type: none"> ↻ Detailed design approved. ↻ EIR approved. ↻ Conducted several neighborhood meetings regarding installations at Forbes & San Rafael Hill sites. ↻ Design Review Board approved September 2000, approved by Planning Commission in November and appealed to City Council for January 2001. ↻ Joint City/County fire dispatch center MOU approved. Design completion and bid process to start early 2001.
Replace critical information systems in Finance, Fire and Police Departments	<ul style="list-style-type: none"> ↻ Revised Information Services Technology plans. ↻ Final funding approved October 2000. ↻ Departments developing needs assessments and related bid packages.
Collaborative Neighborhood Improvements	
Develop long-term strategy for child care services in conjunction with schools	<ul style="list-style-type: none"> ⊗ Detailed design for Parkside Childcare center completed; project under construction November 2000. ⊗ Modular building replacements of Gallinas and Pickleweed installed in fall of 2000.
Improve street medians in partnership with neighborhoods	<ul style="list-style-type: none"> ⊗ Public Works has completed several projects with neighbors at Stevens Place, Woodside Way, Peacock Drive, Lea Drive and Del Ganado. ⊗ Plans for median improvements and entry sign in North San Rafael finished.
Study feasibility of library facility expansion	<ul style="list-style-type: none"> ⊗ Community surveys and outreach done. ⊗ State bond issue on March ballot approved; options for use under study. ⊗ Further funding strategies under discussion with Library Board and other stakeholders.
Seek opportunities with the community to implement the North San Rafael Vision	<ul style="list-style-type: none"> ⊗ Current focus is on median landscaping, park improvements, pool repair, Mall expansion, Fairchild reuse, PG&E site development, skateboard park and promenade.
Strengthen ties to San Rafael neighborhoods	<ul style="list-style-type: none"> ⊗ Agenda reports now on City's Internet site. ⊗ Police, Fire, Community Development, Community Services, and Public Works doing outreach. ⊗ Completed outreach effort in budget process - "San Rafael Choices" - outcomes shaped community priorities for two years. ⊗ Conducted monthly meetings with neighborhood associations (Federation and Coalition).
Establish clear policy on illegal dwelling units	<ul style="list-style-type: none"> ⊗ Council/community study session conducted fall of 1999. ⊗ Changes approved by Planning Commission in July and City Council subsequently.

<i>Priorities 1999-2001:</i>	<i>Accomplishment/Progress</i>
Development and Housing	
Complete General Plan update	<ul style="list-style-type: none"> ▪ Work plan approved by Council. ▪ Steering Committee selected. ▪ Kick-off held 5/30/00.
Incorporate St. Vincent's/Silveira Task force recommendations into General Plan	<ul style="list-style-type: none"> ▪ Task Force recommendation accepted by City Council and Board of Supervisors in May. ▪ Awaiting development application.
Successfully manage process for PG&E site development in North San Rafael	<ul style="list-style-type: none"> ▪ Developer application incorporates many community and staff suggestions. ▪ EIR consultant selected - completion set for early 2001.
Facilitate the demolition/construction of the Macy's reuse project	<ul style="list-style-type: none"> ▪ Excavation completed in summer 2000; foundation work begun and building permit issued. ▪ Color scheme restudied and approved by Council and Design Review Board.
Enter into development agreement for hotel on Third Street site	<ul style="list-style-type: none"> ▪ PG&E and Marriott completed purchase agreement. ▪ St. Vincent's is supportive. ▪ PG&E move to Andersen Drive in planning process - pending Priority Projects application outcome in fall 2000.
Manage development of downtown multiplex theater	<ul style="list-style-type: none"> ▪ Last extension to Development Agreement approved to resolve parking and site plan. ▪ Development Agreement to consider interim parking arrangements.
Seek opportunities to assist the Film Institute with debt retirement and office space acquisition	<ul style="list-style-type: none"> ▪ Requested that Century Theaters offer Film Institute space at low rate.
Financial Viability and Stability	
Adopt and implement labor contracts with all employee associations	<ul style="list-style-type: none"> ⊗ All major contracts with Police, Fire, management and MAPE completed in July 1999 and implemented accordingly ⊗ Completed negotiations with ChildCare and approved contract in November 2000.
Implement two-year performance budget.	<ul style="list-style-type: none"> ⊗ Mid-period adjustments completed in January & July 2000. ⊗ Eighteen-month review slated for January 2001.
Act on recommendations of five-year financial forecast, whenever possible	<ul style="list-style-type: none"> ⊗ Updated citywide fees and charges last fall. ⊗ Leveraging redevelopment for capital and other projects. ⊗ Approved sales tax generators. ⊗ Increased funding for infrastructure in two-year budget. ⊗ Eliminated General Fund subsidy of EMS/Paramedic program by passing Measure P in fall 1999.
Pass paramedic funding measure	Finished. 84% yes vote to extend tax through 2003 year.
Reach agreement with other agencies on redevelopment bond issue	<ul style="list-style-type: none"> ⊗ July 1999 bond issue completed. ⊗ Next bond issue postponed pending amendments to Agency agreement with other jurisdictions.

<i>Priorities 1999-2001:</i>	<i>Accomplishment/Progress</i>
Organizational Development and Administration	
Significantly expand in-house training options for City employees	<ul style="list-style-type: none"> ✦ Training coordinator hired. ✦ Consultant engaged for customer service training – program began February, 2000. ✦ Desktop software training offered widely to all employees. ✦ Supervisory and employee orientation series scheduled for fiscal year 2000-2001
Implement technology-based solutions as part of customer service improvements	<ul style="list-style-type: none"> ✦ Registration and scheduling system by phone implemented as part of Community Services' new system. ✦ Permit tracking system for Community Development went live January 2000. ✦ Business License system for Management Services completed in time for 2000 renewal cycle. ✦ New voice mail system installed for all Departments. ✦ Improved websites to allow interactive responses and greater access to City activities and information.
Address employee workspace needs	<ul style="list-style-type: none"> ✦ Lease for Police Department at Citibank approved. ✦ Corporation Yard project includes Public Works engineering and administration office relocation. ✦ Community Development Department remodeling completed in July.
Transportation and Traffic	
Work toward regional transportation solutions for Marin County	<ul style="list-style-type: none"> ☞ Participating in bike plan and local road components of countywide transportation plan. ☞ Countywide transit tax ballot measure postponed until consensus can be reached. Coalition working on new measure.
Optimize traffic circulation and safety through advanced traffic modeling, enforcement and management techniques	<ul style="list-style-type: none"> ☞ Traffic model recalibrated. ☞ Downtown signal synchronization contract approved - work began September 2000; expected completion is early 2001. ☞ Greater traffic enforcement has cut injury accidents and DUI violations. ☞ Speed "humps" installed on Belle Avenue. ☞ Transportation Planner position approved for 2000-01.
Plan and provide additional downtown parking	<ul style="list-style-type: none"> ☞ Downtown parking study completed - recommendations to be approved by City Council in December 2000. ☞ New Parking garage site approved. Off peak (night and weekend) parking negotiated on San Rafael Corporate Center site.
Evaluate public shuttle system in partnership with private businesses	<ul style="list-style-type: none"> ☞ Redevelopment has completed 'whiter paper' on shuttles. ☞ Wilson Equity Office pledges financial support for downtown shuttle.

<i>Priorities 1999-2001:</i>	<i>Accomplishment/Progress</i>
New Millennium	
Plan and staff to maintain order and quell public anxiety due to Y2K change	📅 Finished. Quietest New Year's Eve in decades.
Test and plan to minimize internal disruption due to Y2K problems	📅 Finished. All mission critical systems continued to function properly.

Future Projects and Goals

As outlined in the City's 1999-2001 budget, a variety of objectives have been identified for the balance of the two-year budget period. Additional projects or actions for the July 2000 to June 2001 timeframe are as follows:

- ✓ Move forward on a number of new public facility projects:
 - Finalize construction of Parkside Child Care Center is time to relocate program prior to September 2001 school enrollment.
 - Design, through a community input process, a new Parking Garage at "C" and 3rd; construction to commence fall of 2001. Also, parking revenue bonds will need to be issued to coincide with construction timetable.
 - Plans to be finalized for City/County joint Fire dispatch facility - bid process to commence shortly thereafter with facility completion targeted for early 2002.
 - Using the Pickleweed Advisory Board community survey results, Community Services staff will lead a team of City and community leaders to develop a plan for the Pickleweed Community Center facilities expansion and renovation.
 - Finalize design and cost estimates for the Court Street public plaza - have approvals and funding in place by spring 2001 in order to have plaza ready for late 2001 opening.
 - The new Corporation Yard in East San Rafael should be under construction in Spring 2001 and ready for occupancy by June 2002.
- ✓ Facilitate a wide variety of private investment and economic development efforts, which include:
 - Working with PG&E and the Marriott Corporation to locate a new hotel on the current PG&E administrative site downtown - plans to incorporate a relocation of St. Vincent de Paul dining room.
 - Continue efforts to determine if a downtown Cineplex can be built (traffic studies and design need staff analysis).
 - Assist Wilson Equity Office in completing necessary approvals for the San Rafael Corporate Center - first two buildings to be occupied by the end of 2001.
 - Complete approvals for a light industrial complex in North San Rafael.
 - Provide coordination and recommendations to City Council in order to bring closure to sale of Menzies parking lot-site is home of new corporate headquarters for the Marin Community Foundation.
 - Complete lease and permit for Marin Historical Society to build a museum in Boyd Park.

- ✧ The City currently has over 50 capital improvement projects under management in Public Works. Key infrastructure efforts in the coming year consist of:

 - Final design of the Terra Linda pool must be ratified by the City Council. Pool closure needs to be coordinated with community users - construction scheduled for 2001 year.
 - Traffic signal projects expected to be completed include signalization at southbound Lucas Vally/101 interchange, resignalizing all intersections on 4th and 5th downtown, and a joint County/City signal and traffic improvement project on North San Pedro Road.
 - The next leg of the Shoreline path should be built this year and includes a grant from ABAG for \$140,000.
 - The Mahon Path project, budgeted at \$1,442,735, provides watershed restoration and renewed public access along the Mahon Creek. Funding includes Wilson Equity contributions, MTC County dollars and the use of State Lands resources.
 - Drainage activities on the horizon represent:
 - ☒ The CalTrans North Francisco Pump station - fully funded by State monies.
 - ☒ Replacement of the Peacock Gap pump station
 - ☒ East San Rafael Drainage Pond restoration.
 - ☒ Partial removal of cattails on the Spinnaker Lagoon.
 - Freitas Parkway median improvements will be completed next year - the North San Rafael VIA Committee supports this effort.
 - Using STIP State funds, street rehabilitation is scheduled for Andersen Drive and Lincoln Avenue.
- ✧ Technology needs are going to be addressed in the following ways:

 - Working closely with Marin Emergency Radio Authority (MERA) representatives, complete site approvals by mid 2000-01 and finalize lease agreements and permit issuance shortly thereafter.
 - Replace the Police and Fire CAD/RMS systems and Finance's accounting applications with modern, user friendly products - estimated cost is over \$1,500,000 - project implementation to last through 2002.
- ✧ Other major efforts include:

 - Filling key staff positions:
 - ☒ Hiring of a transportation planner to work on regional traffic, shuttle and other transportation issues in conjunction with the City's Traffic Engineers.
 - ☒ Per the parking study consultant recommendation, sweep a variety of decentralized downtown parking functions into a new position - Parking Services Manager. Position to be filed in summer 20001 in conjunction with rate review and new garage construction.
 - ☒ Replace the Chief of Police with a successor candidate who expands and intensifies the Community Policing programs started three years ago.
 - Embark on a citywide shuttle study.
 - Preparing a proposal request for an assisted living/elder care facility.
 - The General Plan update process moves forward led by a community steering committee. Efforts include goals setting in the spring and reports back to Council through 2001. Completion expected in the 2001-02 year.
 - Redevelopment will lead a yearlong effort in 2001 to update the Agency's Plan, including a review of bonding capacity and expected life of the Agency.

FINANCIAL INFORMATION

The City's management team is responsible for establishing and maintaining internal controls to ensure that the City's assets are adequately protected from loss, theft or misuse. In addition, management controls should ensure that proper accounting data is collected so as to prepare reports in conformance with generally accepted accounting principles.

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

Budget Controls - The City develops a budget based upon Council priorities and Department objectives. The Financial Services Division maintains a traditional line item budget by major function. Budget control is accomplished at the functional or division level within each fund. This budget creates a comprehensive management and fiscal system aimed at achieving the objectives of each operating level consistent with those that have been set for the community by the City Council. Each department director is responsible for accomplishing goals within his or her functional area and monitoring the use of their budget allocations consistent with policies set by the City Council and monitored by the City Manager.

GENERAL GOVERNMENT FUNDS

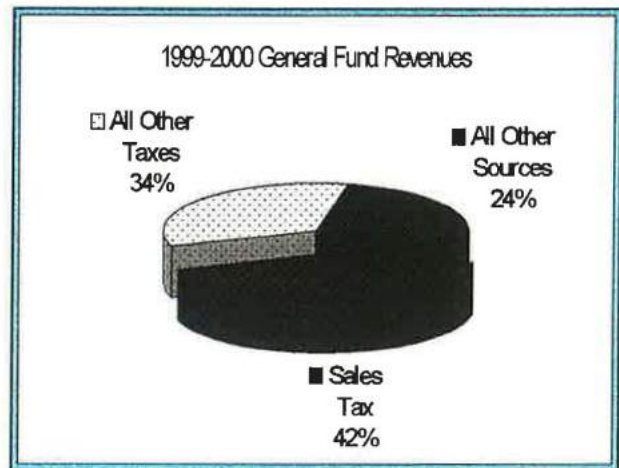
Analysis of Major Tax Revenues

1999-2000 represented a robust revenue period for the fourth consecutive year. The 'magnificent seven' (six major taxes plus motor vehicle fees) *rose 11.5% over the prior year period*. Tax revenues outpaced both prior year performance and same year budget expectations. Substantial tax increases are tied to the economy's regional strength and are reflected in sales, hotel and business license taxes. The table below summarizes changes from 1998-99 to 1999-2000.

Revenue Sources	FY 1998-99 Audited Totals	FY 1999-00 Audited Totals	FY 1999-00 % of Total	Dollar Increase (Decrease) from 98-99	Percentage Increase (Decrease) from 98-99
Sales Tax	\$14,462,803	\$16,202,893	42.05%	\$ 1,740,090	12.0%
Property Tax	5,838,803	6,581,811	17.08%	743,008	12.7%
Business License Tax	1,763,211	1,869,949	4.85%	106,738	6.1%
Hotel (Occupancy) Tax	1,695,604	1,847,408	4.79%	151,804	9.0%
Property Transfer Tax	945,275	1,186,412	3.08%	241,137	25.5%
Franchise Tax	1,346,849	1,456,145	3.78%	109,296	8.1%
Commercial Develop. Tax	20,105	9,096	0.02%	(11,009)	-54.8%
TOTAL TAXES	\$26,072,650	\$29,153,714	75.66%	\$ 3,081,064	11.8%
Motor Vehicle In-Lieu Fees	2,330,324	2,598,781	6.74%	268,457	11.5%
All Other Revenues (Permits, Fines & Fees)	\$ 5,575,438	\$ 6,779,739	17.59%	1,204,301	21.6%
General Fund Total Revenues	\$33,978,412	\$38,532,234	100.00%	\$ 4,553,822	13.4%

Tax Table Explanations:

Sales Tax - Sales Tax now represents 42% of all general fund revenues (as shown in adjacent graph). A combination of new businesses, a strong desire for automobiles and robust building/construction trades resulted in an increase of 12% over 1998-99 levels. The new automobile category was up \$608,159 over prior year. Use tax paid on leased vehicles was up \$102,246 over 1998-99. A new BMW dealership, plus change in ownership at other locations, helped achieve this result. *Sales taxes have increased in the automobile business reporting category by a whopping \$1,701,738, or 75.8%, over 1995-96 levels.* Building and construction companies were up \$262,123 from 1998-99. A new electrical equipment company added over \$150,000 of taxes to our income. Clearly, the City of San Rafael has been a winner in the boom years. Greater reliance on sales tax continues with each passing year.



Property Tax - By far the major contributor to this change was the one-time return of Education Revenue Augmentation Funds (ERAF). 26% of the City's property taxes were diverted in the early nineties, on a permanent basis, as part of the Sacramento Legislature balancing the State budget. Two one-time payments occurred in 1999-2000 as a return of this local resource. \$121,000 came to San Rafael as part of a statewide return for all cities. Another \$344,000 came back to Marin County cities who have continued to pay 'excessive' ERAF property taxes under a State prescribed formula.

Business License Tax - Adding a Business License Examiner position to the Financial Services Division in 1998 resulted in greater compliance and enforcement efforts. The increase is a combination of the Examiner's efforts and CPI tax rate adjustments allowed under local ordinance.

Hotel Taxes - Tourism and business demand kept occupancy rates high. The 9.0% climb had most hotels and motels up over 1998-99 levels. Embassy Suites moved up \$97,272, while the Wyndham Gardens dropped about \$11,000 and Bermuda Palms rose over \$38,469.

Property Transfer Tax - Annual double-digit increases in real estate values drove this 25% change. Turnover of pre-Proposition 13 and new commercial and office sites added significant new resources to this category.

Franchise Fees - This tax is two fold. Taxes on the local waste hauler increased by \$28,009. This sum reflects an increase in service volume and customers. A rate increase was not awarded to the refuse company in 1999-2000, therefore, rates did not factor into this growth in franchise fees. Utility and cable operations were up about \$81,288. Changes in the City's cable provider results in increased services (and consumer rates) and higher franchise fee collections.

Motor Vehicle In-Lieu Tax - In July of 1998, the State Legislature passed a bill to reduce this tax to all citizens of California by 25% effective January 1, 1999. Trigger mechanisms in the bill raised this tax reduction to 35% for California motorists. The majority of car taxes (vehicle license fees) are returned to cities and

counties. This 35% reduction amounts to a potential loss of City revenues in excess of \$760,000 per annum. The State pledged as part of this bill to backfill losses from its' General Fund. Through the 1999-2000 year end, the State has paid the backfill. This source remains volatile so long as the State has the ability to manipulate collection and distribution based upon its own interest. Growth for the year is tied to increase in auto sales (tax paid on value of car).

The growth of all major taxes over 1998-99 levels is significant. The majority of these moneys, which provide general police, fire, parks, library and recreation programs, has provided budget stabilization and heightened infrastructure maintenance. For 1999-2000, the economy performed at a level not seen for numerous years.

Increases or decreases in governmental fund expenditures for major functions of the City compared to the prior year are detailed below:

Analysis of Major Expenditures by Function

Function	1998-99 Amount	1999-2000 Amount	Percent of Total	Dollar Increase (Decrease) from 98-99	Percentage Increase (Decrease) from 98-99
General Government	6,084,501	5,678,095	8.0%	(406,406)	(6.7%)
Public Safety	20,938,064	23,756,604	33.6%	2,818,540	13.5%
Public works and parks	6,962,957	7,607,760	10.8%	644,803	9.3%
Community development	3,488,279	2,914,886	4.1%	(573,393)	(16.4%)
Culture and recreation	5,439,046	6,184,412	8.7%	745,366	13.7%
Capital Outlay	1,269,439	486,424	0.7%	(783,015)	0.0%
Capital Improve. Projects	5,712,474	19,479,314	27.6%	13,766,840	241.0%
Debt Service	3,197,003	4,575,668	6.5%	1,378,665	43.1%
Total Expenditures	53,091,763	70,683,163	100.0%	17,591,400	33.1%

The General Government category in the prior year included one-time expenditures for Information Services Division updates to the computer systems for Year 2000 compliance and City Hall carpeting for the 2nd & 3rd floors.

In summarizing the changes for police and fire operations, Public Safety expenditures have grown over the prior year for several reasons. Compensation obligations in both bargaining groups required raises in salaries and benefits ranging from 4% to 6%. Police Department personnel changes included making the Chief's Secretary a full time position, adding a Civil Supervisor to oversee dispatch and records, and adding one dispatcher. Incurred to date project costs for securing the Police Annex facility, design on the Fire Dispatch Center and CAD/RMS expenses show up in 1999-2000. For the first time, both Departments paid their proportionate share of MERA radio system replacement operating expenses. Lastly, dramatic changes in workers compensation claims and costs added over \$500,000 to benefit expenses as compared to the 1998-99.

Processing environmental review applications for residential and commercial projects required spending of \$133,413 in Community Development services. These expenses are offset 100% by fees charged to the applicant. The prior year reflected \$471,394 in grants, some of which completed a portion of the Shoreline

trail. Vacancies in the Code Enforcement and Building/Safety division netted over \$100,000 in personnel savings for the year.

Cultural and Recreation activities encompass the Library, Falkirk, Recreation and ChildCare programming. Childcare expenses increased about \$95,000 to cover the benefit and salary increases associated with a new contract. \$165,570 of reserves was consumed to pay for modular building installations and improvements. The Library added a new Education Resources function in November of 1999, adding about \$65,000 to its actual results. Recreation programming and facility reservation expenses grew \$96,469 as a result of expanded programming and higher usage at the Centers.

Capital replacement needs account for the Capital Outlay operations. A drop in vehicle replacement occurred while the City completed a comprehensive vehicle study.

Outlays for infrastructure projects and special needs are reflected as Capital Projects. Completion of major projects is paid through a combination of grant, redevelopment, matching and City resources. Annual (which does not necessary reflect project total) costs for the 1999-2000 period were:

- ⊕ \$1,709,815 for the resurfacing of 67 streets using STIP funds occurred in 1999-2000.
- ⊕ Disability restroom improvements to City Hall for \$104,868.
- ⊕ Sidewalk replacement along Fifth Avenue was \$121,077.
- ⊕ The Olive and Palm Avenue culvert upgrade required \$218,808 of storm drain fee resources.
- ⊕ \$598,116 was the annual expense for "The Loop" transportation improvements - project totals over three years are \$1,519,593.
- ⊕ The widening of Second Street consumed \$1,556,921 of traffic mitigation expenses, which are paid by the developer of the San Rafael Corporate Center and other development fee based projects.
- ⊕ \$255,316 and \$125,840 were paid for enhancements to Freitas and Hoffman Parks, respectively.
- ⊕ Linda Street utility undergrounding drew down \$2,387,263 of the Agency's 1992 bond resources.
- ⊕ Issuance of the 1999 Agency bonds required payments to the San Rafael Elementary (\$2,200,000) and High School (\$2,179,000) Districts.
- ⊕ Sale of the Corporation Yard on Lindaro to the Agency was then resold to the City. The cost of land was treated as a capital expenditure totaling \$2,225,866.

Debt Service reflects an upward trend and is directly tied to the issuance of the 1999 Redevelopment Agency Bonds, adding \$1,497,200 as principal and interest costs for the first time.

Fund Equity

In order to assess the increase or decrease in each governmental fund's assets, changes in fund equity from June 30, 1999 to June 30, 2000 is discussed below. Fund equity in governmental funds can be described as the difference between current assets and current liabilities, or accumulated earnings from operations. Simply stated, it is the current spendable resources of the fund. The General Fund's change in fund equity was as follows:

General Fund

	<u>2000</u>	<u>1999</u>	<u>Decrease</u>
Fund Equity	\$7,212,010	\$8,047,458	\$835,448

For the third straight year, the strong improvement in sales and other taxes allowed the General Fund to pay for ongoing and capital needs and maintain a strong reserve. At year-end, the total reflects a reserve of \$3,927,043 set aside to meet compensation goals, general plan amendments, loan receivables and other legal, contractual or administrative commitments. The portion of uncommitted funds represents almost 10% of budgeted expenditures, which is consistent with the City's Financial policy of a 10% General Fund reserve. This latter sum is held for emergencies and cash flow cycles.

SPECIAL REVENUE FUNDS

	<u>2000</u>	<u>1999</u>	<u>Decrease</u>
Fund Equity	\$16,507,228	\$16,755,509	\$248,281

⇒ The *Special Revenue Funds* as a group decreased in fund equity by 1.48%. Special Revenues Funds are established for several reasons, including legal statutes, administrative practices and government accounting standards. ChildCare Fund Equity dropped \$331,108 to pay for portable classrooms. The Recreation Fund was able to close up \$143,570 from the prior year. \$7,849,259 accounts for developer impact fees held for future traffic and housing projects. Also, \$2,526,898 is held in the Equipment Replacement Fund to pay for future vehicle and computer asset replacements.

CAPITAL PROJECT FUNDS

	<u>2000</u>	<u>1999</u>	<u>Decrease</u>
Fund Equity	\$28,207,122	\$31,767,822	\$3,560,700

Use of Redevelopment Agency project bonds, as noted above, was the major contributor to this decline. \$6,468,380 remains in equity to complete new corporation yard garages and offices in East San Rafael. The local school and college districts have claim to \$3,900,068 of bond proceeds to be used for campus needs.

PROPRIETARY FUNDS

The City has no enterprise funds such as water or sewer. Separately established districts throughout the City and County provide these services. The City has four internal service funds in place. Workers Compensation and Liability functions are self-insured. The City participates in a "pooled" insurance program for catastrophic losses. The Dental Insurance program was established in 1997 when the City chose to become self-insured. The Radio Replacement Fund was established this year to pay for MERA radio operating expenses and debt service requirements. The City, as a member of MERA, pays 16.9% of all expenses of this multi-agency entity.

DEBT ADMINISTRATION

The City has no outstanding general obligation bonds as of June 30, 2000. Several debts remain outstanding for the City and its component units. Outstanding principal on debt obligations of the City include \$1,265,000 of special assessment bonds and \$3,698,131 for the long-term portion of compensated absences. Also, capitalized leases for ambulances total \$52,310.

The San Rafael Redevelopment Agency has three separate tax allocation bonds outstanding. Year-end outstanding principal balances total \$45,899,004 for the 1992, 1995 and 1999 series. The new Tax Allocation Bonds issued in June of 1999 received the first ever AA rating for a redevelopment bond issue in the State of California. \$169,000 is due as part of a note payable to related to the financing of real property acquisition.

All assessment, TRANS and tax allocation bond debt is administered by a third party custodial arrangement. Pursuant to each individual bond document, the trustee collects taxes and remits payments to bondholders based upon established schedules.

CASH MANAGEMENT

Income earned on investments represents a significant revenue source to the City and allows the City to operate effectively with fewer resources than would otherwise be required. The investment portfolio at June 30, 2000 was comprised primarily of U.S. Agency notes, certificates of deposit, medium term corporate notes and pooled investments with the State of California's Local Agency Investment Fund.

The City's investments are classified according to their respective credit risk. Purchases are made following the City's adopted investment policy. Securities must be rated "A" or better at the time of purchase. The majority of the portfolio's securities are "AAA" U.S. agency bonds with respect to third party safekeeping.

City funds are pooled for investment yield purposes. Interest is returned to the various funds comprising the investment pool based on the fund's cash balance at the end of each quarter. Investments are presented in the auditor's report under GASB #31. Market value adjustments have been made to all securities that the City intends to hold until maturity.

GENERAL FIXED ASSETS

The general fixed assets of the City are those assets used in the performance of general government functions. As of June 30, 2000, the property and equipment is provided for assets capitalized in the general fixed assets account group. The book value of City owned assets at June 30, 2000 is \$28,526,700, excluding capital leases of \$212,921. The Redevelopment Agency values are \$9,271,863.

RISK MANAGEMENT POLICIES

The City of San Rafael maintains a self-insured retention of \$500,000 for general liability and participates in a public agency risk sharing pool, California Joint Powers Risk Management Authority, for an additional \$9,500,000 in excess of \$500,000. A third party claims administrator evaluates liability claims and makes recommendations to the City.

The City's self-insured retention for workers compensation claims is \$250,000 with excess coverage of \$10,000,000 with United States Fidelity and Guaranty. The City contracts with a different third-party claims administrators for workers compensation claims.

OTHER INFORMATION

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to the City of San Rafael for its comprehensive annual financial report for the fiscal year ended June 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to GFOA program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The GFOA certificate is valid for a period on one year only. The City of San Rafael received its third certificate last year for the June 30, 1999 CAFR. Staff believes our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA again this year.

Independent Audit - An annual audit of the City's financial records and transactions by an independent certified public accounting firm is required by the Charter of the City of San Rafael. This year, the accounting firm of Caporicci, Cropper and Larson, LLP performed the audit. The audit requirement has been complied with and the auditors' opinion has been included in this report.

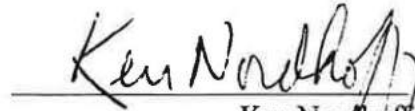
Acknowledgment - The preparation of this document was accomplished through the diligent, dedicated efforts of the Management Services Department's staff. Appreciation goes to Dennis Shives, Assistant Director of Management Services, Financial Services Division and Robert Behan, Accountant, who were instrumental in coordinating the annual audit in a timely and professional manner. Also, Mary Jean Knight, the Department's Secretary, helped assemble and edit the City's fourth comprehensive annual financial report.

Lastly, staff support by the Mayor and City Council members, with an emphasis on community focus and customer service, has allowed the Management Services Department to bring professional level financial leadership and management home to San Rafael. Staff expect to continue producing high quality products, including award winning annual financial reports. The City Council's openness to change and support in planning and conducting the operations of the City in a responsible, progressive manner empowers staff to achieve important goals through a commitment to excellence, professionalism and community interest.

Respectfully submitted,

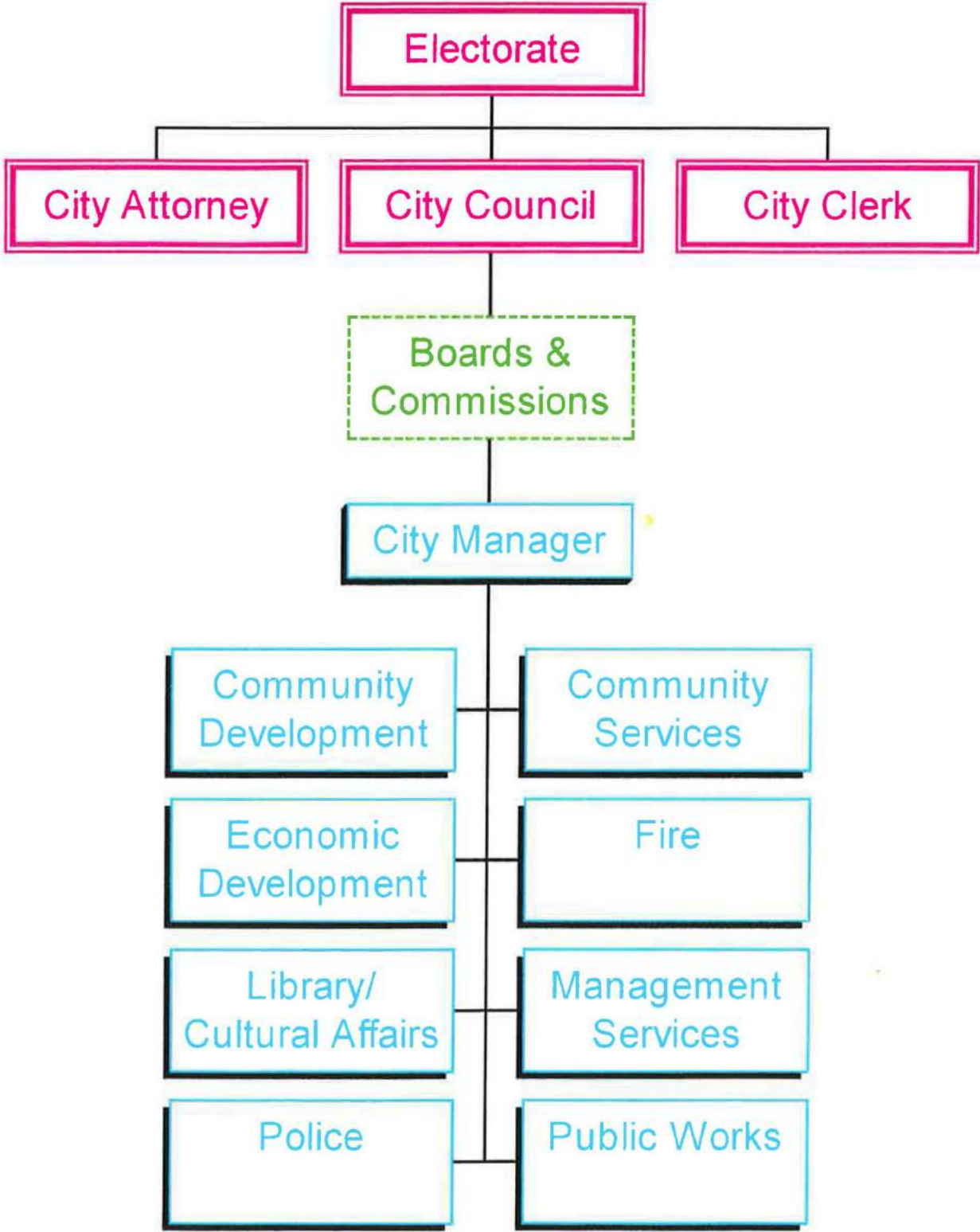


Rod Gould
City Manager

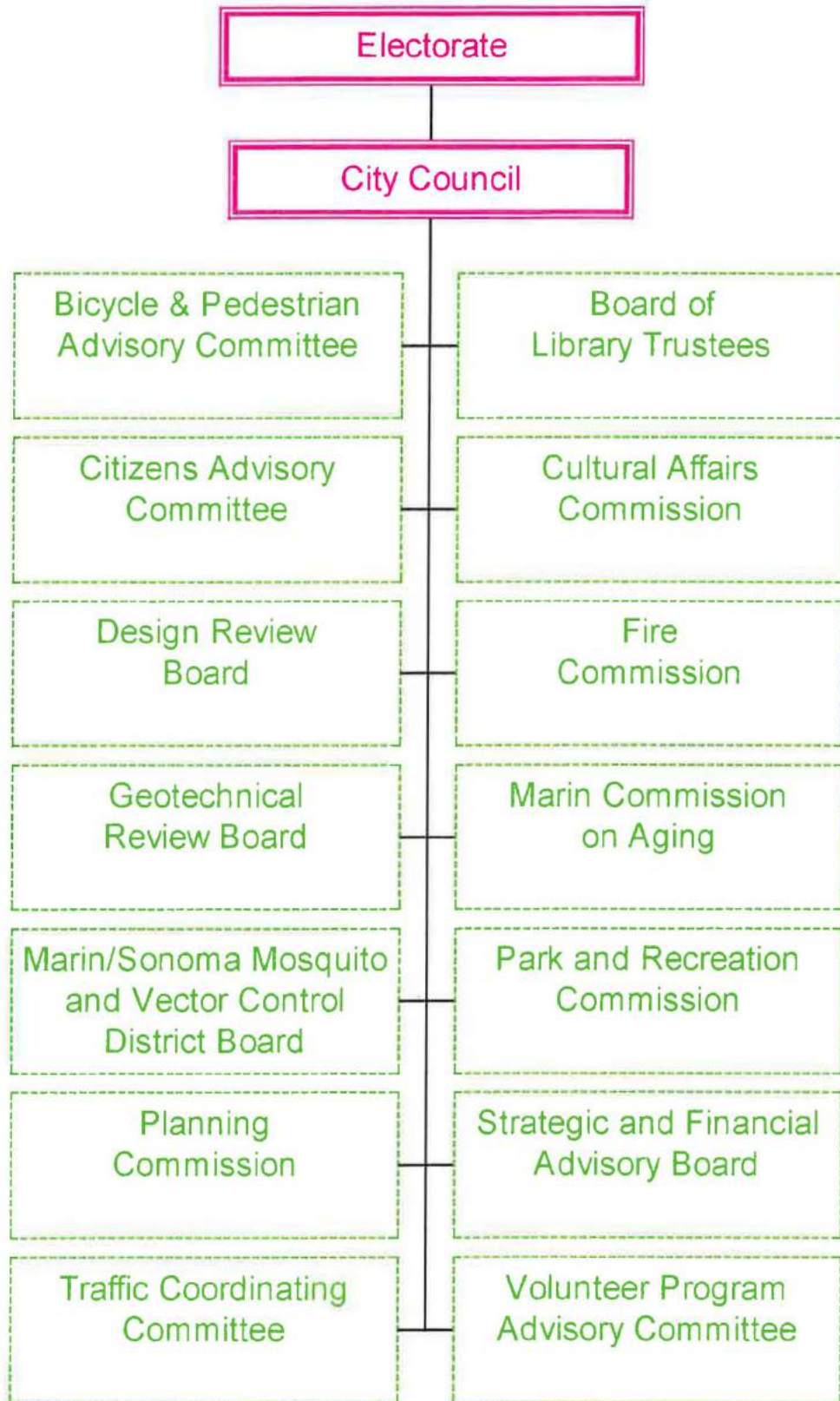


Ken Nordhoff
Assistant City Manager

Organization Chart of the City of San Rafael



Organization Chart of the City of San Rafael Boards & Commissions



City of San Rafael

City Council

Albert J. Boro, Mayor
Barbara Heller, Vice Mayor
Paul M. Cohen, Council Member
Cyr N. Miller, Council Member
Gary Phillips, Council Member

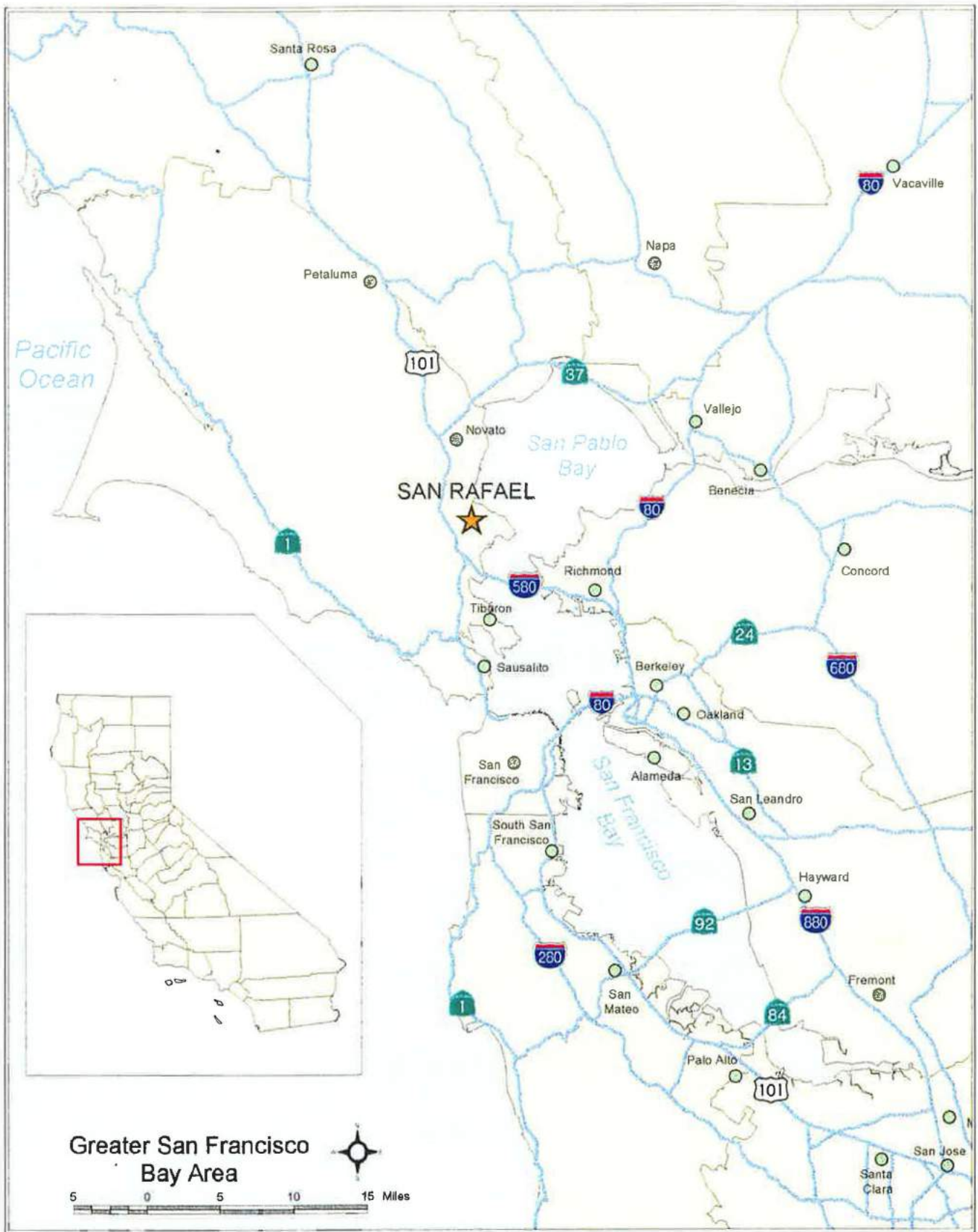
Elected Officials

Gary T. Ragghianti, City Attorney
Jeanne M. Leoncini, City Clerk

Management Team

Rod Gould, City Manager

Dave Bernardi, Public Works Director
Bob Brown, Community Development Director
Mike Cronin, Acting Police Chief
Gus Guinan, Assistant City Attorney
Nancy Mackle, Economic Development Director
Bob Marcucci, Fire Chief
Carlene McCart, Community Services Director
Ken Nordhoff, Assistant City Manager
Vaughn Stratford, Library Director



LOCATION MAP

Financial Management Policies

IT IS THE POLICY OF THE **SAN RAFAEL CITY COUNCIL** TO BE PRUDENT, CAREFUL AND OPEN REGARDING THE **CITY'S** FINANCIAL RESOURCES. RECOGNIZING THAT A BUSINESS OR RESIDENT MUST PLAN FOR BOTH SHORT AND LONG TERM FINANCIAL NEEDS, THE **CITY** SHALL MAKE EVERY EFFORT TO DO THE SAME. THE **CITY'S** FINANCIAL POLICIES SHALL INCLUDE ASSETS (BOTH HUMAN AND CAPITAL), EXPENSES, SAVINGS AND METHODOLOGY. TO THIS END, THE FOLLOWING SHALL BE THE **CITY'S** FINANCIAL POLICIES:

Category One

Assets: The City's allocation of resources shall be balances in such a way so as to provide for proper management of employees, volunteers, property, buildings and equipment.

The City shall maintain its infrastructure

Ongoing, preventative maintenance is an essential component of the City's operations. Adequate funding shall be allocated in current years to minimize expenditures in future years. Infrastructure maintenance includes, but is not limited to street, sewers, storm drains, sidewalks, lights and parks.

The City shall adequately fund capital replacement

To the extent possible, the cost of replacing or expanding existing facilities and equipment will be fully amortized and funded as a continuing cost of doing business. With respect to equipment, rates shall be established to recover the replacement cost of each item at the end of its useful life. Facilities will be amortized to cover ongoing maintenance and cyclical repairs and, to the extent resources are available, for the replacement or expansion of major structures.

The City shall maintain competitive compensation

The City wishes to continue positive labor relations, be competitive in the market place and desires to attract and retain top talent. Competitive salary and benefits will be provided to all employees within the City's means, with the expectation that services being provided by all staff shall continue to be exemplary.

Category Two

Expenses The City shall know the cost of providing services, make certain tax dollars are used both efficiently and wisely, and incur debt only to the extent it does not create a long-term financial burden.

The City must know its true costs of providing all services

The City shall maintain current full business costs of providing each and every City provided service. In addition, the City shall make conscious decisions about cost recovery and/or general tax subsidy of those services that benefit only portions of the tax paying public.

The City shall competitively procure goods and services

Significant savings of tax dollars can be obtained through the competitive bidding of purchases of goods and services. The City shall seek market prices or proposals for all significant purchases of goods and services, including periodic market testing of internally provided services, consistent with the City's purchasing policy. Preference will be given to San Rafael businesses.

The City shall oppose mandated programs that are unfunded

The Federal and State Governments regularly adopt laws that mandate local compliance or implementation. The City is forced to incur additional operating costs and no funding is provided to pay for these mandates. The City shall have a general policy against unfunded mandates, including social services, which have an adverse impact to San Rafael's services and budget.

The City shall only borrow what it can afford to repay

Loans and other debts will be established wisely to level out costs. Refinancing of existing debt will take place when market conditions lend themselves to economic gains. The City shall not overextend indebtedness, which may cause undue financial burdens in subsequent years.

Category Three

Savings: The City shall set aside sufficient monies to meet short and long term needs and shall invest all savings in a safe manner.

The City Shall Maintain Prudent Reserves, including a 10% General Fund reserve.

Adequate reserves of funds shall be established to meet future capital needs, to offset economic hard times, to stabilize fluctuations in cash flow requirements, and to provide for emergency situations. This shall include an ongoing 10% General Fund reserve.

The City shall conservatively invest its idle cash

The City will invest its idle cash in a conservative manner so as to safeguard public funds. Investment instruments will be chosen using safety, liquidity and yield as the selection criteria.

Category Four

Methods: The City shall live within its financial means, comply with all aspects of local government financial laws, and publicly disclose major financial decisions.

City budgets must balance with ongoing revenues equal to or greater than ongoing expenditures

The City Council will continue to adopt balanced budgets on an annual basis. Annual audited financial reports confirm the adoption of a balanced budget, and note any discrepancies. These financial reports are used by the financing community to gauge the City's credit worthiness, among other issues.

Cost must be matched with revenues. Ongoing costs shall only be funded with ongoing revenues. One-time costs can be funded with one-time revenues. However, one-time revenues cannot fund ongoing costs.

The City shall base its budget on realistic estimates, assuming normal revenue inflation will go to pay for normal inflation expenses.

The City shall make its budgetary and financial decisions on conservative estimates or revenues and expenditures. Normal revenue growth, defined as increased amounts from existing sources, may not always increase at a rate equal to or faster than the expenses they support. As a result, the City should avoid using such revenue as start-up revenue money for new projects or programs that have ongoing costs. Increases in service levels should be supported by new revenue sources or reallocation of existing resources. If normal revenue inflation does not keep up with expense inflation, alternatives such as decreases in expenses or new revenue sources would be explored.

The City shall make and report its financial decisions publicly

Public involvement is encouraged in budgeting and financial planning. The City Council shall make all non-routine or non-administrative financial decisions in public at regularly scheduled meetings. The results of such decision making shall be reported in a timely manner through Comprehensive Annual Financial Reports, newsletters and other public information documents.

The City shall comply with all requirements of generally accepted accounting principles (GAAP) as they apply to local governmental agencies

The City will always conduct our financial affairs and maintain our records in accordance with GAAP as established by the Government Accounting Standards Board, so as to maintain accuracy and public confidence in our financial reporting systems.

The City shall maintain a long-range fiscal perspective

The City shall examine its financial condition periodically by forecasting several years into the future. In this way, adverse trends can be anticipated and better managed.

The City will require that all proprietary funds (Enterprise and Internal Service) be self-supporting.

Enterprise Funds

Any enterprise funds established by the City will be supported by their own rates and not subsidized by the General Fund. We will assess charges against those funds at a reasonable rate for services provided by general government.

Internal Service Funds

The internal service funds for vehicle replacement, information systems and building maintenance should be structured to fund adequate maintenance and replacement of vehicles, office equipment, information systems and City buildings in an efficient and orderly manner. The Building Improvements Fund rates will be brought up to appropriate levels over a five-year period. The Risk Management (liability and worker's compensation) Self-Insurance Funds will continue meeting the City's insurance needs as economically as possible while maintaining sufficient levels of coverage to protect the City's employees, property and reserves.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Rafael,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

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Anne Spray Kinsey
President

Jeffrey L. Esell
Executive Director

Financial Section



City of San Rafael

General Purpose Financial Statements and Independent Auditors' Report

For the year ended June 30, 2000

CCL
Caporicci, Cropper & Larson, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
of the City of San Rafael
San Rafael, California

We have audited the accompanying general purpose financial statements of the City of San Rafael, California (City) as of and for the year ended June 30, 2000, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the San Rafael Sanitation District (District), which is presented as a discrete component unit in the accompanying financial statements. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the District in the accompanying general purpose financial statements, is based on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 15, 2000 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining, individual fund and account group financial statements and schedules listed as supplemental information in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. This information is the responsibility of the City. The information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. We did not audit the statistical information listed on the foregoing table of contents and, accordingly, we express no opinion on the statistical section.

Caporicci, Cropper & Larson, LLP

Walnut Creek, California
September 15, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

City of San Rafael

Combined Balance Sheet

All Fund Types and Account Groups and Discretely Presented Component Unit

June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets:				
Cash and investments (Note 2)	\$ 3,247,032	\$ 16,213,100	\$ 967,649	\$ 9,154,750
Cash and investments with fiscal agent (Note 2)	2,506,075	-	1,090,775	18,310,185
Accounts receivable (Note 3)	198,542	611,960	-	173,642
Taxes receivable (Note 3)	3,261,457	1,207	1,359	933,363
Grants receivable (Note 3)	-	231,066	-	-
Interest receivable (Note 3)	563,955	-	-	87,402
Loans receivable (Note 3)	777,078	94,286	-	325,536
Due from other funds (Note 5)	51,715	42,654	-	305,716
Due from other governments	-	-	-	-
Prepaid expenses	10,419	-	-	-
Other current assets	-	-	-	-
General fixed assets (Note 6)	-	-	-	-
Component unit fixed assets, net (Note 6)	-	-	-	-
COP issuance costs, net	-	-	-	-
Total assets	10,616,273	17,194,273	2,059,783	29,290,594
Other Debits:				
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total other debits	-	-	-	-
Total assets and other debits	\$ 10,616,273	\$ 17,194,273	\$ 2,059,783	\$ 29,290,594
LIABILITIES, FUND EQUITY, AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 874,688	\$ 598,031	\$ 3,345	\$ 658,266
Connection fees payable	-	-	-	-
Developer bonds payable	23,500	1,500	-	25,000
Insurance claims payable (Note 16)	-	-	-	-
Interest payable	-	-	-	-
Due to other funds (Note 5)	-	39,369	1,530	359,186
Deferred revenue (Note 4)	6,075	48,145	-	41,020
Capital leases (Note 7)	-	-	-	-
Compensated absences (Note 7)	-	-	-	-
Certificates of participation	-	-	-	-
Notes payable (Note 7)	2,500,000	-	-	-
Special assessment debt (Note 7)	-	-	-	-
Bonds payable (Note 7)	-	-	-	-
Total liabilities	3,404,263	687,045	4,875	1,083,472
Fund Equity and Other Credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital (Note 11)	-	-	-	-
Retained earnings	-	-	-	-
Fund balances (Note 9):				
Reserved	3,952,363	4,516,204	2,054,908	28,207,122
Unreserved:				
Designated	-	10,329,786	-	-
Undesignated	3,259,647	1,661,238	-	-
Total fund equity and other credits	7,212,010	16,507,228	2,054,908	28,207,122
Total liabilities, fund equity, and other credits	\$ 10,616,273	\$ 17,194,273	\$ 2,059,783	\$ 29,290,594

See accompanying notes to general purpose financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)	Component	Totals (Memorandum Only)
		General Fixed Assets	General Long- Term Debt		Unit San Rafael Sanitation District	
Internal Service	Expendable Trust and Agency					
\$ 5,660,428	\$ 450,864	\$ -	\$ -	\$ 35,693,823	\$ 2,910,169	\$ 38,603,992
-	-	-	-	21,907,035	-	21,907,035
-	-	-	-	984,144	-	984,144
-	-	-	-	4,197,386	-	4,197,386
-	-	-	-	231,066	-	231,066
-	-	-	-	651,357	1,926	653,283
-	-	-	-	1,196,900	-	1,196,900
-	-	-	-	400,085	-	400,085
-	-	-	-	-	33,103	33,103
-	-	-	-	10,419	13,393	23,812
-	-	-	-	-	27,396	27,396
-	-	38,011,483	-	38,011,483	-	38,011,483
-	-	-	-	-	22,279,917	22,279,917
-	-	-	-	-	44,764	44,764
<u>5,660,428</u>	<u>450,864</u>	<u>38,011,483</u>	<u>-</u>	<u>103,283,698</u>	<u>25,310,668</u>	<u>128,594,366</u>
-	-	-	2,054,908	2,054,908	-	2,054,908
-	-	-	53,343,536	53,343,536	-	53,343,536
-	-	-	55,398,444	55,398,444	-	55,398,444
<u>\$ 5,660,428</u>	<u>\$ 450,864</u>	<u>\$ 38,011,483</u>	<u>\$ 55,398,444</u>	<u>\$ 158,682,142</u>	<u>\$ 25,310,668</u>	<u>\$ 183,992,810</u>
\$ 8,076	\$ 116	\$ -	\$ -	\$ 2,142,522	\$ 26,155	\$ 2,168,677
-	-	-	-	-	125,750	125,750
-	-	-	-	50,000	-	50,000
2,398,463	-	-	-	2,398,463	-	2,398,463
-	-	-	-	-	109,315	109,315
-	-	-	-	400,085	-	400,085
-	-	-	-	95,240	-	95,240
-	-	-	52,309	52,309	-	52,309
-	-	-	3,698,131	3,698,131	-	3,698,131
-	-	-	-	-	3,856,706	3,856,706
-	-	-	169,000	2,669,000	-	2,669,000
-	-	-	1,265,000	1,265,000	-	1,265,000
-	-	-	50,214,004	50,214,004	-	50,214,004
<u>2,406,539</u>	<u>116</u>	<u>-</u>	<u>55,398,444</u>	<u>62,984,754</u>	<u>4,117,926</u>	<u>67,102,680</u>
-	-	38,011,483	-	38,011,483	-	38,011,483
-	-	-	-	-	7,461,602	7,461,602
3,253,889	-	-	-	3,253,889	13,731,140	16,985,029
-	3,000	-	-	38,733,597	-	38,733,597
-	447,748	-	-	10,777,534	-	10,777,534
-	-	-	-	4,920,885	-	4,920,885
<u>3,253,889</u>	<u>450,748</u>	<u>38,011,483</u>	<u>-</u>	<u>95,697,388</u>	<u>21,192,742</u>	<u>116,890,130</u>
<u>\$ 5,660,428</u>	<u>\$ 450,864</u>	<u>\$ 38,011,483</u>	<u>\$ 55,398,444</u>	<u>\$ 158,682,142</u>	<u>\$ 25,310,668</u>	<u>\$ 183,992,810</u>

City of San Rafael

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental Fund Types and Expendable Trust Funds

For the year ended June 30, 2000

	Governmental Fund Types			
	General Fund	Special Revenue	Debt Service	Capital Projects
REVENUES:				
Taxes and special assessments	\$ 29,153,714	\$ 1,670,513	\$ 4,480,024	\$ 963,013
Licenses and permits	730,769	115,236	-	-
Fines and forfeitures	1,365,706	80,500	20,479	-
Uses of money and property	331,685	905,905	37,893	1,312,052
Intergovernmental	5,100,520	3,818,343	-	107,586
Charges for current services	1,633,091	8,956,620	-	310
Other revenues	216,749	478,606	-	6,296,756
Total revenues	38,532,234	16,025,723	4,538,396	8,679,717
EXPENDITURES:				
Current:				
General government	5,460,614	217,481	-	-
Public safety	19,282,491	4,474,113	-	-
Public works and parks	4,436,507	3,171,253	-	-
Community development/redevelopment	1,611,976	50,095	-	1,252,815
Culture and recreation	1,443,920	4,740,492	-	-
Capital outlay	-	486,424	-	-
Capital Improvement/Special Projects	2,728,934	5,955,837	-	10,794,543
Debt service:				
Principal retirement	-	-	1,875,000	-
Interest and fiscal charges	-	-	2,700,668	-
Total expenditures	34,964,442	19,095,695	4,575,668	12,047,358
REVENUES OVER (UNDER) EXPENDITURES	3,567,792	(3,069,972)	(37,272)	(3,367,641)
OTHER FINANCING SOURCES (USES):				
Operating transfers in (Note 5)	1,564,125	4,171,529	1,403	2,109,528
Operating transfers out (Note 5)	(5,967,365)	(1,349,838)	(7,316)	(1,009,335)
Total other financing sources (uses)	(4,403,240)	2,821,691	(5,913)	1,100,193
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(835,448)	(248,281)	(43,185)	(2,267,448)
FUND BALANCES:				
Beginning of year	8,047,458	16,755,509	2,098,093	31,767,822
Residual equity transfers out (Note 5)	-	-	-	(1,293,252)
End of year	\$ 7,212,010	\$ 16,507,228	\$ 2,054,908	\$ 28,207,122

See accompanying notes to general purpose financial statements.

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)
\$ -	\$ 36,267,264
-	846,005
-	1,466,685
29,044	2,616,579
35,000	9,061,449
-	10,590,021
22,117	7,014,228
<u>86,161</u>	<u>67,862,231</u>
47,764	5,725,859
-	23,756,604
-	7,607,760
-	2,914,886
33,094	6,217,506
-	486,424
-	19,479,314
-	1,875,000
-	2,700,668
<u>80,858</u>	<u>70,764,021</u>
<u>5,303</u>	<u>(2,901,790)</u>
-	7,846,585
-	(8,333,854)
-	(487,269)
5,303	(3,389,059)
445,445	59,114,327
-	(1,293,252)
<u>\$ 450,748</u>	<u>\$ 54,432,016</u>

City of San Rafael

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General, Special Revenue, Debt Service, and Expendable Trust Funds
For the year ended June 30, 2000

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance	Budget	Actual	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)
REVENUES:						
Taxes and special assessments	\$ 27,949,456	\$ 29,153,714	\$ 1,204,258	\$ 1,669,782	\$ 1,670,513	\$ 731
Licenses and permits	650,940	730,769	79,829	126,000	115,236	(10,764)
Fines and forfeitures	1,276,702	1,365,706	89,004	82,000	80,500	(1,500)
Uses of money and property	413,238	331,685	(81,553)	921,764	905,905	(15,859)
Intergovernmental	4,883,029	5,100,520	217,491	4,181,181	3,818,343	(362,838)
Charges for current services	1,807,240	1,633,091	(174,149)	9,424,622	8,956,620	(468,002)
Other revenues	430,840	216,749	(214,091)	132,040	478,606	346,566
Total revenues	37,411,445	38,532,234	1,120,789	16,537,389	16,025,723	(511,666)
EXPENDITURES:						
Current:						
General government	5,586,098	5,460,614	125,484	224,444	217,481	6,963
Public safety	18,859,118	19,282,491	(423,373)	4,625,004	4,474,113	150,891
Public works and parks	4,396,258	4,436,507	(40,249)	3,353,709	3,171,253	182,456
Community development/redevelop	1,811,705	1,611,976	199,729	732,735	50,095	682,640
Culture and recreation	1,558,728	1,443,920	114,808	5,080,664	4,740,492	340,172
Capital outlay	3,401,377	2,728,934	672,443	1,378,591	486,424	892,167
Capital improvement/special projects	-	-	-	11,371,891	5,955,837	5,416,054
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	35,613,284	34,964,442	648,842	26,767,038	19,095,695	7,671,343
REVENUES OVER (UNDER) EXPENDITURES	1,798,161	3,567,792	1,769,631	(10,229,649)	(3,069,972)	7,159,677
OTHER FINANCING SOURCES (USES):						
Operating transfers in (Note 5)	1,564,119	1,564,125	6	4,106,529	4,171,529	65,000
Operating transfers out (Note 5)	(5,896,408)	(5,967,365)	(70,957)	(1,349,838)	(1,349,838)	-
Total other financing sources (uses)	(4,332,289)	(4,403,240)	(70,951)	2,756,691	2,821,691	65,000
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (2,534,128)	(835,448)	\$ 1,698,680	\$ (7,472,958)	(248,281)	\$ 7,224,677
FUND BALANCES:						
Beginning of year		8,047,458			16,755,509	
End of year		<u>\$ 7,212,010</u>			<u>\$ 16,507,228</u>	

See accompanying notes to general purpose financial statements.

Debt Service Funds			Expendable Trust Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 4,509,911	\$ 4,480,024	\$ (29,887)	\$ -	\$ -	\$ -	\$ 34,129,149	\$ 35,304,251	\$ 1,175,102
-	-	-	-	-	-	776,940	846,005	69,065
-	20,479	20,479	-	-	-	1,358,702	1,466,685	107,983
51,701	37,893	(13,808)	21,827	29,044	7,217	1,408,530	1,304,527	(104,003)
-	-	-	35,000	35,000	-	9,099,210	8,953,863	(145,347)
-	-	-	-	-	-	11,231,862	10,589,711	(642,151)
-	-	-	17,000	22,117	5,117	579,880	717,472	137,592
<u>4,561,612</u>	<u>4,538,396</u>	<u>(23,216)</u>	<u>73,827</u>	<u>86,161</u>	<u>12,334</u>	<u>58,584,273</u>	<u>59,182,514</u>	<u>598,241</u>
-	-	-	52,000	47,764	4,236	5,862,542	5,725,859	136,683
-	-	-	-	-	-	23,484,122	23,756,604	(272,482)
-	-	-	-	-	-	7,749,967	7,607,760	142,207
-	-	-	-	-	-	2,544,440	1,662,071	882,369
-	-	-	30,000	33,094	(3,094)	6,669,392	6,217,506	451,886
-	-	-	-	-	-	4,779,968	3,215,358	1,564,610
-	-	-	-	-	-	11,371,891	5,955,837	5,416,054
1,285,000	1,875,000	(590,000)	-	-	-	1,285,000	1,875,000	(590,000)
3,317,887	2,700,668	617,219	-	-	-	3,317,887	2,700,668	617,219
<u>4,602,887</u>	<u>4,575,668</u>	<u>27,219</u>	<u>82,000</u>	<u>80,858</u>	<u>1,142</u>	<u>67,065,209</u>	<u>58,716,663</u>	<u>8,348,546</u>
(41,275)	(37,272)	4,003	(8,173)	5,303	13,476	(8,480,936)	465,851	8,946,787
-	1,403	1,403	-	-	-	5,670,648	5,737,057	66,409
<u>(7,316)</u>	<u>(7,316)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,253,562)</u>	<u>(7,324,519)</u>	<u>(70,957)</u>
<u>(7,316)</u>	<u>(5,913)</u>	<u>1,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,582,914)</u>	<u>(1,587,462)</u>	<u>(4,548)</u>
<u>\$ (48,591)</u>	<u>(43,185)</u>	<u>\$ 5,406</u>	<u>\$ (8,173)</u>	<u>5,303</u>	<u>\$ 13,476</u>	<u>\$ (10,063,850)</u>	<u>(1,121,611)</u>	<u>\$ 8,942,239</u>
	<u>2,098,093</u>			<u>445,445</u>			<u>27,346,505</u>	
	<u>\$ 2,054,908</u>			<u>\$ 450,748</u>			<u>\$ 26,224,894</u>	

City of San Rafael

Combined Statement of Revenues, Expenses and Changes in Retained Earnings

All Proprietary Fund Types and Discretely Presented Component Unit

For the year ended June 30, 2000

	Primary Government Internal Service	Component Unit San Rafael Sanitation District Enterprise Fund	Totals (Memorandum Only)
OPERATING REVENUES:			
Charges for current services	\$ 3,398,451	\$ -	\$ 3,398,451
Refunds	73,013	-	73,013
Sewer charges	-	4,729,783	4,729,783
Connection fees	-	124,876	124,876
Other operating revenues	-	79,633	79,633
Total operating revenues	3,471,464	4,934,292	8,405,756
OPERATING EXPENSES:			
Insurance premiums and claims	2,807,992	-	2,807,992
Sewage collection	-	1,632,159	1,632,159
Sewage treatment	-	1,866,300	1,866,300
Depreciation and amortization	-	786,445	786,445
General and administrative	-	206,402	206,402
Total operating expenses	2,807,992	4,491,306	7,299,298
OPERATING INCOME	663,472	442,986	1,106,458
NON-OPERATING REVENUES (EXPENSES):			
Property taxes	-	442,365	442,365
Operating transfer in	487,269	-	487,269
Aid from governmental agencies	-	65,332	65,332
Investment income	188,671	97,866	286,537
Interest expense	-	(268,760)	(268,760)
Total non-operating revenues	675,940	336,803	1,012,743
NET INCOME	1,339,412	779,789	2,119,201
Add: depreciation expense on assets acquired by contributed capital	-	286,478	286,478
Increase in retained earnings	1,339,412	1,066,267	2,405,679
RETAINED EARNINGS:			
Beginning of year	621,225	12,664,873	13,286,098
Residual equity transfers in (Note 5)	1,293,252	-	1,293,252
End of year	<u>\$ 3,253,889</u>	<u>\$ 13,731,140</u>	<u>\$ 16,985,029</u>

See accompanying notes to general purpose financial statements.

City of San Rafael
Combined Statement of Cash Flows
All Proprietary Fund Types and Discretely Presented Component Unit
For the year ended June 30, 2000

	Primary Government	Component Unit	Totals
	Internal Service	Enterprise Fund	(Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income	\$ 663,472	\$ 442,986	\$ 1,106,458
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	-	786,445	786,445
Changes in current assets and liabilities:			
Prepaid expenses and other current assets	-	(53,932)	(53,932)
Accounts payable and other current liabilities	(12,026)	98,924	86,898
Claims payable	240,338	-	240,338
Net cash provided by operating activities	<u>891,784</u>	<u>1,274,423</u>	<u>2,166,207</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Operating transfers in	487,269	-	487,269
Residual equity transfers from other funds	1,293,252	-	1,293,252
Property taxes	-	442,365	442,365
Aid from governmental agencies	-	65,332	65,332
Net cash provided by non-capital financing activities	<u>1,780,521</u>	<u>507,697</u>	<u>2,288,218</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Cash paid for capital acquisitions	-	(635,731)	(635,731)
Interest received from certificates of participation principal cash	-	19,766	19,766
Principal payments on certificates of participation	-	(210,000)	(210,000)
Interest paid on certificates of participation	-	(268,760)	(268,760)
Net cash provided (used) by capital financing activities	<u>-</u>	<u>(1,094,725)</u>	<u>(1,094,725)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Income from investments	188,671	78,100	266,771
Net cash provided by investing activities	<u>188,671</u>	<u>78,100</u>	<u>266,771</u>
Net increase in cash and cash equivalents	2,860,976	765,495	3,626,471
CASH AND CASH EQUIVALENTS:			
Beginning of year	2,799,452	2,144,674	4,944,126
End of year	<u>\$ 5,660,428</u>	<u>\$ 2,910,169</u>	<u>\$ 8,570,597</u>

See accompanying notes to general purpose financial statements.

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

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City of San Rafael
Notes to General Purpose Financial Statements
For the year ended June 30, 2000

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of San Rafael (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The City maintains a Council-Manager form of government and provides the following services: public safety (police and fire), public works, community development, library, parks, recreation, childcare, and general administrative services.

As required by GAAP, these general purpose financial statements present the City (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria set forth in GASB Statement No. 14: the primary government is accountable for the potential component unit, and the primary government is able to impose its will upon the potential component, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government.

In addition to having the same governing board, the City is financially accountable for the San Rafael Redevelopment Agency and the San Rafael Joint Powers Financing Authority, and management activities of both entities are conducted by City staff. The two legally separated entities are, in substance, part of the City's operations and are, therefore, blended into the City's general purpose financial statements.

The component units discussed in this note are included in the City's reporting entity because of the significance of its operational or financial relationships with the City. Each component unit has a June 30 year end. Separately issued component unit financial statements can be obtained at the City of San Rafael, Finance Division, 1400 Fifth Avenue, Room 204, San Rafael, California 94901.

Blended Component Units:

San Rafael Redevelopment Agency – The San Rafael Redevelopment Agency (Agency) was established under the provisions of the Community Redevelopment Law (California Health and Safety Code, commencing with Section 33000) primarily to assist in the clearance and rehabilitation of areas determined to be in a declining condition in the City. Financial activity of the Agency commenced in July 1983. Under the Agency's Redevelopment Plan (Plan), approved in November 1982, the

City of San Rafael

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2000

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

Agency proposes to assist in the development of the property located in the central San Rafael business core and east San Rafael. The Agency receives incremental tax revenues on the developed property due to increases in assessed value. The Agency functions as an independent entity. The City Council serves as the governing board of the Agency.

The Agency's assets, liabilities, revenues and expenditures (other than those applicable to its fixed assets and long-term debt) are blended into the Capital Projects Funds and Debt Service Funds. The Agency's fixed assets are included in the General Fixed Assets Account Group. The Agency's long-term debts are blended into the General Long-Term Debt Account Group.

San Rafael Joint Powers Financing Authority - The San Rafael Joint Powers Financing Authority (Authority) was created by the City of San Rafael pursuant to Articles 1 and 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California for the purpose of assisting in the financing and refinancing of certain assessment district activities of the City.

All of the Authority's assets, liabilities, revenues and expenditures are blended into the Capital Projects Funds and the Debt Service Funds. The Authority's long-term debts are blended into the General Long-Term Debt Account Group.

Discretely Presented Component Unit:

San Rafael Sanitation District - The San Rafael Sanitation District (District) was formed in 1947 under Section 4700 of the California Health and Safety Code to provide wastewater transmission over the southern two-thirds of the City and adjacent unincorporated areas. The City contracts with the District to maintain the collection systems in the City and unincorporated areas.

The District is governed by a three member Board of Directors who are appointed to four-year terms. The City Council of the City appoints two out of the three board members and has the ability to remove the two board members at will.

The District's activities are reported as a discretely presented component unit in a separate column in the general purpose financial statements which includes the District's assets, liabilities, revenues, expenses, results of operations and cash flows. The District's fiscal year end is June 30 and its separately issued component unit financial statements can be obtained at Central Marin Sanitation Agency, Finance Department, 1301 Andersen Drive, San Rafael, California 94901.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Description of Funds and Account Groups

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity with its own self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. These funds and account groups are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds presented in the general purpose financial statements are grouped into categories as follows.

Governmental Fund Types:

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

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

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Fund Types:

Internal Service Funds are used to account for the financing of goods or services provided by one department or program to other departments or programs of the City, or to other governments, on a cost-reimbursement basis.

Enterprise Funds are used to account for operations where it is the stated intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

Fiduciary Fund Type:

Expendable Trust Funds are accounted for in the same manner as governmental funds. All trust funds of the City are classified as expendable.

Account Groups:

The General Fixed Assets Account Group is used to maintain control and cost information on capital assets acquired to perform general government functions.

The General Long-Term Debt Account Group is used to record the unmatured principal of tax allocation bonds, special assessment bonds, notes, compensated absences, the principal amount of future lease payments due under lease purchase agreements and other long-term liabilities.

C. Measurement Focus

All governmental funds and expendable trust funds are accounted for on a spending or "current financial resources" measurement focus. This means that generally only current assets and current liabilities are included on their balance sheets, with the exception that the non-current portion of long-term receivables are reported on their balance sheets, offset by fund balance reserve accounts or deferred revenue.

Statements of revenues, expenditures and changes in fund balances for governmental funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a cost of services or "economic resources" measurement focus. This means that all assets and liabilities (whether current or non-current) associated with the activity are included on the balance sheets. Their reported fund equity presents total net assets. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in total net assets.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Basis of Accounting

All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become susceptible to accrual, that is, when both are measurable and available. "Measurable" means the amounts of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. All proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the accounting period in which they are incurred. The City applied all FASB statements that do not conflict with or contradict GASB guidance.

Accrued revenues include property taxes, sales taxes, transient occupancy taxes, gas taxes, franchise fees, interest and grants. Grant revenues which are received as reimbursement for specific purposes or projects are recognized based upon when the related expenditures are recorded. Grant revenues which are usually restricted as to purpose and revocable only for failure to meet prescribed compliance requirements are reflected as revenues at the time of receipt or earlier if availability criteria are met. Licenses, fines and penalties, and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are accrued since they are measurable and available.

Expenditures under the modified accrual basis of accounting are recognized when the related fund liability is incurred, except for principal and interest on general long-term obligations which are recognized when due. Liabilities expected to be paid after the current period are recorded in the General Long-Term Debt Account Group.

E. Budgets

The City adopts a budget on a biannual basis, to be effective July 1 for the ensuing and subsequent fiscal years. The two year budget reflects estimated revenues and expenditures for each fiscal year. From the effective date of the budget, which is adopted at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during the fiscal year. Expenditures may not exceed appropriations at the departmental level, which is the legal level of control. The City Manager is authorized to transfer budgeted amounts between accounts, departments or funds; the Council must approve any increase in the City's total budget. Several supplemental appropriations were approved during the course of the year. All unencumbered appropriations lapse at year end.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

The City legally adopts budgets for all its governmental funds, except for the East Francisco Boulevard Assessment District, 1915 Act Bonds and 1997 Reassessment Bonds Debt Service Funds, because the City is only required to make debt service payments in the event of bondholder default. No budget was created for the Recreation Fiduciary Expendable Trust Fund because unanticipated contribution/donation was received at the end of fiscal year.

The basis of accounting applied to the budget data presented for the General Fund, Special Revenue Funds, and the Debt Service Funds and Expendable Trust Funds is the modified accrual basis of accounting, and also conforms to GAAP. The Capital Projects Funds budgets are based on a project time frame, rather than a fiscal year "operating" time frame, reappropriating unused appropriations from year to year until project completion.

Supplemental appropriations for the fiscal year ended June 30, 2000, were as follows:

<u>Fund</u>	<u>Original Budget</u>	<u>Supplemental Appropriations</u>	<u>Amended Budget</u>
General Fund	\$ 32,679,663	\$ 2,933,621	\$ 35,613,284
Special Revenue Funds	14,937,880	11,829,158	26,767,038
Debt Service Funds	6,026,512	(1,423,625)	4,602,887
Expendable Trust Funds	82,000	-	82,000

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the budgetary process. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities and are carried forward in the subsequent year's budget.

F. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts with original maturities of three months or less to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term loans are classified as interfund receivables or payables.

H. Property Tax Levy Collection and Maximum Rates

The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent (1%) of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than two percent (2%) per year unless the property is sold, transferred, or improved. The State Legislature has determined the method of distribution of receipts from a one percent (1%) tax levy among the counties, cities, school districts, and other districts.

Marin County assesses, bills for, and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates	50% on November 1 and 50% on February 1	July 1
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

The term "unsecured" refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed.

City of San Rafael

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2000

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

Property taxes levied are recorded as revenue when received in the fiscal year of levy because of the adoption of the "alternate method of property tax distribution," known as the Teeter Plan, by the City and the County of Marin. The Teeter Plan authorizes the auditor-controller of the County of Marin to allocate 100% of the secured property taxes billed, but not yet paid. The County of Marin remits tax monies to the City in three installments, as follows:

55% remitted on December 15

40% remitted on April 15

5% remitted on June 15

I. *Taxpayer-Assessed Taxes Accrual*

In accordance with GASB Statement No. 22, *Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds*, the City recognizes taxpayer-assessed taxes in Governmental Funds as follows:

Sales Taxes – The City accrues actual advances from the State Board of Equalization received in July and August of the subsequent fiscal year, as these amounts are both measurable and available to the City to meet its financial obligation for the current period.

Public Safety Sales Tax (Proposition 172 Sales Tax) – The City accrues July and August receipts of the public safety sales tax on the basis consistent with the accrual of regular sales taxes.

Transient Occupancy Taxes – The City collects transient occupancy taxes on a quarterly basis. The taxes assessed for the quarter ended June 30 are due by July 31 of the subsequent fiscal year. The City accrues all transient occupancy taxes for the June 30th quarter received subsequent to the fiscal year end.

Gas Taxes – The City accrues gas taxes assessed for the month ended June 30, as these amounts are both measurable and available to the City a month after the fiscal year end.

Franchise Fees – The City collects cable franchise fees on a quarterly basis and refuse franchise fees on a monthly basis. The taxes assessed for the quarter ended June 30 are due by July 31 of the subsequent fiscal year. The City accrues all franchise fees for the June 30th period received subsequent to the fiscal year end.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

J. General Fixed Assets

General fixed assets are recorded as expenditures of the various governmental funds at the time of purchase and are subsequently capitalized for memorandum purposes in the General Fixed Assets Account Group. Such assets include land, buildings, building improvements, furniture and equipment.

Public domain "infrastructure" fixed assets, such as roads, streets and sidewalks, bridges, curbs and gutters, drainage systems, lighting systems, and similar assets, are not capitalized. No depreciation is provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Fixed assets acquired by lease obligations are valued at the present value of future lease payments at the inception of the lease.

The collection systems and facilities of the District are stated at cost less accumulated depreciation. Assets contributed have been recorded at the fair market value at the date received. Maintenance and repairs are charged to expense as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed asset. Depreciation is computed using the straight-line method over the useful lives of the assets.

A summary of the useful lives of the fixed assets of the District is as follows:

Subsurface lines	50 years
Sewage collection facilities	5 – 50 years
General plant and administrative facilities	3 – 15 years

K. Long-Term Lease Accounting

Fixed assets acquired through long-term lease contracts are capitalized at the time the contract is executed. The related assets and liabilities are recorded in the appropriate fund or account group.

L. Compensated Absences

The City accounts for compensated absences (unpaid vacation, sick leave, compensatory time, and administrative leave) expected to be currently payable as accrued payroll and benefits liability in the governmental funds to which they relate. The balance of the earned

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

and vested, but unused, compensated absences expected to be paid subsequent to June 30, 2000, is recorded in the General Long-Term Debt Account Group. Effective July 2001, the requirement that employees hired before 10/79 be eligible for a portion of unused sick leave will be eliminated. No expenditure was recorded for these amounts.

M. Claims and Judgments

Claims and judgments that normally would be liquidated with expendable available resources are accounted for in the Internal Service Funds.

N. Appropriation Limit

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from proceeds of taxes. For the fiscal year ended June 30, 2000, based on calculations by City's management, proceeds of taxes did not exceed related appropriations. Further, Section 5 of Article XIII B allows the City to designate a portion of fund balance for general contingencies to be used for any purpose.

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P. Total Column on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis and do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation. Interfund eliminations have not been made.

Q. Reclassification

Certain reclassifications have been made to prior year financial data in order to conform with the current year presentation.

City of San Rafael

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2000

2. CASH AND INVESTMENTS

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds, which the City Treasurer invests to enhance interest earnings. The pooled interest earned is allocated quarterly to each fund based on an average of quarterly opening and closing balances of cash and investments.

A. Cash Deposits

The carrying amounts of the City's cash deposits were \$(409,532) at June 30, 2000. Bank balances at June 30, 2000 were \$396,140 which were fully insured and collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

B. Investments

The City is authorized by State statutes and in accordance with the City's Investment Policy (the Policy) to invest in the following:

- Mutual Funds composed entirely of U.S. governmental securities or other allowable investments
- Negotiable Certificates of Deposit
- U.S. Government Securities
- Bankers Acceptances
- Commercial Paper
- Medium-Term Corporate Notes
- California Local Agency Investment Fund (LAIF)
- California Arbitrage Management Program (CAMP)
- Repurchase Agreements

City of San Rafael

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2000

2. CASH AND INVESTMENTS, Continued

- Federal Agency Obligations:
 - Federal Intermediate Credit Bank Debentures (FICB)
 - Federal Land Bank Bonds (FLB)
 - Federal Home Loan Bank Notes and Bonds (FHLB)
 - Federal National Mortgage Association Obligations (FNMA)
 - Small Business Administration Obligations (SBA)
 - Government National Mortgage Association Obligations (GNMA)
 - Tennessee Valley Authority Notes (TVA)
 - Student Loan Association Notes (SALLIE MAE)

The Policy, in addition to State statutes, establishes that funds on deposit in banks must be federally insured or collateralized and investments shall (1) have maximum maturity not to exceed five years, except for repurchase agreements which may be invested in securities exceeding five years if the maturity of such investments are made to coincide, as nearly as practicable, with the expected use of funds; (2) be laddered and based on cash flow forecasts; and (3) be subject to limitations to a certain percent of the portfolio for each of the authorized investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method resulting in the following investment income:

Investment Income:	
Interest income	\$ 2,895,681
Net unrealized (loss) in changes in fair value of investments	(322,098)
Total Investment Income	\$ 2,573,583

In accordance with GASB Statement No. 3, cash deposits and investments are categorized separately to give an indication of the level of risk assumed by the City. Cash deposits and investments not subject to such categorization under GASB Statement No. 3 are identified as "uncategorized." The City's cash deposits and investments are categorized in the following manner:

Deposits

Category 1 - Deposits which are insured by the FDIC and held by the City or its agent in the City's name.

City of San Rafael

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2000

2. CASH AND INVESTMENTS, Continued

Category 2 - Deposits which are collateralized and held by the pledging financial institution's trust department or agent in the City's name. The California Government Code requires California banks and savings and loan associations to secure the City's deposits by pledging government securities with a value of 110% of the City's deposits, or by pledging first trust deed mortgage notes having a value of 150% of the City's total deposits.

Category 3 - Deposits which are uninsured or uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name.

Investments

Category 1 - Investments which are insured by the Securities Investors Protection Corporation (SIPC), or investments which are held in definitive form by the City or the City's agent in the City's name, or investments acquired through the federal reserve book-entry system where the financial institution or broker/dealer associated with the purchase is adequately segregated from the custodial safekeeping agent on the same investments, and where the investments are recorded on the books and records of the financial institution or broker/dealer in the name of the City.

Category 2 - Investments which are uninsured, where the investments are acquired through a financial institution's investment or trading department, but are held in the same financial institution's trust department and are recorded in the City's name in the trust department's systems and records.

Category 3 - Investments which are uninsured, 1) where the investments are acquired through a financial institution's investment department but are held for custodial purposes in the same financial institution's safekeeping department, or 2) where the investments are acquired through a financial institution's trust department and held for custodial safekeeping by the same trust department, or 3) where the investments are acquired through, and held for safekeeping by, the same broker/dealer, or 4) where investments are not held in the City's name in the systems and records of the financial institution or broker/dealer.

Uncategorized - Certain cash deposits and investments are not subject to categorization under GASB Statement No. 3.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

2. CASH AND INVESTMENTS, Continued

Pooled cash and investments were classified by risk category as follows at June 30, 2000:

	Category 1	Category 2	Category 3	Uncategorized	Fair Value
City Treasury:					
Demand Deposits:					
Cash Deposits	\$ (409,532)	\$ -	\$ -	\$ -	\$ (409,532)
Certificates of Deposit	288,477	-	-	-	288,477
Total Demand Deposits	(121,055)	-	-	-	(121,055)
Investments:					
Securities of U.S. Government Agenc	-	15,033,183	-	-	15,033,183
Corporate bonds and notes	-	6,990,280	-	-	6,990,280
Local Agency Investment Fund	-	-	-	13,791,415	13,791,415
Total Investments	-	22,023,463	-	13,791,415	35,814,878
Total City Treasury	\$ (121,055)	\$22,023,463	\$ -	\$ 13,791,415	\$ 35,693,823
Cash and Investments with Fiscal Agent			\$ 21,907,035		\$ 21,907,035

The City's investments with Local Agency Investment Fund (LAIF) at June 30, 2000, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

- Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

As of June 30, 2000, the City had \$13,791,415 invested in LAIF, which had invested 6.228% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 0.998865556 was used to calculate the fair value of investments in LAIF. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

2. CASH AND INVESTMENTS, Continued

Cash and investments stated at fair value held in the City Treasury grouped by maturity date at June 30, 2000, are shown below:

<u>Maturity</u>	<u>Fair Value</u>
Current to one year	\$ 16,284,119
Two to three years	10,216,138
Three to four years	3,979,542
Four to five years	<u>5,214,024</u>
Total	\$ 35,693,823

C. Cash and Investments with Fiscal Agent

The funds deposited with fiscal agent can be held in cash or invested in various securities. The fiscal agent can invest in securities as outlined in trust agreements, provided the investments are within the limits imposed by State statutes upon the entity. At June 30, 2000, cash and investments with fiscal agent totaling \$21,907,035 were recorded at fair value.

D. Component Unit – Sanitation District Cash and Investments

All of the District's cash is deposited with the County of Marin's pooled cash and investments account, except cash related to the certificates of participation which is invested in an open-end mutual fund held in trust by the District's custodial agent. The carrying amount and fair value of the pooled cash and investments account and the open-end mutual fund at June 30, 2000, amounted to \$2,500,648 and \$409,446, respectively, totaling \$2,910,094. In accordance with Category 3, both of these types of investments are not required to be categorized as to credit risk. Fair values for the pooled cash and investments were provided by the County of Marin as the pool's sponsor. The fair value of the open-end mutual fund was based upon the unit share price at June 30, 2000.

Cash and investments at June 30, 2000, consisted of the following:

Cash and investments	\$ 2,910,094
Petty cash	<u>75</u>
Total	\$ 2,910,169
Unrestricted cash:	
Cash	\$ 2,497,103
Restricted cash:	
Certificates of participation	409,446
Bayside Acres	<u>3,620</u>
Total	\$ 2,910,169

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

3. RECEIVABLES

As of June 30, 2000, receivables consisted of the following:

Accounts	\$ 984,144
Taxes	4,197,386
Grants	231,066
Interest	651,357
Loans	<u>1,196,900</u>
Total	<u><u>\$ 7,260,853</u></u>

A. Accounts Receivable

Accounts receivable consisted of amounts accrued in the funds in the ordinary course of operations. The total amount of accounts receivable as of June 30, 2000, was as follows:

General Fund	\$ 198,542
Special Revenue Funds:	
Recreation Revolving	60,040
Parking Services	25,687
Gas Tax	102,088
Household Hazmat Facility	234,510
Public Safety	16,607
Traffic and Housing Mitigation	151,302
Parkland Dedication	<u>21,726</u>
Total Special Revenue Funds	<u>611,960</u>
Capital Projects Funds:	
Capital Improvement	1,925
Park Capital Projects	55,000
1992 Bonds Capital Project	<u>116,717</u>
Total Capital Projects Funds	<u>173,642</u>
Total	<u><u>\$ 984,144</u></u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

3. RECEIVABLES, Continued

B. Taxes Receivable

As of June 30, 2000, the following taxes receivable were outstanding:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals
Property taxes	\$ 232,346	\$ -	\$ -	\$ -	\$ 232,346
Sales taxes	2,481,870	-	-	-	2,481,870
Transient occupancy taxes	319,745	-	-	-	319,745
Franchise fees	172,209	-	-	-	172,209
Miscellaneous taxes & fees	55,287	1,207	1,359	933,363	991,216
Total	\$ 3,261,457	\$ 1,207	\$ 1,359	\$ 933,363	\$ 4,197,386

C. Grants Receivable

The total amount of grants receivable as of June 30, 2000, were as follows:

Special Revenue Funds:	
Childcare	\$ 5,329
Street Maintenance and Cleaning	15,901
Library	38,163
Grants	171,673
Total	\$ 231,066

D. Interest Receivable

As of June 30, 2000, interest receivable consisted of the followings:

General Fund	\$ 563,955
Capital Projects Funds:	
Low and Moderate Income Housing	87,402
Total	\$ 651,357

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

3. RECEIVABLES, Continued

E. Loans Receivable

The City had the following loans receivable at June 30, 2000:

General Fund:	
Loan from City Manager	\$ 369,867
Loan from Chief of Police	381,891
Employees' Computer Loans	25,320
Total General Fund	<u>777,078</u>
Special Revenue Funds:	
Traffic and Housing Mitigation	
One "H" Street Associates	94,286
Capital Projects Funds:	
Low and Moderate Income Housing	
Marin Housing Development	100,000
Centertown Associates	225,536
Total Capital Projects Funds	<u>325,536</u>
Total	<u>\$ 1,196,900</u>

On August 1, 1996, the City made a 30-year loan to the City Manager in the amount of \$392,040, at an interest rate equivalent to the Local Agency Investment Fund interest rate, for the purchase of a home. The loan is secured by the Deed of Trust. The principal and interest are payable monthly commencing September 1, 1996 through August 31, 2026. As of June 30, 2000, the outstanding balance of the loan was \$369,867.

On August 1, 1997, the City made a 30-year loan to the Chief of Police in the amount of \$400,000, at an interest rate equivalent to the Local Agency Investment Fund interest rate, for the purchase of a home. The loan is secured by the Deed of Trust. The principal and interest are payable monthly commencing September 1, 1997 through August 31, 2027. As of June 30, 2000, the outstanding balance of the loan was \$381,891.

Effective February 1, 2000, the City agreed to loan employees up to \$2,500 for the purchase of computer software and hardware. The loan program, which stipulates that employees may not have more than one loan outstanding, provides financial assistance from the City in the form of a no interest loan repaid through automatic payroll deductions. As of June 30, 2000, the outstanding balance of the employees' computer loans was \$25,320.

\$100,000 loan from One "H" Street Associates at 0% interest rate with annual payments of \$2,857 and with final payment due January 18, 2034. The loan is in connection with the affordable housing project located at One "H" Street. As of June 30, 2000, the outstanding balance of the loan was \$94,286.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

3. RECEIVABLES, Continued

E. Loans Receivable, Continued

\$100,000 from Marin Housing Development at 0% interest rate. All principal and interest shall be due on January 30, 2005. As of June 30, 2000, the balance of the loan was \$100,000.

\$303,000 loan from Centertown Associates, Ltd. at 3% interest rate due semiannually. The final payment is due on July 1, 2065. The remaining loan receivable at June 30, 2000, was \$225,536.

4. DEFERRED REVENUE

As of June 30, 2000, deferred revenue as related to certain receivables was recorded as follows:

General Fund	\$ 6,075
Special Revenue Funds:	
Recreation Revolving	26,419
Parkland Dedication	21,726
Capital Projects Funds:	
Bedroom Tax	6,020
Park Capital Projects	35,000
Total	<u>\$ 95,240</u>

5. INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

As of June 30, 2000, balances of interfund receivables and payables were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 51,715	\$ -
Special Revenue Funds:		
Childcare Fund	7,654	39,369
Parkland Dedication	35,000	-
Debt Service Funds:		
1995 Agency Bonds	-	1,530
Capital Projects Funds:		
Capital Improvement	278,802	-
Bedroom Tax	25,384	-
Park Capital Projects	-	80,384
1985 Capital Project and Administration	1,530	-
1999 Bonds Capital Project	-	278,802
Total	<u>\$ 400,085</u>	<u>\$ 400,085</u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

5. INTERFUND TRANSACTIONS, Continued

B. Operating Transfers

Operating transfers for the year ended June 30, 2000, were are follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,564,125	\$ 5,967,365
Special Revenue Funds:		
Recreation Revolving	919,593	-
Parking Services	-	148,010
Gas Tax	-	350,000
Childcare	65,000	191,866
Street Maintenance and Cleaning	1,921,164	-
Sewer Maintenance	-	76,065
Household Hazmat Facility	-	1,330
Public Safety	40,000	-
Stormwater	604,412	-
Grants	174,140	71,000
Parkland Dedication	100,000	278,269
Emergency Medical Services	347,220	233,298
Debt Service Funds:		
Peacock Gap Assessment District	-	2,458
Mariposa Assessment District	-	146
1997 Financing Authority Revenue Bonds	-	4,712
1992 Agency Refunding Bonds	1,403	-
Capital Projects Funds:		
Capital Improvement	1,201,596	-
Bedroom Tax	-	100,000
1985 Capital Project and Administration	907,932	1,403
1999 Bonds Capital Project	-	907,932
Internal Service Fund:		
Building Maintenance	487,269	-
Total	<u>\$ 8,333,854</u>	<u>\$ 8,333,854</u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

5. INTERFUND TRANSACTIONS, Continued

C. Residual Equity Transfers

Residual equity transfers for the year ended June 30, 2000, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Capital Projects Fund:		
Capital Improvement	\$ -	\$ 1,293,252
Internal Service Fund:		
Radio Replacement	<u>1,293,252</u>	<u>-</u>
Total	<u>\$ 1,293,252</u>	<u>\$ 1,293,252</u>

The transfers were to provide funds for the servicing of radios to be acquired through the MERA Radio Authority Agreement.

6. FIXED ASSETS

A summary of changes in general fixed assets for the year ended June 30, 2000, follows:

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2000</u>
Land and buildings	\$ 22,224,349	\$ -	\$ -	\$ 22,224,349
Rolling equipment	6,039,576	206,777	(199,944)	6,046,409
Furniture and equipment	6,095,456	329,488	(44,469)	6,380,475
Improvements other than buildings	<u>3,360,250</u>	<u>-</u>	<u>-</u>	<u>3,360,250</u>
Total	<u>\$ 37,719,631</u>	<u>\$ 536,265</u>	<u>\$ (244,413)</u>	<u>\$ 38,011,483</u>

A summary of the District's fixed assets at June 30, 2000, follows:

Land and easements	\$ 115,329
Subsurface lines	12,152,655
Sewage collection facilities	21,616,498
General plant and administration	54,660
Construction in progress	<u>673,278</u>
Total	34,612,420
Less accumulated depreciation	<u>(12,332,503)</u>
Total	<u>\$ 22,279,917</u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

7. LONG-TERM DEBT

The City records long-term debt of governmental funds in the General Long-Term Debt Account Group. Other governmental fund obligations not expected to be financed with current available financial resources are also recorded in the General Long-Term Debt Account Group.

Long-term debt outstanding at June 30, 2000, was as follows:

	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
San Rafael Joint Powers Financing Authority:				
1997 Authority Revenue Bonds	\$ 4,725,000	\$ -	\$ (410,000)	\$ 4,315,000
San Rafael Redevelopment Agency Tax Allocation Bonds:				
Series 1992	15,550,000	-	(450,000)	15,100,000
Series 1995	8,045,000	-	(190,000)	7,855,000
Series 1999	23,504,004	-	(560,000)	22,944,004
Total Tax Allocation Bonds	47,099,004	-	(1,200,000)	45,899,004
Special Assessment Bonds (with governmental commitment)				
Peacock Gap Refunding	1,375,000	-	(250,000)	1,125,000
Mariposa Road Assessment	155,000	-	(15,000)	140,000
Total Special Assessment Bonds	1,530,000	-	(265,000)	1,265,000
Note Payable	169,000	-	-	169,000
Capitalized Lease Obligations	79,670	-	(27,361)	52,309
Compensated Absences	3,507,645	190,486	-	3,698,131
Total long-term debt	\$ 57,110,319	\$ 190,486	\$ (1,902,361)	\$ 55,398,444
Component Unit - San Rafael Sanitation District:				
1991 Certificates of Participation	\$ 4,120,000	\$ -	\$ (263,294)	\$ 3,856,706

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

7. LONG-TERM DEBT, Continued

A. 1997 Authority Revenue Bonds – Original Issue \$5,250,000

On January 28, 1997, the San Rafael Joint Powers Financing Authority issued the 1997 Authority Revenue Bonds in the amount of \$5,250,000 bearing interest at rates from 4.00% to 6.00%. The proceeds of the bonds were used to consolidate and refund the previously issued special assessment bonds. The 1997 Authority Revenue Bonds mature annually each September 2 from 1997 to 2011, in amounts ranging from \$20,000 to \$555,000. Interest is payable semiannually on March 2 and September 2. The bonds are subject to redemption in advance of maturity at the option of the City upon payment of the principal and interest accrued thereon to the date of redemption, plus a redemption premium ranging from 2.00% to 5.00%. Revenues from the Reassessment District Bonds are utilized to meet debt service requirements of the Revenue Bonds. The Reassessment District Bonds are secured by unpaid reassessments confirmed against private property within the applicable Reassessment District.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2001	\$ 430,000	\$ 10,213	\$ 440,213
2002	455,000	11,375	466,375
2003	470,000	11,985	481,985
2004	495,000	12,870	507,870
2005	520,000	13,780	533,780
Thereafter	1,945,000	55,051	2,000,051
Total	\$ 4,315,000	\$ 115,274	\$ 4,430,274

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

7. LONG-TERM DEBT, Continued

B. 1992 Tax Allocation Refunding Bonds - Original Issue \$18,615,000

On May 1, 1992, the San Rafael Redevelopment Agency (Agency) issued Tax Allocation Refunding Bonds in the amount of \$18,615,000. The proceeds of the bonds were used to refund \$10,905,000 outstanding principal of the Agency's Central San Rafael Redevelopment Project Tax Allocation Bonds, Series 1985, which were issued in May 1985 to fund the construction of new improvements within the Project Area and to fund additional public capital improvements. The 1992 Bonds mature annually each December 1 from 1992 to 2017, in amounts ranging from \$340,000 to \$1,350,000 and bear interest at rates ranging from 3.25% to 6.45%. Interest is payable semiannually on June 1 and December 1. Bonds maturing on or after December 1, 2002, are subject to the optional redemption prior to maturity, in whole or in part, in inverse order of maturity on any date on or after December 1, 2002, at a price equal to the principal amount, plus accrued interest on the redemption date, plus a premium ranging from 0.00% to 2.00%. The Bonds are secured by an irrevocable pledge of the tax revenues and other funds. As of June 30, 2000, the outstanding balance of the Bonds was \$15,100,000.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2001	\$ 480,000	\$ 959,581	\$ 1,439,581
2002	505,000	931,741	1,436,741
2003	535,000	901,946	1,436,946
2004	570,000	869,311	1,439,311
2005	605,000	834,256	1,439,256
Thereafter	<u>12,405,000</u>	<u>6,281,671</u>	<u>18,686,671</u>
Total	<u>\$ 15,100,000</u>	<u>\$ 10,778,506</u>	<u>\$ 25,878,506</u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

7. LONG-TERM DEBT, Continued

C. 1995 Tax Allocation Bonds - Original Issue \$8,895,000

On October 1, 1995, the San Rafael Redevelopment Agency (Agency) issued Tax Allocation Bonds in the amount of \$8,895,000. The proceeds of the bonds were used to finance certain redevelopment activities of the Agency relating to the Central San Rafael Redevelopment Project Area. The bonds mature annually each December 1 from 1995 to 2021, in amounts ranging from \$170,000 to \$610,000 and bear interest at rates ranging from 3.50% to 6.00%. Interest is payable semiannually on June 1 and December 1. Bonds maturing on or after December 1, 2003, are subject to optional redemption prior to maturity, in whole or in part, either in inverse order of maturity or on a pro rata basis among maturities on any date on or after December 1, 2002, at a price equal to the principal amount, plus accrued interest on the redemption date plus a premium ranging from 0.00% to 2.00%. The bonds are secured, on a parity with the 1992 bonds, by a pledge and lien on tax revenues and amounts on deposit in certain funds and accounts held by the fiscal agent.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2001	\$ 200,000	\$ 429,978	\$ 629,978
2002	210,000	421,468	631,468
2003	215,000	412,435	627,435
2004	225,000	402,750	627,750
2005	235,000	392,224	627,224
Thereafter	6,770,000	3,920,240	10,690,240
Total	\$ 7,855,000	\$ 5,979,095	\$ 13,834,095

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

7. LONG-TERM DEBT, Continued

D. 1999 Tax Allocation Bonds - Original Issue \$23,504,004

On June 16, 1999, the San Rafael Redevelopment Agency (Agency) issued Tax Allocation Bonds in the amount of \$23,504,004. The proceeds of the bonds were used to finance certain redevelopment activities of the Agency relating to the Central San Rafael Redevelopment Project Area. The Current Interest Bonds mature annually each December 1 from 2000 to 2023, in amounts ranging from \$560,000 to \$1,195,000 and bear interest at rates ranging from 4.50% to 5.00%. Interest is payable semiannually on June 1 and December 1. Current Interest Bonds maturing on or after December 1, 2008, are subject to optional redemption prior to maturity, in whole or in part, either in inverse order of maturity or on a pro rata basis among maturities on any date on or after December 1, 2007, at a price equal to the principal amount, plus accrued interest on the redemption date, plus a premium ranging from 0.00% to 2.00%. The Capital Appreciation Bonds mature annually after December 1 from 2018 to 2022, in amounts ranging from \$1,440,000 to \$2,070,000 and bear interest at rates ranging from 5.58% to 5.60%. Interest on the Capital Appreciation Bonds will compound on each interest premium date and will be payable solely at maturity. The Bonds are secured, on parity with the 1992 and 1995 bonds, by a pledge and lien on tax revenues and amounts on deposit in certain funds and accounts held by the fiscal agent.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2001	\$ 500,000	\$ 997,538	\$ 1,497,538
2002	525,000	974,475	1,499,475
2003	550,000	949,600	1,499,600
2004	575,000	922,881	1,497,881
2005	605,000	894,856	1,499,856
Thereafter	<u>20,189,004</u>	<u>9,154,232</u>	<u>29,343,236</u>
Total	<u><u>\$ 22,944,004</u></u>	<u><u>\$ 13,893,582</u></u>	<u><u>\$ 36,837,586</u></u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

7. LONG-TERM DEBT, Continued

E. Peacock Gap Reassessment District Limited Obligation Refunding Improvement Bonds - Original Issue \$2,405,000

On October 7, 1993, the City issued Limited Obligation Refunding Improvement Bonds for the Peacock Gap Reassessment District in the amount of \$2,405,000. The proceeds of the bonds were used to constitute a trust fund for the redemption and payment of principal and interest on the City of San Rafael Improvement Bonds of the Peacock Gap Improvement District, dated September 4, 1984. Interest is payable semi-annually on each March 2 and September 2, commencing March 2, 1994, at rates ranging from 4.00% to 5.75%. As of June 30, 2000, the outstanding balance of the Bonds was \$1,125,000.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2001	\$ 175,000	\$ 57,835	\$ 232,835
2002	170,000	48,608	218,608
2003	180,000	39,068	219,068
2004	190,000	28,798	218,798
2005	195,000	17,920	212,920
Thereafter	215,000	6,181	221,181
Total	\$ 1,125,000	\$ 198,410	\$ 1,323,410

F. Mariposa Road Assessment District Limited Obligation Improvement Bonds - Original Issue \$233,688

On January 6, 1993, the City issued Limited Obligation Refunding Improvement Bonds for the Mariposa Road Assessment District in the amount of \$233,688. The proceeds of the bonds were used to finance the grading and paving of Mariposa Road, to fund a Reserve Fund, and to pay the costs of issuance on the Bonds. The Bonds are issued as serial Bonds and mature in various amounts on each September 2 commencing September 2, 1994 and ending September 2, 2008. Interest shall be payable commencing on March 2, 1993, and semiannually thereafter on September 2 and March 2 of each year until maturity, at rates ranging from 4.50% to 6.90%. As of June 30, 2000, the outstanding balance of the Bonds was \$140,000.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

7. LONG-TERM DEBT, Continued

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2001	\$ 15,000	\$ 8,851	\$ 23,851
2002	15,000	7,906	22,906
2003	15,000	6,938	21,938
2004	15,000	5,955	20,955
2005	15,000	4,958	19,958
Thereafter	<u>65,000</u>	<u>9,460</u>	<u>74,460</u>
Total	<u><u>\$ 140,000</u></u>	<u><u>\$ 44,068</u></u>	<u><u>\$ 184,068</u></u>

G. Note Payable

At June 30, 2000, Notes Payable consisted of a \$169,000 promissory note bearing interest at 8% with principal and accrued interest due and payable in November 2024. The note was assumed to finance the purchase of certain property by the Agency.

H. Capitalized Lease Obligations

The City leased one Fire Department ambulance for five years beginning in 1998 through capital leasing arrangements in the governmental funds. The asset and obligation for agreement of the governmental funds are recorded in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. The outstanding principal balance of the capital lease was \$52,309 at June 30, 2000.

The future minimum lease obligations are due as follows:

Year Ending June 30,	
2001	\$ 22,762
2002	22,763
2003	<u>11,381</u>
Minimum lease payments	56,906
Less amount representing interest	<u>(4,597)</u>
Present value of minimum lease payments	<u><u>\$ 52,309</u></u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

7. LONG-TERM DEBT, Continued

I. Compensated Absences

The City's liability for vested and unpaid compensated absences (accrued vacation, sick leave, compensatory time and administrative leave) expected to be paid subsequent to the fiscal year end, is reported in the General Long-Term Debt Account Group. At June 30, 2000, the balance of compensated absences in the governmental fund types totaled \$3,698,131.

J. Component Unit – San Rafael Sanitation District - 1991 Certificates of Participation – Original Issue \$5,010,000

The District issued \$5,010,000 of Certificates of Participation on October 1, 1991, to refund \$3,000,000 of then-outstanding 1980 Sewer Revenue bonds, to reduce its total debt service payments and to finance the acquisition and construction of additional wastewater sewer system improvements. The transaction resulted in a then-deferred amount on refunding of \$33,000 which is being amortized over eight years, the then-remaining life of the Certificates of Participation as per GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. The deferred amount on the refunding was fully amortized as of June 30, 1998.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	
2001	\$ 480,380
2002	476,002
2003	475,600
2004	478,420
2005	474,550
Thereafter	<u>3,323,810</u>
Total	5,708,762
Less interest	(1,798,762)
Less discount	<u>(53,294)</u>
Total	<u><u>\$ 3,856,706</u></u>

8. TAX AND REVENUE ANTICIPATION NOTES

The California Statewide Communities Development Authority (Authority) is a public entity organized pursuant to an Amended and Restated Joint Exercise of Powers Agreement among a number of California counties, cities, and special districts. The Authority is authorized to issue bonds and to finance working capital for local agencies within the State of California. The Authority has a California Communities Cash Flow Financing Program that provides cash flow financing for California counties, cities, and other local agencies meeting certain criteria. The City is participating in this program under the 2000 Tax and Revenue Anticipation Bonds. The Authority, on behalf of participating agencies, has issued \$520,755,000 in a series of bonds. The City's participation level is \$2,500,000. The proceeds of the bond sale have been placed in a twelve-month guaranteed investment contract that will yield a return of 7.32%. The maturity date for the note is June 29, 2001.

9. FUND BALANCES RESERVATIONS AND DESIGNATIONS

Fund balances consist of reserved and unreserved amounts. Reserved fund balances represent that portion of a fund balance which is not appropriate for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved fund balances. Portions of unreserved fund balances may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans or intent are subject to change, have not been legally authorized and may not result in expenditures.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

9. FUND BALANCES RESERVES AND DESIGNATIONS, Continued

A detailed schedule of the fund balances at June 30, 2000, is shown as follows:

	Governmental Fund Types				Fiduciary	Totals
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	
Reserved:						
Encumbrances	\$ 60,267	\$ 648,218	\$ -	\$ 68,879	\$ -	\$ 777,364
Petty cash	3,800	-	-	-	3,000	6,800
General plan	600,099	-	-	-	-	600,099
Department savings	301,382	-	-	-	-	301,382
Employee M.O.U.	1,335,618	-	-	-	-	1,335,618
Loans receivable	777,078	94,286	-	325,536	-	1,196,900
Employee benefits	407,000	-	-	-	-	407,000
Debt service	-	-	2,054,908	-	-	2,054,908
Improvement projects	264,072	1,257,936	-	12,742,281	-	14,264,289
Information systems projects	93,216	-	-	824,193	-	917,409
Equipment replacement	-	1,968,544	-	-	-	1,968,544
Buildings and structures	-	30,000	-	-	-	30,000
Facility closures	-	30,000	-	-	-	30,000
Mello Roos assessment	-	250,000	-	-	-	250,000
ERAF liability	109,831	-	-	-	-	109,831
Arbitrage payments	-	-	-	77,150	-	77,150
Housing	-	-	-	2,967,670	-	2,967,670
School payments	-	-	-	3,900,068	-	3,900,068
Corporation yard	-	-	-	6,468,380	-	6,468,380
Parking equipment	-	205,700	-	-	-	205,700
Assessment districts/open space	-	31,520	-	832,965	-	864,485
Total reserved	3,952,363	4,516,204	2,054,908	28,207,122	3,000	38,733,597
Designated:						
Library/Endowments	-	61,241	-	-	406,916	468,157
Public safety	-	114,540	-	-	-	114,540
Grant projects	-	280,473	-	-	-	280,473
Park projects	-	720,822	-	-	40,832	761,654
Gas tax projects	-	1,293,458	-	-	-	1,293,458
Traffic mitigation	-	7,859,252	-	-	-	7,859,252
Total designated	-	10,329,786	-	-	447,748	10,777,534
Unreserved, undesignated	3,259,647	1,661,238	-	-	-	4,920,885
Total	\$ 7,212,010	\$ 16,507,228	\$ 2,054,908	\$ 28,207,122	\$ 450,748	\$ 54,432,016

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

10. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds:			
Library Fund	\$ 252,471	\$ 262,712	\$ 10,241
Emergency Medical Services	2,843,595	2,848,711	5,116
Debt Service Funds:			
Peacock Gap Assessment District	327,967	329,858	1,891
Mariposa Assessment District	26,260	26,318	58
1997 Financing Authority Revenue Bonds	667,660	672,009	4,349
Expendable Trust Funds:			
Library Fiduciary Fund	30,000	32,074	2,074
Recreation Fiduciary Fund	-	1,020	1,020

11. CONTRIBUTED CAPITAL

Changes in the balances of contributed capital were as follows:

	<u>Balance</u>	<u>Depreciation</u>	<u>Balance</u>
	<u>July 1, 1999</u>	<u>Attributable to</u>	<u>June 30, 2000</u>
		<u>Contributed Capital</u>	
Component Unit -			
San Rafael Sanitation District	\$ 7,748,080	\$ (286,478)	\$ 7,461,602

12. PRIOR-PERIOD ADJUSTMENT

The City recorded the following adjustments to more accurately reflect the transactions in the prior years:

The City restated the General Long-Term Debt Account Group to record the issuance of the San Rafael Redevelopment Agency Tax Allocation Bonds Series 1999.

Adjustments in the General Long-Term Debt Account Group were as follows:

	<u>General Long-Term</u>
	<u>Debt Account Group</u>
As previously reported	\$ 33,606,315
Adjustments:	
San Rafael Redevelopment Agency	
Tax Allocation Bonds Series 1999	23,504,004
As restated	<u>\$ 57,110,319</u>

13. EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The City contributes to the Marin County Employees' Retirement Fund (Fund). All full-time and permanent part-time employees are eligible to participate.

The fund is an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for various local governmental agencies within the County of Marin. The Fund provides retirement, disability, and death benefits based on the employee's years of service, age, and final compensation. Employees vest after five years of service and are eligible to receive retirement benefits after 10 years of service and having attained the age of 50, or 30 years of service (20 years for safety employees) regardless of age. These benefits provisions and all other requirements are established under the County Employees Retirement Law of 1937. The City's retirement plan is included in a separately issued report from the Marin County Employees' Retirement Fund, which can be obtained from William M. Mercer, Incorporated, 3 Embarcadero Center, Suite 1500, San Francisco, CA 94111-4015.

B. Funding Policy

The funding policy of the Fund provides for actuarially determined periodic contributions by the City at rates such that sufficient assets will be available to pay Fund benefits when due. The City contributed 6.74% of payroll to the Fund for public safety personnel and 5.66% for other covered employees for the year ended June 30, 2000. The City, due to a collective bargaining agreement, also has a legal obligation to contribute one-half of the employees' contribution up to a maximum of 7% of payroll for safety employees and a maximum of 5% of payroll for all other employees. Employees have an obligation to contribute the remaining portion.

C. Annual Pension Cost

The City's annual pension cost to the Fund for the year ended June 30, 2000, of \$2,503,855 was equal to the City's required and actual contributions. The annual required contribution was determined as part of the actuarial valuation performed as of June 30, 1999. The employer rates for normal cost is determined using the Entry Age Normal Actuarial Cost Method, a projected benefit cost method. It takes into account those benefits that are expected to be earned in the future as well as those already accrued. The significant assumptions used in the 1999 actuarial valuation include an assumed rate of return on investment assets of 8.25%, and annual payroll increases of 5.25% per year reflecting 4.25% for inflation and approximately 1.00% for merit and longevity. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

13. EMPLOYEES' RETIREMENT PLAN, Continued

market value of investments over a period of five years. The Fund also uses the level percentage-open method to amortize the unfunded actuarial liability which had fourteen years left in the amortization period. It is assumed that payroll increases at an annual inflation rate of 4.25% over the amortization period.

D. Three-Year Historical Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/98	\$ 2,690,127	100%	\$ -
6/30/99	2,480,000	100%	-
6/30/00	2,503,855	100%	-

14. PUBLIC AGENCY RETIREMENT SYSTEM (DEFINED CONTRIBUTION RETIREMENT PLAN)

The City contributes to the Public Agency Retirement System (PARS), which is a defined contribution retirement plan. A defined contribution retirement plan provides retirement benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's accounts are to be determined instead of specifying the amount of benefits the individual is to receive. The plan is administered by Phase II located at P.O. Box 10009, Costa Mesa, California 92627.

Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments on those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account.

As established by the plan, all eligible employees of the City will become a participant in the plan from the date that they are hired. An eligible employee is any employee who, at any time during which the employer maintain this plan, is not accruing a benefit under the Marin County Employees' Retirement Fund.

Contributions made by an employee and the employer vest immediately. As determined by the plan, each employee must contribute 3.75% of gross earnings to the plan. The City contributes an additional 3.75% of the employee's gross earnings.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

14. PUBLIC AGENCY RETIREMENT SYSTEM (DEFINED CONTRIBUTION RETIREMENT PLAN), Continued

During the year, the City contributed \$65,772 and employees contributed \$65,772. The total covered payroll of employees participating in the plan for the year ended June 30, 2000, was \$1,753,920. The total payroll for the year was \$27,016,559.

15. POST-EMPLOYMENT HEALTH CARE BENEFITS

The City provides certain health care benefits for retired employees and their spouses. The benefit provisions were established under the authority of the 1937 Act, Section 31450, et. seq. of the Government Code. Substantially all of the City's employees may become eligible for these benefits if they are receiving a retirement benefit from the Marin County Employees' Retirement Fund within 120 days of retirement from City employment. At June 30, 2000, 181 retirees received post-employment health care benefits. Those expenditures are reduced by reimbursements from the Marin County Retirement Office of the annual amount set forth in the County Retirement Rules and Regulations 1937 Act as amended and in Sections 31450 et. seq. of the Government Code. The cost of retiree health care benefits is recognized as an expenditure as claims are paid. For the fiscal year ended June 30, 2000, those costs totaled \$198,338.

16. SEGMENT INFORMATION FOR ENTERPRISE FUND

The City's Enterprise Fund is comprised only of the discretely presented component unit - San Rafael Sanitation District. Segment information for the fiscal year ended June 30, 2000, is as follows:

<u>Types of goods or services provided</u>	<u>Wastewater Transmission</u>
Operating revenues	\$ 4,934,292
Depreciation and amortization expense	786,445
Operating income	442,986
Tax revenues	442,365
Non-operating revenues (expenses)	336,803
Net income	779,789
Fixed asset additions	635,731
Net working capital	2,769,531
Total assets	25,310,668
Long-term obligations payable from operating revenues	3,856,706
Total fund equity	21,192,742

City of San Rafael

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2000

17. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured up to a maximum of \$500,000 for each general liability claim, \$250,000 for each workers' compensation claim, and \$25,000 for each property damage claim. The City participates in a public agency risk sharing pool (California Joint Powers Risk Management Authority) for general liability claims in excess of the self-insured amounts up to \$9,500,000. The City purchases commercial insurance for workers' compensation claims in excess of the self-insured amount up to \$9,750,000. The City also purchases commercial insurance for property damage claims in excess of the self-insured amount up to \$28,853,000. The City accounts for and finances its uninsured risks of loss in the Internal Service Funds. The City had established a claims liability of \$2,398,463 at June 30, 2000, based on the requirement of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Changes in the general and workers' compensation claims liabilities for the fiscal years ended June 30, 1998, 1999, and 2000, are as follows:

General Liability	Balance at Beginning of Fiscal Year	Current Year Claims and Changes In Estimates	Claim Payments	Balance at End of Fiscal Year
1997-98	\$ 729,112	\$ 135,381	\$ (58,859)	\$ 805,634
1998-99	805,634	2,009,846	(2,216,282)	599,198
1999-00	599,198	252,464	(565,313)	286,349

Worker's Compensation Liability	Balance at Beginning of Fiscal Year	Current Year Claims and Changes In Estimates	Claim Payments	Balance at End of Fiscal Year
1997-98	\$ 1,220,076	\$ 421,352	\$ (538,321)	\$ 1,103,107
1998-99	1,103,107	3,947,015	(3,491,195)	1,558,927
1999-00	1,558,927	1,383,422	(830,235)	2,112,114

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

17. RISK MANAGEMENT, Continued

The California Joint Powers Risk Management Authority – which began operations in February 1986, is a governmental self-insurance cooperative organized under a joint power agreement consisting of 23 members which represent over 120 public agencies in California. The Risk Management Authority pools self-insurance losses of charter and associate members, develops risk management programs, and provides for administration of pooled coverage claims. The City paid \$224,253 in premiums to the Risk Management Authority during the fiscal year ended June 30, 2000. Condensed financial information for the California Joint Powers Risk Management Authority for the fiscal year ended June 30, 2000, was as follows:

Assets	<u>\$ 57,847,611</u>
Liabilities	26,846,390
Equity:	
Retained earnings	<u>31,001,221</u>
Total liabilities and equity	<u>\$ 57,847,611</u>
Revenues	\$ 12,673,760
Expenses	753,578
Refunds to members	<u>(2,491,515)</u>
Net increase in retained earnings	<u>\$ 10,935,823</u>

18. JOINT VENTURES, JOINTLY GOVERNED ORGANIZATIONS AND RELATED PARTY TRANSACTIONS

A. Joint Ventures

The City participates in various organizations through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreement including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts, and the right to sue and be sued. Obligations and liabilities of the separate entities are not those of the City.

The Marin County Integrated On-Line Library System (System) – was formed to provide for the procurement, ownership, operation, maintenance, and governance of an integrated on-line library system that is jointly owned and operated by the cities of San Rafael, Mill Valley, Sausalito, and the County of Marin. The Governing Board of the System consists of the library director or designated alternate of each participant in the System. In accordance with the cost sharing formula developed by the library directors of the participants, the City's

City of San Rafael

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2000

18. JOINT VENTURES, JOINTLY GOVERNED ORGANIZATIONS AND RELATED PARTY TRANSACTIONS, Continued

A. Joint Ventures, Continued

share of the acquisition cost in the amount of \$108,007 represents 18.98% of ownership in the System. Operating costs for the System are also shared by each participant by applying the cost sharing formula. Financial statements of the System can be obtained at the County Librarian, Marin Count Free Library, Civic Center, Administration Building, San Rafael, California 94903.

The Marin Street Light Acquisition Joint Powers Authority (MSLAJPA) – was formed by the County of Marin and twelve local agencies to acquire street light facilities, operate the facilities during the pendency of an eminent domain action against PG&E, and the subsequent transfer of the facilities to the individual local agencies. The Governing Board consists of five members from the participating agencies. Each of the local agency's share of contribution was based on the number of street lights to be acquired in the local agency's individual jurisdiction in relation to the total number of street lights to be acquired by the MSLAJPA.

The Marin Emergency Radio Authority – was formed on February 28, 1998 by the County of Marin and 25 local agencies within the County to plan, finance, implement, manage, own, and operate a County-wide public safety and emergency radio system. The Governing Board consists of one representative from each member. On February 1, 1999, the Authority issued the 1999 Revenue Bonds in the amount of \$26,940,000 with interest rates ranging from 4.75% to 5.01%, maturing on August 15, 2016, to finance the acquisition and installation of the system. The costs of maintenance, operation, and debt service will be divided on a pro rata share based on an agreed-upon formula established by a majority of the Governing Board. The members entered into a Project Operating Agreement on February 1, 1999. Under the Operating Agreement, members are obligated to contribute service payments to cover the Authority's operation and debt service. The City's portion of the obligation is 16.913%. The first operating service payment was in July 1999. The first debt service payment is scheduled for July 2000. The City has established a reserve in its Internal Service Fund to pay future service payments.

B. Jointly Governed Organizations

The Countywide Planning Agency - was established by the County of Marin and ten local cities to implement countywide performance standards for traffic, housing, water and sewer facilities, and environmental protection to ensure that residential and commercial growth does not exceed local water, sewer and transportation capacities. The Governing Board of the Countywide Planning Agency consists of one member of the County Board of Supervisors and one member of the City Council of each participating city.

City of San Rafael

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2000

18. JOINT VENTURES, JOINTLY GOVERNED ORGANIZATIONS AND RELATED PARTY TRANSACTIONS, Continued

B. Jointly Governed Organizations, Continued

The Marin County Cable Rate Regulation Joint Powers Authority – was established to regulate the rates for cable television service and equipment and to advise the participants in their exercise of their license authority. The Governing Board of the Marin County Cable Rate Regulation Joint Powers Authority consists of one member from each of the seven participating local cities.

The Marin County Major Crimes Task Force – was established by 12 local law enforcement agencies to provide funding and policy direction of a unit of peace officers and support personnel to detect, apprehend, and prosecute major crimes, including highly mobile criminal narcotic traffickers, thus reducing major narcotic activity and combating its influence throughout the County. The Governing Board of the Marin County Major Crimes Task Force consists of nine members: one city council member, one member of the Marin County Board of Supervisors, two city managers, two chief law enforcement officials, two residents of Marin County, and the Marin County Administrator.

The Marin County Hazardous and Solid Waste Joint Powers Authority – was established by the County, local cities, and waste franchising districts to finance, prepare, and implement source reduction and recycling elements on a county-wide integrated waste management plan as required by State Assembly Bill 939.

Friends of San Rafael - a California nonprofit Public Benefit Corporation - was established to help finance and accomplish the City's efforts to erect, construct and maintain public buildings, roads, monuments, plazas, parks, gardens, safety features and similar public improvements and infrastructure.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

19. SAN RAFAEL SANITATION DISTRICT

The San Rafael Sanitation District, a discretely presented component unit, condensed financial statements as of and for the year ended June 30, 2000, are presented below.

Balance Sheet

Current Assets:	
Cash and investments	\$ 2,910,169
Other current assets	120,582
Total current assets	<u>3,030,751</u>
General fixed assets, net of accumulated depreciation	22,279,917
Total assets	<u>\$ 25,310,668</u>
Current Liabilities:	
Accounts and other payables	\$ 261,220
Total current liabilities	<u>261,220</u>
Long-Term Debt:	
Certificates of participation	3,856,706
Total long-term debt	<u>3,856,706</u>
Total liabilities	<u>4,117,926</u>
Fund Equity:	
Contributed capital	7,461,602
Retained earnings	13,731,140
Total fund equity	<u>21,192,742</u>
Total liabilities and fund equity	<u>\$ 25,310,668</u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

19. SAN RAFAEL SANITATION DISTRICT, Continued

**Statement of Revenues, Expenses and
Changes in Retained Earnings**

Operating Revenues	<u>\$ 4,934,292</u>
Operating Expenses:	
Sewage collection and treatment	3,498,459
Depreciation and amortization	786,445
Other operating expenses	206,402
Total operating expenses	<u>4,491,306</u>
Operating income	442,296
Non-operating revenues (expenses), net	<u>336,803</u>
Net income	779,789
Add back depreciation expense on assets acquired by contributed capital	<u>286,478</u>
Increase in retained earnings	1,066,267
Retained earnings - July 1, 1999	<u>12,664,873</u>
Retained earnings - June 30, 2000	<u><u>\$ 13,731,140</u></u>

20. CONTINGENCIES LIABILITIES

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

21. SUBSEQUENT-PERIOD EVENT

The City entered into a capital lease with Municipal Finance Corporation to lease a fire truck. The total amount of the lease is \$558,371 including interest of \$57,621. The annual lease payment of \$186,124 for three years, including interest per year, will start on April 10, 2001.

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REQUIRED SUPPLEMENTARY INFORMATION

City of San Rafael
 Required Supplemental Information
 For the year ended June 30, 2000

MARIN COUNTY EMPLOYEES' RETIREMENT SYSTEM
 SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date *	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL As a % of Payroll
6/30/97	\$114,506,000	\$110,198,000	\$ (4,308,000)	104%	\$16,928,000	(25.4)%
6/30/98	131,142,000	124,239,000	(6,903,000)	106%	20,361,000	(33.9)%
6/30/99	151,466,000	134,247,000	(17,219,000)	113%	23,293,000	(73.9)%

* Latest information available.

SUPPLEMENTAL INFORMATION

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SPECIAL REVENUE FUNDS

Special Revenue Funds account for taxes and other revenues set aside in accordance with law or administrative regulation that are restricted to expenditures for specified purposes. Funds included are:

Recreation Revolving Fund - Established to administer the Recreation Department's program and facility rental charge.

Baypoint Lagoons Assessment District Fund - The Baypoint Lagoons Lighting and Landscape District was formed to protect and enhance wildlife habitat and water quality in Baypoint (Spinnaker) Lagoon and the adjacent diked salt marsh.

Parking Services Fund - Established to maintain parking garages, lots and spaces in the Downtown Parking District (established over 40 years ago), and to pay for parking enforcement, meter collection, and downtown officer services.

Gas Tax Fund - Established to receive and expend the City's allocation of the State gasoline taxes.

Childcare Fund - Established to administer and account for childcare programs at eleven sites throughout the City.

Equipment Replacement Fund - Established to facilitate the replacement of the City's fleet of vehicles and rolling equipment, plus personal computer systems, including licensing and maintenance.

Street Maintenance and Cleaning Fund - Established to maintain the City's streets, public properties and rights of way.

Sewer Maintenance Fund - Established under the terms of the JPA to provide all necessary maintenance to the Sanitation District's gravity collection sewer system.

Household Hazmat Facility Fund - Established to account for State mandated hazardous materials information, collection, and reporting. Expenditures included inspection of businesses for compliance with regulations. This fund also serves as the depository for a countywide Household Hazardous Waste Program.

Loch Lomond Assessment District Fund - Established to provide maintenance for stormwater and geotechnic mitigation facilities. A Mello-Roos District was formed to fund this maintenance.

Library Fund - Established to account for restricted library activities that are intended to be self-funding.

Public Safety Fund - Established for special police services, which are intended to be self-funding.

SPECIAL REVENUE FUNDS, Continued

Stormwater Fund - Established to provide for a self-funding storm drain maintenance program plus separate programs through the County and Bay Area to educate residents about urban runoff pollution.

Traffic and Housing Mitigation Fund - Established to maintain long-term developer deposits for major housing and street improvement projects.

Development Services Fund - Established to account for development activities that are supported by external sources of funds. This fund does not account for the operating costs of building, planning, and engineering, which are located in the General Fund.

Grants Fund - Established to account for grants for the Library, Childcare, Police, and Falkirk Cultural Center.

Parkland Dedication Fund - Established to account for long-term developer deposits used to enhance and maintain the park structure within City limits.

Emergency Medical Services Fund - Established to account for the Emergency Medical Services and Transportation program that provides services to all segments of the community.

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City of San Rafael
Combining Balance Sheet
Special Revenue Funds
June 30, 2000

	Recreation Revolving	Baypoint Lagoons Assessment District	Parking Services	Gas Tax
ASSETS				
Cash and investments	\$ 157,729	\$ 31,482	\$ 290,440	\$ 1,192,045
Accounts receivable	60,040	-	25,687	102,088
Taxes receivable	-	38	-	-
Grants receivable	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 217,769	\$ 31,520	\$ 316,127	\$ 1,294,133
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 46,332	\$ -	\$ 1,612	\$ 675
Developer Bonds Payable	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	26,419	-	-	-
Total liabilities	72,751	-	1,612	675
Fund Balances:				
Reserved:				
Encumbrances	13,889	-	-	-
Loans receivable	-	-	-	-
Equipment replacement	-	-	-	-
Parking equipment	-	-	205,700	-
Building and structures	-	-	-	-
Facility closures	-	-	-	-
Improvement projects	-	-	-	-
Assessment districts/open space	-	31,520	-	-
Mello Roos assessment	-	-	-	-
Unreserved:				
Designated:				
Library/Endowments	-	-	-	-
Public safety	-	-	-	-
Grant projects	-	-	-	-
Park projects	-	-	-	-
Gas tax projects	-	-	-	1,293,458
Traffic mitigation	-	-	-	-
Undesignated	131,129	-	108,815	-
Total fund balances	145,018	31,520	314,515	1,293,458
Total liabilities and fund balances	\$ 217,769	\$ 31,520	\$ 316,127	\$ 1,294,133

Childcare	Equipment Replacement	Street Maintenance and Cleaning	Sewer Maintenance	Household Hazmat Facility	Loch Lomond Assessment District
\$ 67,201	\$ 2,607,349	\$ 686,843	\$ 47,354	\$ 268,271	\$ 321,058
-	-	-	-	234,510	-
-	-	-	-	-	91
5,329	-	15,901	-	-	-
-	-	-	-	-	-
7,654	-	-	-	-	-
<u>\$ 80,184</u>	<u>\$ 2,607,349</u>	<u>\$ 702,744</u>	<u>\$ 47,354</u>	<u>\$ 502,781</u>	<u>\$ 321,149</u>
\$ 39,096	\$ 80,450	\$ 24,415	\$ -	\$ 125,681	\$ -
-	-	-	-	-	-
39,369	-	-	-	-	-
-	-	-	-	-	-
<u>78,465</u>	<u>80,450</u>	<u>24,415</u>	<u>-</u>	<u>125,681</u>	<u>-</u>
-	562,855	-	-	2,000	-
-	-	-	-	-	-
-	1,964,044	-	-	4,500	-
-	-	-	-	30,000	-
-	-	-	-	30,000	-
-	-	-	-	-	-
-	-	-	-	-	250,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,719	-	678,329	47,354	310,600	71,149
<u>1,719</u>	<u>2,526,899</u>	<u>678,329</u>	<u>47,354</u>	<u>377,100</u>	<u>321,149</u>
<u>\$ 80,184</u>	<u>\$ 2,607,349</u>	<u>\$ 702,744</u>	<u>\$ 47,354</u>	<u>\$ 502,781</u>	<u>\$ 321,149</u>

City of San Rafael
Combining Balance Sheet, Continued
Special Revenue Funds
June 30, 2000

	Library	Public Safety	Stormwater	Traffic and Housing Mitigation
ASSETS				
Cash and investments	\$ 36,818	\$ 88,963	\$ 286,557	\$ 7,748,102
Accounts receivable	-	16,607	-	151,302
Taxes receivable	-	-	-	-
Grants receivable	38,163	-	-	-
Loans receivable	-	-	-	94,286
Due from other funds	-	-	-	-
Total assets	\$ 74,981	\$ 105,570	\$ 286,557	\$ 7,993,690
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 13,740	\$ 7,963	\$ 28,944	\$ 40,152
Developer Bonds Payable	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	13,740	7,963	28,944	40,152
Fund Balances:				
Reserved:				
Encumbrances	-	10,049	33,028	-
Loans receivable	-	-	-	94,286
Equipment replacement	-	-	-	-
Parking equipment	-	-	-	-
Building and structures	-	-	-	-
Facility closures	-	-	-	-
Improvement projects	-	-	-	-
Assessment districts/open space	-	-	-	-
Mello Roos assessment	-	-	-	-
Unreserved:				
Designated:				
Library/Endowments	61,241	-	-	-
Public Safety	-	-	-	-
Grants projects	-	-	-	-
Park Projects	-	-	-	-
Gas Tax Projects	-	-	-	-
Traffic mitigation	-	-	-	7,859,252
Undesignated	-	87,558	224,585	-
Total fund balances	61,241	97,607	257,613	7,953,538
Total liabilities and fund balances	\$ 74,981	\$ 105,570	\$ 286,557	\$ 7,993,690

Development Services	Grants	Parkland Dedication	Emergency Medical Services	Totals
\$ 1,268,546	\$ 304,424	\$ 760,354	\$ 49,564	\$ 16,213,100
-	-	21,726	-	611,960
-	-	-	1,078	1,207
-	171,673	-	-	231,066
-	-	-	-	94,286
-	-	35,000	-	42,654
<u>\$ 1,268,546</u>	<u>\$ 476,097</u>	<u>\$ 817,080</u>	<u>\$ 50,642</u>	<u>\$ 17,194,273</u>
\$ 9,110	\$ 85,639	\$ 72,784	\$ 21,438	\$ 598,031
1,500	-	-	-	1,500
-	-	-	-	39,369
-	-	21,726	-	48,145
<u>10,610</u>	<u>85,639</u>	<u>94,510</u>	<u>21,438</u>	<u>687,045</u>
-	12,376	1,748	12,273	648,218
-	-	-	-	94,286
-	-	-	-	1,968,544
-	-	-	-	205,700
-	-	-	-	30,000
-	-	-	-	30,000
1,257,936	-	-	-	1,257,936
-	-	-	-	31,520
-	-	-	-	250,000
-	-	-	-	61,241
-	97,609	-	16,931	114,540
-	280,473	-	-	280,473
-	-	720,822	-	720,822
-	-	-	-	1,293,458
-	-	-	-	7,859,252
-	-	-	-	1,661,238
<u>1,257,936</u>	<u>390,458</u>	<u>722,570</u>	<u>29,204</u>	<u>16,507,228</u>
<u>\$ 1,268,546</u>	<u>\$ 476,097</u>	<u>\$ 817,080</u>	<u>\$ 50,642</u>	<u>\$ 17,194,273</u>

City of San Rafael

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Special Revenue Funds

For the year ended June 30, 2000

	Recreation Revolving	Baypoint Lagoons Assessment District	Parking Services	Gas Tax
REVENUES:				
Taxes and special assessments	\$ -	\$ 25,368	\$ -	\$ -
Licenses and permits	-	-	102,165	-
Fines and forfeitures	-	-	-	-
Uses of money and property	2,750	1,304	16,954	60,832
Intergovernmental	-	-	-	1,152,236
Charges for current services	1,022,775	-	730,708	-
Other revenues	215	2,500	-	55
Total revenues	1,025,740	29,172	849,827	1,213,123
EXPENDITURES:				
General governmental	-	-	210,029	-
Public safety	-	-	338,043	-
Public works and parks	-	12,413	97,334	109,473
Community development/redevelopment	-	-	-	-
Culture and recreation	1,801,763	-	-	-
Capital outlay	-	-	-	-
Capital improvement/special projects	-	-	-	432,849
Total expenditures	1,801,763	12,413	645,406	542,322
REVENUES OVER (UNDER) EXPENDITURES	(776,023)	16,759	204,421	670,801
OTHER FINANCING SOURCES (USES):				
Operating transfers in	919,593	-	-	-
Operating transfers out	-	-	(148,010)	(350,000)
Total other financing sources (uses)	919,593	-	(148,010)	(350,000)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	143,570	16,759	56,411	320,801
FUND BALANCES:				
Beginning of year	1,448	14,761	258,104	972,657
End of year	\$ 145,018	\$ 31,520	\$ 314,515	\$ 1,293,458

Childcare	Equipment Replacement	Street Maintenance and Cleaning	Sewer Maintenance	Household Hazmat Facility	Loch Lomond Assessment District
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,507
-	-	-	-	13,071	-
-	-	-	-	-	-
2,788	114,255	17,557	12,000	31,831	17,396
202,889	-	1,456,799	-	22,611	-
2,102,079	905,936	-	768,472	718,380	-
-	47,803	21,093	-	21,766	-
<u>2,307,756</u>	<u>1,067,994</u>	<u>1,495,449</u>	<u>780,472</u>	<u>807,659</u>	<u>77,903</u>
-	-	-	-	-	-
-	-	-	-	787,241	-
-	-	1,420,743	698,541	-	53
-	-	-	-	-	-
2,336,245	-	-	-	-	-
-	486,424	-	-	-	-
<u>167,570</u>	<u>-</u>	<u>1,919,816</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,503,815</u>	<u>486,424</u>	<u>3,340,559</u>	<u>698,541</u>	<u>787,241</u>	<u>53</u>
<u>(196,059)</u>	<u>581,570</u>	<u>(1,845,110)</u>	<u>81,931</u>	<u>20,418</u>	<u>77,850</u>
65,000	-	1,921,164	-	-	-
<u>(191,866)</u>	<u>-</u>	<u>-</u>	<u>(76,065)</u>	<u>(1,330)</u>	<u>-</u>
<u>(126,866)</u>	<u>-</u>	<u>1,921,164</u>	<u>(76,065)</u>	<u>(1,330)</u>	<u>-</u>
(322,925)	581,570	76,054	5,866	19,088	77,850
324,644	1,945,329	602,275	41,488	358,012	243,299
<u>\$ 1,719</u>	<u>\$ 2,526,899</u>	<u>\$ 678,329</u>	<u>\$ 47,354</u>	<u>\$ 377,100</u>	<u>\$ 321,149</u>

(continued)

City of San Rafael

Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued

Special Revenue Funds

For the year ended June 30, 2000

	Library	Public Safety	Stormwater	Traffic and Housing Mitigation
REVENUES:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	500	-
Uses of money and property	45,954	2,735	16,060	420,252
Intergovernmental	207,453	174,424	-	-
Charges for current services	7,320	5,629	766,047	530,462
Other revenues	15,338	2,900	7,462	176,188
Total revenues	<u>276,065</u>	<u>185,688</u>	<u>790,069</u>	<u>1,126,902</u>
EXPENDITURES:				
General governmental	-	-	-	-
Public safety	-	130,295	-	-
Public works and parks	-	-	831,844	852
Community development/redevelopment	-	-	-	-
Culture and recreation	262,712	-	-	-
Capital Outlay	-	-	-	-
Capital Improvement/Special Projects	-	-	616,115	2,208,826
Total expenditures	<u>262,712</u>	<u>130,295</u>	<u>1,447,959</u>	<u>2,209,678</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>13,353</u>	<u>55,393</u>	<u>(657,890)</u>	<u>(1,082,776)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	40,000	604,412	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>40,000</u>	<u>604,412</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>13,353</u>	<u>95,393</u>	<u>(53,478)</u>	<u>(1,082,776)</u>
FUND BALANCES:				
Beginning of year	<u>47,888</u>	<u>2,214</u>	<u>311,091</u>	<u>9,036,314</u>
End of year	<u>\$ 61,241</u>	<u>\$ 97,607</u>	<u>\$ 257,613</u>	<u>\$ 7,953,538</u>

<u>Development Services</u>	<u>Grants</u>	<u>Parkland Dedication</u>	<u>Emergency Medical Services</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 1,584,638	\$ 1,670,513
-	-	-	-	115,236
-	80,000	-	-	80,500
60,833	24,931	57,473	-	905,905
51,782	540,149	10,000	-	3,818,343
46,240	164,867	18,105	1,169,600	8,956,620
125,501	27,954	29,831	-	478,606
<u>284,356</u>	<u>837,901</u>	<u>115,409</u>	<u>2,754,238</u>	<u>16,025,723</u>
-	7,452	-	-	217,481
-	369,823	-	2,848,711	4,474,113
-	-	-	-	3,171,253
50,095	-	-	-	50,095
-	339,772	-	-	4,740,492
-	-	-	-	486,424
83,317	170,846	356,498	-	5,955,837
<u>133,412</u>	<u>887,893</u>	<u>356,498</u>	<u>2,848,711</u>	<u>19,095,695</u>
<u>150,944</u>	<u>(49,992)</u>	<u>(241,089)</u>	<u>(94,473)</u>	<u>(3,069,972)</u>
-	174,140	100,000	347,220	4,171,529
-	(71,000)	(278,269)	(233,298)	(1,349,838)
-	103,140	(178,269)	113,922	2,821,691
150,944	53,148	(419,358)	19,449	(248,281)
<u>1,106,992</u>	<u>337,310</u>	<u>1,141,928</u>	<u>9,755</u>	<u>16,755,509</u>
<u>\$ 1,257,936</u>	<u>\$ 390,458</u>	<u>\$ 722,570</u>	<u>\$ 29,204</u>	<u>\$ 16,507,228</u>

(concluded)

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Recreation Revolving Special Revenue Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Uses of money and property	\$ 3,739	\$ 2,750	\$ (989)
Charges for current services	1,093,349	1,022,775	(70,574)
Other revenues	7,740	215	(7,525)
Total revenues	1,104,828	1,025,740	(79,088)
EXPENDITURES:			
Culture and recreation	2,027,675	1,801,763	225,912
Total expenditures	2,027,675	1,801,763	225,912
REVENUES OVER (UNDER) EXPENDITURES	(922,847)	(776,023)	146,824
OTHER FINANCING SOURCES:			
Operating transfers in	919,593	919,593	-
Total other financing sources	919,593	919,593	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	\$ (3,254)	143,570	\$ 146,824
FUND BALANCES:			
Beginning of year		1,448	
End of year		\$ 145,018	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Baypoint Lagoons Assessment District Special Revenue Fund

For the year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes and special assessments	\$ 27,500	\$ 25,368	\$ (2,132)
Uses of money and property	200	1,304	1,104
Other revenues	-	2,500	2,500
Total revenues	<u>27,700</u>	<u>29,172</u>	<u>1,472</u>
EXPENDITURES:			
Public works and parks	<u>26,144</u>	<u>12,413</u>	<u>13,731</u>
Total expenditures	<u>26,144</u>	<u>12,413</u>	<u>13,731</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 1,556</u>	16,759	<u>\$ 15,203</u>
FUND BALANCES:			
Beginning of year		<u>14,761</u>	
End of year		<u>\$ 31,520</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Parking Services Special Revenue Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Licenses and permits	\$ 114,000	\$ 102,165	\$ (11,835)
Uses of money and property	11,062	16,954	5,892
Charges for current services	619,480	730,708	111,228
Total revenues	<u>744,542</u>	<u>849,827</u>	<u>105,285</u>
EXPENDITURES:			
General governmental	217,286	210,029	7,257
Public safety	337,307	338,043	(736)
Public works and parks	105,443	97,334	8,109
Total expenditures	<u>660,036</u>	<u>645,406</u>	<u>14,630</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>84,506</u>	<u>204,421</u>	<u>119,915</u>
OTHER FINANCING (USES):			
Operating transfers out	(148,010)	(148,010)	-
Total other financing sources (uses)	<u>(148,010)</u>	<u>(148,010)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>\$ (63,504)</u>	56,411	<u>\$ 119,915</u>
FUND BALANCES:			
Beginning of year		<u>258,104</u>	
End of year		<u>\$ 314,515</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Gas Tax Special Revenue Fund

For the year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Uses of money and property	\$ 52,529	\$ 60,832	\$ 8,303
Intergovernmental	1,068,942	1,152,236	83,294
Other revenues	-	55	55
Total revenues	<u>1,121,471</u>	<u>1,213,123</u>	<u>91,652</u>
EXPENDITURES:			
Public works and parks	81,726	109,473	(27,747)
Capital improvement/special projects	1,407,299	432,849	974,450
Total expenditures	<u>1,489,025</u>	<u>542,322</u>	<u>946,703</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(367,554)</u>	<u>670,801</u>	<u>1,038,355</u>
OTHER FINANCING (USES):			
Operating transfers out	(350,000)	(350,000)	-
Total other financing (uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (717,554)</u>	<u>320,801</u>	<u>\$ 1,038,355</u>
FUND BALANCES:			
Beginning of year		<u>972,657</u>	
End of year		<u>\$ 1,293,458</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Childcare Special Revenue Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Uses of money and property	\$ 29,997	\$ 2,788	\$ (27,209)
Intergovernmental	227,276	202,889	(24,387)
Charges for current services	2,222,046	2,102,079	(119,967)
Total revenues	<u>2,479,319</u>	<u>2,307,756</u>	<u>(171,563)</u>
EXPENDITURES:			
Culture and recreation	2,525,932	2,336,245	189,687
Capital improvement/special projects	105,952	167,570	(61,618)
Total expenditures	<u>2,631,884</u>	<u>2,503,815</u>	<u>128,069</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(152,565)</u>	<u>(196,059)</u>	<u>(43,494)</u>
OTHER FINANCING (USES):			
Operating transfer in	-	65,000	65,000
Operating transfers out	(191,866)	(191,866)	-
Total other financing (uses)	<u>(191,866)</u>	<u>(126,866)</u>	<u>65,000</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>\$ (344,431)</u>	<u>(322,925)</u>	<u>\$ 21,506</u>
FUND BALANCES:			
Beginning of year		<u>324,644</u>	
End of year		<u>\$ 1,719</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Equipment Replacement Special Revenue Fund For the year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Uses of money and property	\$ 104,865	\$ 114,255	\$ 9,390
Charges for current services	905,936	905,936	-
Other revenues	2,500	47,803	45,303
Total revenues	<u>1,013,301</u>	<u>1,067,994</u>	<u>54,693</u>
EXPENDITURES:			
Capital outlay	<u>1,378,591</u>	<u>486,424</u>	<u>892,167</u>
Total expenditures	<u>1,378,591</u>	<u>486,424</u>	<u>892,167</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (365,290)</u>	581,570	<u>\$ 946,860</u>
FUND BALANCES:			
Beginning of year		<u>1,945,329</u>	
End of year		<u>\$ 2,526,899</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Street Maintenance and Cleaning Special Revenue Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Uses of money and property	\$ 25,226	\$ 17,557	\$ (7,669)
Intergovernmental	1,480,800	1,456,799	(24,001)
Other revenues	2,300	21,093	18,793
Total revenues	<u>1,508,326</u>	<u>1,495,449</u>	<u>(12,877)</u>
EXPENDITURES:			
Public works and parks	1,492,327	1,420,743	71,584
Capital improvement/special projects	2,363,671	1,919,816	443,855
Total expenditures	<u>3,855,998</u>	<u>3,340,559</u>	<u>515,439</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,347,672)</u>	<u>(1,845,110)</u>	<u>502,562</u>
OTHER FINANCING SOURCES:			
Operating transfers in	1,921,164	1,921,164	-
Total other financing sources	<u>1,921,164</u>	<u>1,921,164</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ (426,508)</u>	76,054	<u>\$ 502,562</u>
FUND BALANCES:			
Beginning of year		<u>602,275</u>	
End of year		<u>\$ 678,329</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Sewer Maintenance Special Revenue Fund

For the year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Uses of money and property	\$ 12,000	\$ 12,000	\$ -
Charges for current services	821,826	768,472	(53,354)
Total revenues	<u>833,826</u>	<u>780,472</u>	<u>(53,354)</u>
EXPENDITURES:			
Public works and parks	799,249	698,541	100,708
Total expenditures	<u>799,249</u>	<u>698,541</u>	<u>100,708</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>34,577</u>	<u>81,931</u>	<u>47,354</u>
OTHER FINANCING (USES):			
Operating transfers out	(76,065)	(76,065)	-
Total other financing (uses)	<u>(76,065)</u>	<u>(76,065)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (41,488)</u>	5,866	<u>\$ 47,354</u>
FUND BALANCES:			
Beginning of year		<u>41,488</u>	
End of year		<u>\$ 47,354</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Household Hazmat Facility Special Revenue Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Licenses and permits	\$ 12,000	\$ 13,071	\$ 1,071
Uses of money and property	16,462	31,831	15,369
Intergovernmental	15,000	22,611	7,611
Charges for current services	824,255	718,380	(105,875)
Other revenues	20,500	21,766	1,266
Total revenues	<u>888,217</u>	<u>807,659</u>	<u>(80,558)</u>
EXPENDITURES:			
Public safety	905,414	787,241	118,173
Total expenditures	<u>905,414</u>	<u>787,241</u>	<u>118,173</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(17,197)</u>	<u>20,418</u>	<u>37,615</u>
OTHER FINANCING (USES):			
Operating transfers out	(1,330)	(1,330)	-
Total other financing (uses)	<u>(1,330)</u>	<u>(1,330)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (18,527)</u>	<u>19,088</u>	<u>\$ 37,615</u>
FUND BALANCES:			
Beginning of year		358,012	
End of year		<u>\$ 377,100</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Loch Lomond Assessment District Special Revenue Fund

For the year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes and special assessments	\$ 60,129	\$ 60,507	\$ 378
Uses of money and property	11,584	17,396	5,812
Total revenues	<u>71,713</u>	<u>77,903</u>	<u>6,190</u>
EXPENDITURES:			
Public works and parks	5,335	53	5,282
Total expenditures	<u>5,335</u>	<u>53</u>	<u>5,282</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 66,378</u>	77,850	<u>\$ 11,472</u>
FUND BALANCES:			
Beginning of year		<u>243,299</u>	
End of year		<u>\$ 321,149</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Library Special Revenue Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Uses of money and property	\$ 38,176	\$ 45,954	\$ 7,778
Intergovernmental	220,767	207,453	(13,314)
Charges for current services	6,000	7,320	1,320
Other revenues	10,000	15,338	5,338
Total revenues	<u>274,943</u>	<u>276,065</u>	<u>1,122</u>
EXPENDITURES:			
Culture and recreation	252,471	262,712	(10,241)
Total expenditures	<u>252,471</u>	<u>262,712</u>	<u>(10,241)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 22,472</u>	13,353	<u>\$ (9,119)</u>
FUND BALANCES:			
Beginning of year		<u>47,888</u>	
End of year		<u>\$ 61,241</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Public Safety Special Revenue Fund

For the year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Uses of money and property	\$ 341	\$ 2,735	\$ 2,394
Intergovernmental	127,000	174,424	47,424
Charges for current services	3,000	5,629	2,629
Other revenues	-	2,900	2,900
Total revenues	<u>130,341</u>	<u>185,688</u>	<u>55,347</u>
EXPENDITURES:			
Public safety	<u>159,235</u>	<u>130,295</u>	<u>28,940</u>
Total expenditures	<u>159,235</u>	<u>130,295</u>	<u>28,940</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(28,894)</u>	<u>55,393</u>	<u>84,287</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total other financing sources	<u>40,000</u>	<u>40,000</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ 11,106</u>	<u>95,393</u>	<u>\$ 84,287</u>
FUND BALANCES:			
Beginning of year		<u>2,214</u>	
End of year		<u>\$ 97,607</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Stormwater Special Revenue Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Fines and forfeitures	\$ 2,000	\$ 500	\$ (1,500)
Uses of money and property	28,498	16,060	(12,438)
Charges for current services	775,780	766,047	(9,733)
Other revenues	-	7,462	7,462
Total revenues	<u>806,278</u>	<u>790,069</u>	<u>(16,209)</u>
EXPENDITURES:			
Public works and parks	843,485	831,844	11,641
Capital improvement/special projects	752,363	616,115	136,248
Total expenditures	<u>1,595,848</u>	<u>1,447,959</u>	<u>147,889</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(789,570)</u>	<u>(657,890)</u>	<u>131,680</u>
OTHER FINANCING SOURCES:			
Operating transfers in	604,412	604,412	-
Total other financing sources	<u>604,412</u>	<u>604,412</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ (185,158)</u>	<u>(53,478)</u>	<u>\$ 131,680</u>
FUND BALANCES:			
Beginning of year		<u>311,091</u>	
End of year		<u>\$ 257,613</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Traffic and Housing Mitigation Special Revenue Fund

For the year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Uses of money and property	\$ 452,411	\$ 420,252	\$ (32,159)
Charges for current services	625,000	530,462	(94,538)
Other revenues	-	176,188	176,188
Total revenues	<u>1,077,411</u>	<u>1,126,902</u>	<u>49,491</u>
EXPENDITURES:			
Public works and parks	-	852	(852)
Capital improvement/special projects	5,373,836	2,208,826	3,165,010
Total expenditures	<u>5,373,836</u>	<u>2,209,678</u>	<u>3,164,158</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (4,296,425)</u>	<u>(1,082,776)</u>	<u>\$ 3,213,649</u>
FUND BALANCES:			
Beginning of year		<u>9,036,314</u>	
End of year		<u>\$ 7,953,538</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Development Services Special Revenue Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Uses of money and property	\$ 61,973	\$ 60,833	\$ (1,140)
Intergovernmental	-	51,782	51,782
Charges for current services	200,000	46,240	(153,760)
Other revenues	-	125,501	125,501
Total revenues	<u>261,973</u>	<u>284,356</u>	<u>22,383</u>
EXPENDITURES:			
Community development	732,735	50,095	682,640
Capital improvement/special projects	200,000	83,317	116,683
Total expenditures	<u>932,735</u>	<u>133,412</u>	<u>799,323</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (670,762)</u>	150,944	<u>821,706</u>
FUND BALANCES:			
Beginning of year		<u>1,106,992</u>	
End of year		<u>\$ 1,257,936</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Grants Special Revenue Fund

For the year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Fines and forfeitures	\$ 80,000	\$ 80,000	\$ -
Uses of money and property	15,760	24,931	9,171
Intergovernmental	1,029,396	540,149	(489,247)
Charges for current services	167,000	164,867	(2,133)
Other revenues	64,000	27,954	(36,046)
Total revenues	<u>1,356,156</u>	<u>837,901</u>	<u>(518,255)</u>
EXPENDITURES:			
General government	7,158	7,452	(294)
Public safety	379,453	369,823	9,630
Culture and recreation	274,586	339,772	(65,186)
Capital improvement/special projects	649,332	170,846	478,486
Total expenditures	<u>1,310,529</u>	<u>887,893</u>	<u>422,636</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>45,627</u>	<u>(49,992)</u>	<u>(95,619)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	174,140	174,140	-
Operating transfers out	(71,000)	(71,000)	-
Total other financing sources (uses)	<u>103,140</u>	<u>103,140</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 148,767</u>	<u>53,148</u>	<u>\$ (95,619)</u>
FUND BALANCES:			
Beginning of year		<u>337,310</u>	
End of year		<u>\$ 390,458</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Parkland Dedication Special Revenue Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Uses of money and property	\$ 56,941	\$ 57,473	\$ 532
Intergovernmental	12,000	10,000	(2,000)
Charges for current services	11,000	18,105	7,105
Other revenues	25,000	29,831	4,831
Total revenues	<u>104,941</u>	<u>115,409</u>	<u>10,468</u>
EXPENDITURES:			
Capital improvement/special projects	519,438	356,498	162,940
Total expenditures	<u>519,438</u>	<u>356,498</u>	<u>162,940</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(414,497)</u>	<u>(241,089)</u>	<u>173,408</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	100,000	100,000	-
Operating transfers out	(278,269)	(278,269)	-
Total other financing sources (uses)	<u>(178,269)</u>	<u>(178,269)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (592,766)</u>	<u>(419,358)</u>	<u>\$ 173,408</u>
FUND BALANCES:			
Beginning of year		<u>1,141,928</u>	
End of year		<u>\$ 722,570</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Emergency Medical Services Special Revenue Fund For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes and special assessments	\$ 1,582,153	\$ 1,584,638	\$ 2,485
Charges for current services	1,149,950	1,169,600	19,650
Total revenues	<u>2,732,103</u>	<u>2,754,238</u>	<u>22,135</u>
EXPENDITURES:			
Public safety	2,843,595	2,848,711	(5,116)
Total expenditures	<u>2,843,595</u>	<u>2,848,711</u>	<u>(5,116)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(111,492)</u>	<u>(94,473)</u>	<u>17,019</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	347,220	347,220	-
Operating transfers out	(233,298)	(233,298)	-
Total other financing sources (uses)	<u>113,922</u>	<u>113,922</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 2,430</u>	19,449	<u>\$ 17,019</u>
FUND BALANCES:			
Beginning of year		<u>9,755</u>	
End of year		<u>\$ 29,204</u>	

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DEBT SERVICE FUNDS

The Debt Service Funds are used for the accumulation of resources for, and the payment of, general long-term principal and interest. Funds included are:

East Francisco Boulevard Assessments District Fund - Established to accumulate funds for the payment of principal and interest. The related bonds were defeased in 1995.

Peacock Gap Assessment District Fund - Established to accumulate funds for the payment of principal and interest for the 1993 Bonds which matures in 2005. The proceeds were used to refund the 1984 Bonds, which provided for the construction of public improvements in the project area. Financing is to be provided by property tax increments generated within the specific geographic region described by the bond assessment district.

1915 Act Bonds Fund - Established to account for the debt service managed by the County of Marin. The debt service relates to Lucas Valley road improvements.

Mariposa Assessment District Fund - Established to accumulate funds for the payment of principal and interest for the 1993 Bond, which matures in 2008. The proceeds were used to finance the grading and paving of Mariposa Road.

1997 Reassessment Bonds Fund - Established to account for the refunding of the 1984 Kerner Boulevard Bond, the 1986 Sun Valley Bond, and the 1991 Civic Center/Northgate Bond.

1997 Financing Authority Revenue Bonds Fund - Established to accumulate funds for the payment of principal and interest for the 1997 Revenue Bonds which matures in 2011. The proceeds were used to purchase the previously issued special assessment bonds. Financing is to be provided by property tax increments generated within the specific geographic region described by the bond assessment district.

1992 Agency Refunding Bonds Fund - Established to accumulate funds for the payment of principal and interest for the 1992 Agency Tax Allocation Refunding Bonds that matures in 2017. The proceeds of the bonds were used to refund the 1985 Bond and to fund certain public capital improvements.

1995 Agency Bonds Fund - Established to accumulate funds for the payment of principal and interest for the 1995 Agency Tax Allocation Bonds that matures in 2021.

1999 Agency Bonds Fund - Established to accumulate funds for the payment of principal and interest for the 1999 Agency Tax Allocation Bonds that matures in 2023.

City of San Rafael
 Combining Balance Sheet
 Debt Service Funds
 June 30, 2000

	East Francisco Boulevard Assessments District	Peacock Gap Assessment District	1915 Act Bonds	Mariposa Assessment District
ASSETS				
Cash and investments	\$ 13,701	\$ 388,222	\$ -	\$ 35,874
Cash and Investments with fiscal agent	-	-	67,387	-
Taxes receivable	-	317	-	39
Total assets	<u>\$ 13,701</u>	<u>\$ 388,539</u>	<u>\$ 67,387</u>	<u>\$ 35,913</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 747	\$ -	\$ 155
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>747</u>	<u>-</u>	<u>155</u>
Fund Balances:				
Reserved for bond redemption	<u>13,701</u>	<u>387,792</u>	<u>67,387</u>	<u>35,758</u>
Total fund balances	<u>13,701</u>	<u>387,792</u>	<u>67,387</u>	<u>35,758</u>
Total liabilities and fund balances	<u>\$ 13,701</u>	<u>\$ 388,539</u>	<u>\$ 67,387</u>	<u>\$ 35,913</u>

<u>1997 Reassessment Bonds</u>	<u>1997 Financing Authority Revenue Bonds</u>	<u>1992 Agency Refunding Bonds</u>	<u>1995 Agency Bonds</u>	<u>1999 Agency Bonds</u>	<u>Totals</u>
\$ -	\$ 529,852	\$ -	\$ -	\$ -	\$ 967,649
2,397	389,520	2	631,469	-	1,090,775
-	1,003	-	-	-	1,359
<u>\$ 2,397</u>	<u>\$ 920,375</u>	<u>\$ 2</u>	<u>\$ 631,469</u>	<u>\$ -</u>	<u>\$ 2,059,783</u>
\$ -	\$ 2,443	\$ -	\$ -	\$ -	\$ 3,345
-	-	-	1,530	-	1,530
-	2,443	-	1,530	-	4,875
<u>2,397</u>	<u>917,932</u>	<u>2</u>	<u>629,939</u>	<u>-</u>	<u>2,054,908</u>
<u>2,397</u>	<u>917,932</u>	<u>2</u>	<u>629,939</u>	<u>-</u>	<u>2,054,908</u>
<u>\$ 2,397</u>	<u>\$ 920,375</u>	<u>\$ 2</u>	<u>\$ 631,469</u>	<u>\$ -</u>	<u>\$ 2,059,783</u>

City of San Rafael

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Debt Service Funds

For the year ended June 30, 2000

	East Francisco Boulevard Assessments District	Peacock Gap Assessment District	1915 Act Bonds
REVENUES:			
Taxes and special assessment	\$ -	\$ 238,212	\$ -
Fines and forfeitures	-	20,479	-
Uses of money and property	-	-	-
Total revenues	<u>-</u>	<u>258,691</u>	<u>-</u>
EXPENDITURES:			
Principal retirement	-	250,000	-
Interest and fiscal charges	-	79,858	-
Total expenditures	<u>-</u>	<u>329,858</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(71,167)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	-	(2,458)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,458)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>(73,625)</u>	<u>-</u>
FUND BALANCES:			
Beginning of year	<u>13,701</u>	<u>461,417</u>	<u>67,387</u>
End of year	<u>\$ 13,701</u>	<u>\$ 387,792</u>	<u>\$ 67,387</u>

Mariposa Assessment District	1997 Reassessment Bonds	1997 Financing Authority Revenue Bonds	1992 Agency Refunding Bonds	1995 Agency Bonds	1999 Agency Bonds	Totals
\$ 25,970	\$ -	\$ 668,447	\$ 1,422,345	\$ 627,850	\$ 1,497,200	\$ 4,480,024
-	-	-	-	-	-	20,479
1,631	-	36,176	59	27	-	37,893
27,601	-	704,623	1,422,404	627,877	1,497,200	4,538,396
15,000	-	410,000	450,000	190,000	560,000	1,875,000
11,318	-	262,009	972,406	437,877	937,200	2,700,668
26,318	-	672,009	1,422,406	627,877	1,497,200	4,575,668
1,283	-	32,614	(2)	-	-	(37,272)
-	-	-	1,403	-	-	1,403
(146)	-	(4,712)	-	-	-	(7,316)
(146)	-	(4,712)	1,403	-	-	(5,913)
1,137	-	27,902	1,401	-	-	(43,185)
34,621	2,397	890,030	(1,399)	629,939	-	2,098,093
\$ 35,758	\$ 2,397	\$ 917,932	\$ 2	\$ 629,939	\$ -	\$ 2,054,908

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Peacock Gap Assessment District Debt Service Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes and special assessment	\$ 222,615	\$ 238,212	\$ 15,597
Fines and forfeitures	-	20,479	20,479
Uses of money and property	20,506	-	(20,506)
Total revenues	<u>243,121</u>	<u>258,691</u>	<u>15,570</u>
EXPENDITURES:			
Principal retirement	250,000	250,000	-
Interest and fiscal charges	77,967	79,858	(1,891)
Total expenditures	<u>327,967</u>	<u>329,858</u>	<u>(1,891)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(84,846)</u>	<u>(71,167)</u>	<u>13,679</u>
OTHER FINANCING (USES):			
Operating transfers out	(2,458)	(2,458)	-
Total other financing (uses)	<u>(2,458)</u>	<u>(2,458)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (87,304)</u>	<u>(73,625)</u>	<u>\$ 13,679</u>
FUND BALANCES:			
Beginning of year		<u>461,417</u>	
End of year		<u>\$ 387,792</u>	

City of San Rafael

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Mariposa Assessment District Debt Service Fund
For the year ended June 30, 2000**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes and special assessment	\$ 26,586	\$ 25,970	\$ (616)
Uses of money and property	1,681	1,631	(50)
Total revenues	<u>28,267</u>	<u>27,601</u>	<u>(666)</u>
EXPENDITURES:			
Principal retirement	15,000	15,000	-
Interest and fiscal charges	11,260	11,318	(58)
Total expenditures	<u>26,260</u>	<u>26,318</u>	<u>(58)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,007</u>	<u>1,283</u>	<u>(724)</u>
OTHER FINANCING (USES):			
Operating transfers out	(146)	(146)	-
Total other financing (uses)	<u>(146)</u>	<u>(146)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 1,861</u>	1,137	<u>\$ (724)</u>
FUND BALANCES:			
Beginning of year		<u>34,621</u>	
End of year		<u>\$ 35,758</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

1997 Financing Authority Revenue Bonds Debt Service Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes and special assessment	\$ 689,210	\$ 668,447	\$ (20,763)
Uses of money and property	11,014	36,176	25,162
Total revenues	<u>700,224</u>	<u>704,623</u>	<u>4,399</u>
EXPENDITURES:			
Principal retirement	380,000	410,000	(30,000)
Interest and fiscal charges	287,660	262,009	25,651
Total expenditures	<u>667,660</u>	<u>672,009</u>	<u>(4,349)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>32,564</u>	<u>32,614</u>	<u>50</u>
OTHER FINANCING (USES):			
Operating transfers out	(4,712)	(4,712)	-
Total other financing (uses)	<u>(4,712)</u>	<u>(4,712)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 27,852</u>	<u>27,902</u>	<u>\$ 50</u>
FUND BALANCES:			
Beginning of year		<u>890,030</u>	
End of year		<u>\$ 917,932</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

1992 Agency Refunding Bonds Debt Service Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes and special assessment	\$ 1,422,406	\$ 1,422,345	\$ (61)
Uses of money and property	13,500	59	(13,441)
Total revenues	<u>1,435,906</u>	<u>1,422,404</u>	<u>(13,502)</u>
EXPENDITURES:			
Principal retirement	450,000	450,000	-
Interest and fiscal charges	976,906	972,406	4,500
Total expenditures	<u>1,426,906</u>	<u>1,422,406</u>	<u>4,500</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>9,000</u>	<u>(2)</u>	<u>(9,002)</u>
OTHER FINANCING SOURCES:			
Operating transfers in	-	1,403	1,403
Total other financing sources	<u>-</u>	<u>1,403</u>	<u>1,403</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ 9,000</u>	<u>1,401</u>	<u>\$ (7,599)</u>
FUND BALANCES:			
Beginning of year		<u>(1,399)</u>	
End of year		<u>\$ 2</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

1995 Agency Bonds Debt Service Fund

For the year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes and special assessment	\$ 627,878	\$ 627,850	\$ (28)
Uses of money and property	5,000	27	(4,973)
Total revenues	<u>632,878</u>	<u>627,877</u>	<u>(5,001)</u>
EXPENDITURES:			
Principal retirement	190,000	190,000	-
Interest and fiscal charges	442,878	437,877	5,001
Total expenditures	<u>632,878</u>	<u>627,877</u>	<u>5,001</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES:			
Beginning of year		<u>629,939</u>	
End of year		<u>\$ 629,939</u>	

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

1999 Agency Bonds Debt Service Fund

For the year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Taxes and special assessment	\$ 1,521,216	\$ 1,497,200	\$ (24,016)
Total revenues	<u>1,521,216</u>	<u>1,497,200</u>	<u>(24,016)</u>
EXPENDITURES:			
Principal retirement	-	560,000	(560,000)
Interest and fiscal charges	1,521,216	937,200	584,016
Total expenditures	<u>1,521,216</u>	<u>1,497,200</u>	<u>24,016</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES:			
Beginning of year		-	
End of year		<u>\$ -</u>	

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CAPITAL PROJECTS FUNDS

Capital Projects Funds were established for all resources used for the acquisition and improvement of capital facilities of the City. Funds included are:

Open Space Fund - Established for the acquisition of open space.

Capital Improvement Fund - Established for the costs associated with major capital improvement projects not tied to specific funds elsewhere. Improvements could include medians, parkways, sidewalks, and other public assets.

Bedroom Tax Fund - Established to collect funds from multiple-unit housing used to pay for maintaining and developing parks within local neighborhoods.

Assessment Districts Fund - Established to account for ongoing construction and improvement needs within the following assessment districts: Peacock Gap, Kerner Boulevard, Sun Valley/Lucas Valley Open Space, East San Rafael Drainage Assessment Districts 1 and 2, East Francisco Boulevard, and Bahia de Rafael.

Park Capital Projects Fund - Established to account for capital improvements for all City owned parks, whether paid for by City funds, grants, donations, or partnerships with the community.

1985 Capital Project and Administration Fund - Established to account for all financial resources related to project planning, support services, and economic development efforts for the Redevelopment Agency except those required to be accounted for in the Low and Moderate Income Housing Fund by law.

Low and Moderate Income Housing Fund - Established to account for the 20% set-aside required by the State for low and moderate income housing projects of the Redevelopment Agency.

1992 Bonds Capital Project Fund - Established to account for additional major capital projects of the Redevelopment Agency's 1992 refunding project bond.

1995 Bonds Capital Project Fund - Established to account for major capital projects of the Redevelopment Agency's 1995 project bond, such as the Lindero Street Undergrounding and Corporation Yard relocation.

1999 Bonds Capital Project Fund - Established to account for new capital projects of the Redevelopment Agency's 1999 project bond, such as capital needs at the local schools and colleges, utility undergrounding along West Francisco and renovation of the Pickleweed Community Center Fields.

City of San Rafael
Combining Balance Sheet
Capital Projects Funds
June 30, 2000

	Open Space	Capital Improvement	Bedroom Tax	Assessment Districts
ASSETS				
Cash and investments	\$ 552,391	\$ 3,158,393	\$ 74,764	\$ 280,574
Cash and investments with fiscal agent	-	-	-	-
Accounts receivable	-	1,925	-	-
Taxes receivable	-	-	-	-
Interest receivable	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	-	278,802	25,384	-
Total assets	\$ 552,391	\$ 3,439,120	\$ 100,148	\$ 280,574
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 127,090	\$ -	\$ -
Developer Bonds Payable	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	6,020	-
Total liabilities	-	127,090	6,020	-
Fund Balances:				
Reserved:				
Encumbrances	-	68,879	-	-
Loans receivable	-	-	-	-
Improvement projects	-	192,708	94,128	-
Information system projects	-	824,193	-	-
Arbitrage payments	-	-	-	-
Housing	-	-	-	-
School payments	-	-	-	-
Corporation yard	-	2,226,250	-	-
Assessment districts / open space	552,391	-	-	280,574
Total fund balances	552,391	3,312,030	94,128	280,574
Total liabilities and fund balances	\$ 552,391	\$ 3,439,120	\$ 100,148	\$ 280,574

Park Capital Projects	1985 Capital Project and Administration	Low and Moderate Income Housing	1992 Bonds Capital Project	1995 Bonds Capital Project	1999 Bonds Capital Project	Totals
\$ 71,157	\$ 90,214	\$ 1,984,614	\$ 355,898	\$ 2,586,745	\$ -	\$ 9,154,750
-	-	-	-	-	18,310,185	18,310,185
55,000	-	-	116,717	-	-	173,642
-	-	933,363	-	-	-	933,363
-	-	87,402	-	-	-	87,402
-	-	325,536	-	-	-	325,536
-	1,530	-	-	-	-	305,716
<u>\$ 126,157</u>	<u>\$ 91,744</u>	<u>\$ 3,330,915</u>	<u>\$ 472,615</u>	<u>\$ 2,586,745</u>	<u>\$ 18,310,185</u>	<u>\$ 29,290,594</u>
\$ -	\$ 51,896	\$ 37,709	\$ 118,218	\$ 243,819	\$ 79,534	\$ 658,266
-	25,000	-	-	-	-	25,000
80,384	-	-	-	-	278,802	359,186
35,000	-	-	-	-	-	41,020
<u>115,384</u>	<u>76,896</u>	<u>37,709</u>	<u>118,218</u>	<u>243,819</u>	<u>358,336</u>	<u>1,083,472</u>
-	-	-	-	-	-	68,879
-	-	325,536	-	-	-	325,536
10,773	14,848	-	354,397	-	12,075,427	12,742,281
-	-	-	-	-	-	824,193
-	-	-	-	-	77,150	77,150
-	-	2,967,670	-	-	-	2,967,670
-	-	-	-	-	3,900,068	3,900,068
-	-	-	-	2,342,926	1,899,204	6,468,380
-	-	-	-	-	-	832,965
<u>10,773</u>	<u>14,848</u>	<u>3,293,206</u>	<u>354,397</u>	<u>2,342,926</u>	<u>17,951,849</u>	<u>28,207,122</u>
<u>\$ 126,157</u>	<u>\$ 91,744</u>	<u>\$ 3,330,915</u>	<u>\$ 472,615</u>	<u>\$ 2,586,745</u>	<u>\$ 18,310,185</u>	<u>\$ 29,290,594</u>

City of San Rafael

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Funds

For the year ended June 30, 2000

	<u>Open Space</u>	<u>Capital Improvement</u>	<u>Bedroom Tax</u>	<u>Assessment Districts</u>
REVENUES:				
Taxes and special assessments	\$ -	\$ -	\$ 29,650	\$ -
Uses of money and property	26,535	57,131	-	-
Intergovernmental	-	29,207	-	-
Charges for current services	-	-	-	-
Other revenues	-	2,226,365	-	-
Total revenues	<u>26,535</u>	<u>2,312,703</u>	<u>29,650</u>	<u>-</u>
EXPENDITURES:				
Community development/redevelopment	-	-	-	-
Capital improvement/special projects	-	202,268	-	11,984
Total expenditures	<u>-</u>	<u>202,268</u>	<u>-</u>	<u>11,984</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>26,535</u>	<u>2,110,435</u>	<u>29,650</u>	<u>(11,984)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	1,201,596	-	-
Operating transfers out	-	-	(100,000)	-
Total other financing sources (uses)	<u>-</u>	<u>1,201,596</u>	<u>(100,000)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>26,535</u>	<u>3,312,031</u>	<u>(70,350)</u>	<u>(11,984)</u>
FUND BALANCES:				
Beginning of year	525,856	1,293,251	164,478	292,558
Residual equity transfers out	-	(1,293,252)	-	-
End of year	<u>\$ 552,391</u>	<u>\$ 3,312,030</u>	<u>\$ 94,128</u>	<u>\$ 280,574</u>

<u>Park Capital Projects</u>	<u>1985 Capital Project and Administration</u>	<u>Low and Moderate Income Housing</u>	<u>1992 Bonds Capital Project</u>	<u>1995 Bonds Capital Project</u>	<u>1999 Bonds Capital Project</u>	<u>Totals</u>
\$ -	\$ -	\$ 933,363	\$ -	\$ -	\$ -	\$ 963,013
5,312	-	206,139	-	47,618	969,317	1,312,052
-	-	-	78,379	-	-	107,586
-	310	-	-	-	-	310
5,590	113,731	95,862	1,627,853	2,226,855	500	6,296,756
10,902	114,041	1,235,364	1,706,232	2,274,473	969,817	8,679,717
-	983,695	269,120	-	-	-	1,252,815
129	-	363,600	2,398,688	3,093,735	4,724,139	10,794,543
129	983,695	632,720	2,398,688	3,093,735	4,724,139	12,047,358
10,773	(869,654)	602,644	(692,456)	(819,262)	(3,754,322)	(3,367,641)
-	907,932	-	-	-	-	2,109,528
-	(1,403)	-	-	-	(907,932)	(1,009,335)
-	906,529	-	-	-	(907,932)	1,100,193
10,773	36,875	602,644	(692,456)	(819,262)	(4,662,254)	(2,267,448)
-	(22,027)	2,690,562	1,046,853	3,162,188	22,614,103	31,767,822
-	-	-	-	-	-	(1,293,252)
<u>\$ 10,773</u>	<u>\$ 14,848</u>	<u>\$ 3,293,206</u>	<u>\$ 354,397</u>	<u>\$ 2,342,926</u>	<u>\$ 17,951,849</u>	<u>\$ 28,207,122</u>

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INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by a department for other departments on a cost reimbursement basis. Funds included are:

Building Maintenance Fund - Established to account for construction projects and cyclical large dollar maintenance tasks (i.e., roof, painting) completed on City owned buildings.

Liability Insurance Fund - Established to maintain sufficient reserves for outstanding claims. All costs associated with liability premiums are paid from this fund.

Workers' Compensation Fund - Established to maintain sufficient reserves for injury claims. All costs associated with workers' compensation, including safety training, wellness programs, claim expenses, and insurance premiums are paid from this fund.

Dental Insurance Fund - Established to maintain sufficient reserves for dental claims. All costs associated with dental claims and administration are paid from this fund.

Radio Replacement Fund - Established to maintain sufficient reserves for radio replacement and pays for operating and debt service to MERA.

City of San Rafael
Combining Balance Sheet
Internal Service Funds
June 30, 2000

	<u>Building Maintenance</u>	<u>Liability Insurance</u>	<u>Workers' Compensation</u>	<u>Dental Insurance</u>
ASSETS				
Cash and investments	\$ 430,301	\$ 1,107,120	\$ 2,571,808	\$ 27,543
Total assets	<u>\$ 430,301</u>	<u>\$ 1,107,120</u>	<u>\$ 2,571,808</u>	<u>\$ 27,543</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ -	\$ 6,794	\$ 1,282	\$ -
Insurance claims payable	-	286,349	2,112,114	-
Total liabilities	<u>-</u>	<u>293,143</u>	<u>2,113,396</u>	<u>-</u>
Fund Equity:				
Retained earnings:				
Unreserved	430,301	813,977	458,412	27,543
Total fund equity	<u>430,301</u>	<u>813,977</u>	<u>458,412</u>	<u>27,543</u>
Total liabilities and equity	<u>\$ 430,301</u>	<u>\$ 1,107,120</u>	<u>\$ 2,571,808</u>	<u>\$ 27,543</u>

<u>Radio Replacement</u>	<u>Totals</u>
------------------------------	---------------

\$ 1,523,656	\$ 5,660,428
--------------	--------------

<u>\$ 1,523,656</u>	<u>\$ 5,660,428</u>
---------------------	---------------------

\$ -	\$ 8,076
------	----------

-	<u>2,398,463</u>
---	------------------

<u>-</u>	<u>2,406,539</u>
----------	------------------

<u>1,523,656</u>	<u>3,253,889</u>
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<u>1,523,656</u>	<u>3,253,889</u>
------------------	------------------

<u>\$ 1,523,656</u>	<u>\$ 5,660,428</u>
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City of San Rafael
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Internal Service Funds
For the year ended June 30, 2000

	<u>Building Maintenance</u>	<u>Liability Insurance</u>	<u>Workers' Compensation</u>	<u>Dental Insurance</u>
OPERATING REVENUES:				
Charges for current services	\$ 58,526	\$ 807,252	\$ 1,962,001	\$ 333,234
Refunds	-	69,774	3,048	191
Total operating revenues	<u>58,526</u>	<u>877,026</u>	<u>1,965,049</u>	<u>333,425</u>
OPERATING EXPENSES:				
Insurance premiums and claims	194,702	650,252	1,575,060	330,311
Total operating expenses	<u>194,702</u>	<u>650,252</u>	<u>1,575,060</u>	<u>330,311</u>
OPERATING INCOME	<u>(136,176)</u>	<u>226,774</u>	<u>389,989</u>	<u>3,114</u>
NON-OPERATING REVENUES:				
Operating transfers in	487,269	-	-	-
Investment income	18,416	48,957	70,665	-
Total non-operating revenues	<u>505,685</u>	<u>48,957</u>	<u>70,665</u>	<u>-</u>
NET INCOME (LOSS)	369,509	275,731	460,654	3,114
RETAINED EARNINGS:				
Beginning of year	60,792	538,246	(2,242)	24,429
Residual equity transfers in	-	-	-	-
End of year	<u>\$ 430,301</u>	<u>\$ 813,977</u>	<u>\$ 458,412</u>	<u>\$ 27,543</u>

Radio Replacement	Totals
\$ 237,438	\$ 3,398,451
-	73,013
<u>237,438</u>	<u>3,471,464</u>
57,667	2,807,992
<u>57,667</u>	<u>2,807,992</u>
<u>179,771</u>	<u>663,472</u>
-	487,269
<u>50,633</u>	<u>188,671</u>
<u>50,633</u>	<u>675,940</u>
230,404	1,339,412
-	621,225
<u>1,293,252</u>	<u>1,293,252</u>
<u>\$ 1,523,656</u>	<u>\$ 3,253,889</u>

City of San Rafael
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2000

	Building Maintenance	Liability Insurance	Workers' Compensation	Dental Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ (136,176)	\$ 226,774	\$ 389,989	\$ 3,114
Change in assets and liabilities:				
Accounts payable	-	(12,207)	241	(60)
Claims payable	-	(312,849)	553,187	-
Net cash provided (used) by operating activities	<u>(136,176)</u>	<u>(98,282)</u>	<u>943,417</u>	<u>3,054</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Operating transfers in	487,269	-	-	-
Residential equity transfers from other funds	-	-	-	-
Net cash provided by non-capital financing activities	<u>487,269</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends on investments	18,416	48,957	70,665	-
Net cash provided by investing activities	<u>18,416</u>	<u>48,957</u>	<u>70,665</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	369,509	(49,325)	1,014,082	3,054
CASH AND CASH EQUIVALENTS:				
Beginning of year	60,792	1,156,445	1,557,726	24,489
End of year	<u>\$ 430,301</u>	<u>\$ 1,107,120</u>	<u>\$ 2,571,808</u>	<u>\$ 27,543</u>

<u>Radio Replacement</u>	<u>Totals</u>
\$ 179,771	\$ 663,472
-	(12,026)
-	240,338
<u>179,771</u>	<u>891,784</u>
-	487,269
<u>1,293,252</u>	<u>1,293,252</u>
<u>1,293,252</u>	<u>1,780,521</u>
<u>50,633</u>	<u>188,671</u>
<u>50,633</u>	<u>188,671</u>
1,523,656	2,860,976
-	2,799,452
<u>\$ 1,523,656</u>	<u>\$ 5,660,428</u>

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FIDUCIARY FUNDS

Trust and Agency funds account for assets held by the City in a trustee capacity or as an agent for individual, private organizations, and other governmental units. Funds included are:

Business Improvement Fund - Established to account for activities held in Downtown San Rafael, such as the Farmers Market.

Library Fiduciary Fund - Established to account for various memorial funds including the Davidson Bequest, which the City Council allocates annual amounts to purchase additional library books.

Recreation Fiduciary Fund - Established to account for the Recreation Memorial Fund.

City of San Rafael
Combining Balance Sheet
Expendable Trust Funds
June 30, 2000

	Expendable Trust Funds			Totals
	Business Improvement	Library Fiduciary	Recreation Fiduciary	
ASSETS				
Cash and investments	\$ 8,910	\$ 406,916	\$ 35,038	\$ 450,864
Total assets	<u>\$ 8,910</u>	<u>\$ 406,916</u>	<u>\$ 35,038</u>	<u>\$ 450,864</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 44	\$ -	\$ 72	\$ 116
Total liabilities	<u>44</u>	<u>-</u>	<u>72</u>	<u>116</u>
Fund Balances:				
Reserved:				
Petty cash	3,000	-	-	3,000
Designated for:				
Library/Endowments	-	406,916	-	406,916
Park projects	5,866	-	34,966	40,832
Total fund balances	<u>8,866</u>	<u>406,916</u>	<u>34,966</u>	<u>450,748</u>
Total liabilities and fund balances	<u>\$ 8,910</u>	<u>\$ 406,916</u>	<u>\$ 35,038</u>	<u>\$ 450,864</u>

City of San Rafael

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Expendable Trust Funds

For the year ended June 30, 2000

	Expendable Trust Funds			Totals
	Business Improvement	Library Fiduciary	Recreation Fiduciary	
REVENUES:				
Uses of money and property	\$ 618	\$ 26,504	\$ 1,922	\$ 29,044
Intergovernmental	35,000	-	-	35,000
Other revenues	15,757	1,000	5,360	22,117
Total revenues	51,375	27,504	7,282	86,161
EXPENDITURES:				
General government	47,764	-	-	47,764
Culture and recreation	-	32,074	1,020	33,094
Total expenditures	47,764	32,074	1,020	80,858
REVENUES OVER (UNDER) EXPENDITURES	3,611	(4,570)	6,262	5,303
FUND BALANCES:				
Beginning of year	5,255	411,486	28,704	445,445
End of year	\$ 8,866	\$ 406,916	\$ 34,966	\$ 450,748

City of San Rafael

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Business Improvement Expendable Trust Fund

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Uses of money and property	\$ -	\$ 618	\$ 618
Intergovernmental	35,000	35,000	-
Other revenue	17,000	15,757	(1,243)
Total revenues	<u>52,000</u>	<u>51,375</u>	<u>(625)</u>
EXPENDITURES:			
General government	52,000	47,764	4,236
Total expenditures	<u>52,000</u>	<u>47,764</u>	<u>4,236</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	3,611	<u>\$ 3,611</u>
FUND BALANCES:			
Beginning of year		<u>5,255</u>	
End of year		<u>\$ 8,866</u>	

City of San Rafael

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Library Fiduciary Expendable Trust Fund

For the year ended June 30, 2000

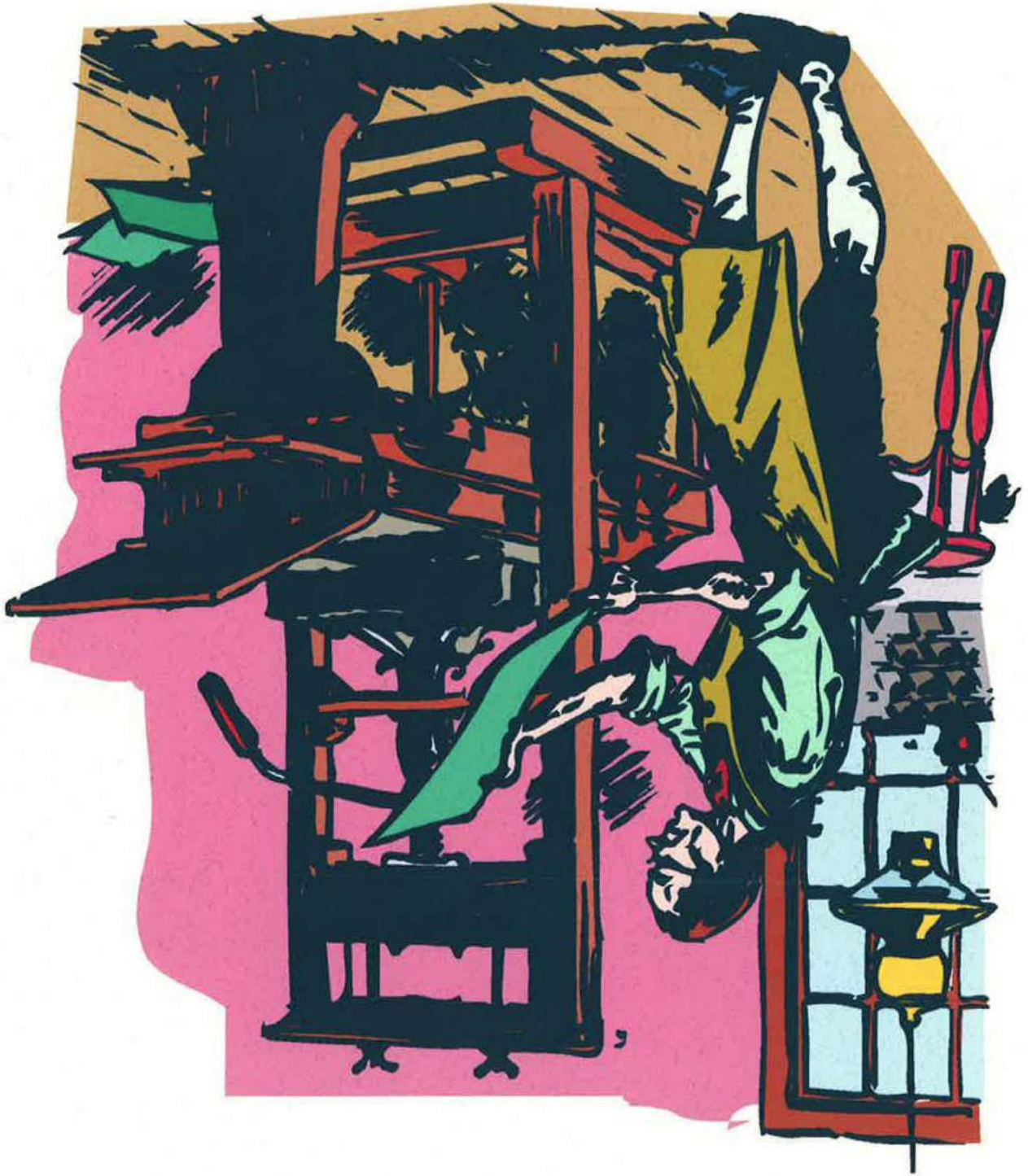
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Use of money and property	\$ 21,827	\$ 26,504	\$ 4,677
Other revenue	-	1,000	1,000
Total revenues	<u>21,827</u>	<u>27,504</u>	<u>5,677</u>
EXPENDITURES:			
Culture and recreation	<u>30,000</u>	<u>32,074</u>	<u>(2,074)</u>
Total expenditures	<u>30,000</u>	<u>32,074</u>	<u>(2,074)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (8,173)</u>	(4,570)	<u>\$ 3,603</u>
FUND BALANCES:			
Beginning of year		<u>411,486</u>	
End of year		<u>\$ 406,916</u>	



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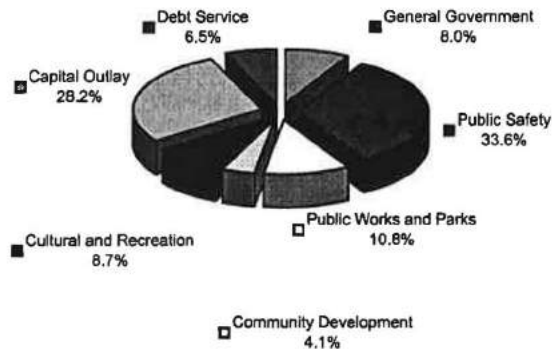
Statistical Section



CITY OF SAN RAFAEL
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30	GENERAL GOVERNMENT	PUBLIC SAFETY	PUBLIC WORKS AND PARKS	COMMUNITY DEVELOPMENT & REDEVELOP.	CULTURE & RECREATION	CAPITAL OUTLAY & PROJECTS	DEBT SERVICE	CLAIMS	OTHER	TOTAL
1991	\$ 4,021,682	\$ 13,753,388	\$ 5,709,862	#	\$ 2,625,727	\$ 4,634,882	\$ 4,438,768	\$ 236,913	\$ 2,291,504	\$ 37,712,726
1992	\$ 4,271,153	\$ 14,073,750	\$ 5,495,382	#	\$ 2,567,749	\$ 2,782,335	\$ 3,996,296	\$ 245,668	\$ 2,618,040	\$ 36,050,373
1993	\$ 4,604,503	\$ 14,268,361	\$ 5,386,198	#	\$ 2,597,082	\$ 5,113,752	\$ 5,561,241	\$ -	\$ 2,592,152	\$ 40,123,289
1994	\$ 5,185,675	\$ 13,925,831	\$ 6,907,480	#	\$ 1,242,761	\$ 1,257,281	\$ 5,384,283	\$ -	\$ 3,580,755	\$ 37,484,066
1995	\$ 5,074,185	\$ 15,648,130	\$ 5,775,033	#	\$ 3,084,633	\$ 3,382,997	\$ 4,219,647	\$ -	\$ 3,103,472	\$ 40,288,097
1996	\$ 6,905,043	\$ 16,365,089	\$ 10,781,451	\$ 2,054,557	\$ 4,427,669	\$ 2,294,518	\$ 3,837,491	\$ -	\$ 175,971	\$ 46,841,789
1997	\$ 6,291,284	\$ 17,417,258	\$ 6,292,167	\$ 927,646	\$ 4,556,110	\$ 14,475,690	\$ 9,262,024	\$ -	\$ -	\$ 59,222,179
1998	\$ 4,514,221	\$ 19,595,147	\$ 6,977,167	\$ 3,048,015	\$ 4,727,074	\$ 18,128,414	\$ 2,710,490	\$ -	\$ -	\$ 59,700,528
1999	\$ 6,084,501	\$ 20,938,064	\$ 6,962,957	\$ 3,488,279	\$ 5,439,046	\$ 6,981,913	\$ 3,197,003	\$ -	\$ -	\$ 53,091,763
2000	\$ 5,678,095	\$ 23,756,604	\$ 7,607,760	\$ 2,914,886	\$ 6,184,412	\$ 19,965,738	\$ 4,575,668	\$ -	\$ -	\$ 70,683,163

General Governmental Expenditures by Function
Fiscal Year Ended June 30, 2000



(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds

Source: City of San Rafael audited Financial Statements, including Redevelopment Agency and Financing Authority

- included in "Other" category for 1994-95 and prior fiscal years.

CITY OF SAN RAFAEL

**PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30	BASIC TAX RATE	SCHOOL BOND RATE	CITY BOND RATE	TOTAL TAX RATE
1991	1.0000%	N/A	0.0040%	1.0040%
1992	1.0000%	N/A	0.0020%	1.0020%
1993	1.0000%	N/A	0.0010%	1.0010%
1994	1.0000%	N/A	N/A	1.0000%
1995	1.0000%	N/A	N/A	1.0000%
1996	1.0000%	N/A	N/A	1.0000%
1997	1.0000%	N/A	N/A	1.0000%
1998	1.0000%	N/A	N/A	1.0000%
1999	1.0000%	N/A	N/A	1.0000%
2000	1.0000%	0.0170%	N/A	1.0170%

SPECIAL TAXES AND CHARGES

FISCAL YEAR ENDED JUNE 30	SAN RAFAEL SANITARY DISTRICT CHARGE	SAN RAFAEL PARAMEDIC TAX	SAN RAFAEL ELEMENTARY SCHOOL TAX	SAN RAFAEL HIGH SCHOOL TAX	MOSQUITO DISTRICT CHARGE	SAN RAFAEL RUNOFF CHARGE	MARIN MUNICIPAL WATER DISTRICT FIREFLOW CHARGE	TOTAL SPECIAL TAXES AND CHARGES
1991	174	25	60	60	N/A	N/A	N/A	319
1992	176	28	60	60	N/A	N/A	N/A	324
1993	176	28	60	60	10	N/A	N/A	334
1994	191	28	60	60	N/A	N/A	N/A	339
1995	199	34	N/A	60	N/A	N/A	N/A	293
1996	206	37	90	60	N/A	15	N/A	408
1997	211	40	90	60	N/A	20	N/A	421
1998	245	40	90	60	N/A	22	75	532
1999	245	40	90	60	10	24	75	544
2000	258	40	108	74	6	26	75	587

Note: Data shown represents average residential rates in Central San Rafael. The residents that live in North San Rafael are served by a different sanitation district and elementary school district. This schedule excludes Mello Roos and Benefit Assessment Districts, whose assessments are limited to a small portion of the City's parcels.

N/A - Not applicable

Source: Marin County Assessor and Auditor-Controller

CITY OF SAN RAFAEL

**RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUATION
AND NET GENERAL BONDED DEBT PER CAPITA**

LAST TEN FISCAL YEARS

FISCAL YEAR ENDE JUNE 30	ESTIMATED POPULATION (A)	ASSESSED VALUATION (B)	GROSS BONDED DEBT (C)	LESS DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUATION	NET GENERAL BONDED DEBT PER CAPITA
1990	48,400	\$ 3,317,920,000	\$ 15,133,000	\$ (1,948,558)	\$ 13,184,442	0.397	272.41
1991	49,500	\$ 3,666,956,000	\$ 14,323,000	\$ (2,821,226)	\$ 11,501,774	0.314	232.36
1992	50,400	\$ 3,928,783,000	\$ 21,170,000	\$ (2,524,680)	\$ 18,645,320	0.475	369.95
1993	51,000	\$ 4,056,588,000	\$ 19,720,000	\$ (2,057,879)	\$ 17,662,121	0.435	346.32
1994	51,700	\$ 4,227,765,000	\$ 18,660,000	\$ (1,801,806)	\$ 16,858,194	0.399	326.08
1995	51,600	\$ 4,379,175,000	\$ 17,740,000	\$ (1,810,888)	\$ 15,929,112	0.364	308.70
1996	53,200	\$ 4,465,232,000	\$ 25,345,000	\$ (1,282,239)	\$ 24,062,761	0.539	452.31
1997	53,427	\$ 4,640,085,000	\$ 24,790,000	\$ (630,728)	\$ 24,159,272	0.521	452.19
1998	54,010	\$ 4,872,897,000	\$ 24,210,000	\$ (631,485)	\$ 23,578,515	0.484	436.56
1999	54,402	\$ 5,093,632,000	\$ 45,899,004	\$ (631,471)	\$ 45,267,533	0.889	832.09
2000	54,752	\$ 5,464,031,000	\$ 45,899,004	\$ (631,471)	\$ 45,267,533	0.828	826.77

Gross Bonds Reconciliation:

Total - Combined Balance Sheet	\$	51,479,004	\$	2,059,783
Less:				
Assessment District Bonds	\$	(1,265,000)	\$	(507,937)
Financing Authority Revenue Bonds	\$	(4,315,000)	\$	(920,375)
Gross General Obligation Bonds	\$	45,899,004	\$	631,471

Source:

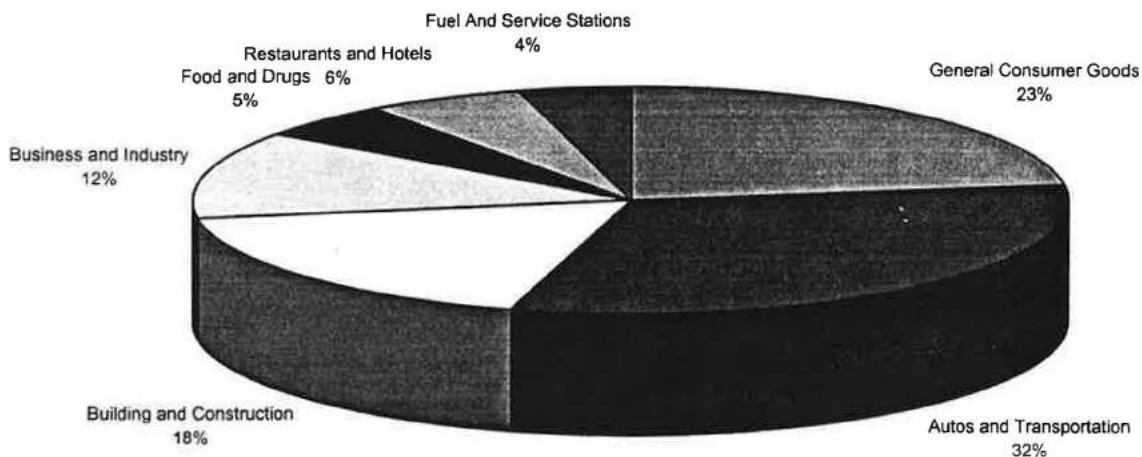
- (A) = CA State Department of Finance
- (B) = "Total Property Subject to Taxation" from Schedule of "Assessed Valuation of Taxable Property"
- (C) = Includes General Obligation Bonds and Tax Allocation Bonds (Redevelopment Agency) which are supported by general property taxes and tax increment received by the Redevelopment Agency.

CITY OF SAN RAFAEL
 SALES TAX BY INDUSTRY GROUP
 FISCAL YEAR 1999-00

TOP FIFTEEN SALES TAX PRODUCERS - 1999-00

HOME DEPOT	R & G TOYOTA & VOLVO	JOHN IRISH AUTO PLAZA
R A B MOTORS	SONNEN BMW	FIRST NISSAN MARIN
MACYS	SEARS ROEBUCK	CIRCUIT CITY
SONNEN VOLKSWAGEN AUDI PORSCHE	LEXUS OF MARIN	FORD OF SAN RAFAEL
GOLDEN STATE LUMBER	COMPUTERS AMERICA	JACKSONS HARDWARE

SALES TAX PRODUCERS BY INDUSTRY - 1999-00



NOTE: - Top fifteen sales tax producers are listed alphabetically; chart by industry reflects point of sales activity for the sales quarters of July 1998 through June 1999.

Source:

State Board of Equalization

CITY OF SAN RAFAEL
CONSTRUCTION ACTIVITY
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30	NUMBER OF PERMITS ISSUED				TOTAL PERMIT VALUATION	TOTAL INCREASE IN LIVING UNITS	BANK DEPOSITS
	COMMERCIAL/ INDUSTRIAL	NEW RESIDENTIAL	ALTERATIONS	TOTAL			
1991	2	199	1,013	1,214	41,335,138	263	1,844,647,000
1992	6	42	982	1,030	31,467,041	42	1,777,511,000
1993	3	83	1,030	1,116	29,559,332	84	1,772,758,000
1994	4	102	1,117	1,223	42,077,753	139	1,666,609,000
1995	6	41	1,109	1,156	34,386,454	74	1,717,388,000
1996	3	90	1,147	1,240	64,269,981	264	1,804,771,000
1997	9	50	1,139	1,198	53,172,130	124	1,863,602,000
1998	8	65	1,053	1,126	67,125,883	151	2,049,398,000
1999	10	79	1,133	1,222	77,892,405	128	N/A
2000	3	63	1,019	1,085	63,402,582	241	N/A

N/A - not available

Source: San Rafael Building Department

**CITY OF SAN RAFAEL
SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2000**

<u>COMPANY</u>	<u>POLICY NUMBER</u>	<u>EXP. DATE</u>	<u>TYPE OF COVERAGE</u>	<u>LIMITS OF COVERAGE</u>
<u>Machinery and Equipment Insurance:</u>				
Kemper Insurance Companies	3XN-022-370-05	7/1/00	Boiler and Machinery Coverage including Production Machines and Public Utility Equipment	\$ 10,000,000 Covered Property \$ 100,000 Extra Expense \$ 5,000 Deductible - Engine \$ 1,000 Deductible - Other \$ 1,000 Deductible - Extra Exp.
Commercial Union Insurance Co.	CAH-822007	10/1/00	Hull and Machinery Insurance for Police Boat	\$ 250,000 Covered Property \$ 5,000 Deductible
<u>Commercial Property Insurance:</u>				
The Travelers Insurance Co	KTJCMB-122D827-A-98	7/1/00	Real and Personal Property, Business	\$ 2,500,000 Company's portion
Lexington Insurance Co.	8533918	7/1/00	Transit, Accounts Receivable, Leaseholds	\$ 2,500,000 Company's portion \$ 5,000,000 Each occurrence \$ 25,000 Deductible
Federal Insurance Co.	659-96-69	7/1/00	Excess Property Coverage	\$ 295,000,000 excess of \$ 5,000,000
<u>Worker's Compensation:</u>				
United States Fidelity & Guaranty	DRE-300-3018-4801	7/1/01	Excess Worker's Compensation	\$ 10,000,000 Excess of \$250,000 \$ 250,000 Self-insured Retention
<u>Special Event Insurance:</u>				
General Star Indemnity Co.	IYG-325268A	1/1/01	Special Event Liability Insurance - Primary	\$ 1,000,000 Aggregate Limit \$ 250,000 Each occurrence \$ 50,000 Fire damage \$ 2,000 Medical, per person
Genesis Indemnity Insurance Co.	ZXB300176B	1/1/01	Special Event Liability Insurance - Excess	\$ 1,500,000 Aggregate Limit \$ 750,000 Each occurrence
<u>Liability Insurance:</u>				
Great American Insurance Comp.	GHB0026041-08	7/1/00	Aircraft Liability - Non-owned	\$ 10,000,000 Each occurrence
California Joint Powers Risk Management Authority	N/A	6/30/00	Property damage, bodily injury, personal injury, public official errors and omissions	\$ 9,500,000 Excess of \$500,000 \$ 500,000 Self-insured Retention
<u>Public Official Bonds:</u>				
Western Surety Company	58476739	11/12/00	Elected City Clerk	\$ 5,000
Western Surety Company	58476738	11/12/00	Appointed Deputy Treasurer	\$ 10,000
Kemper Insurance Companies	3S30604500	11/4/00	Administrative Services Director	\$ 50,000
Western Surety Company	58476740	11/5/00	Elected City Attorney	\$ 1,000
Hartford Fire Insurance Company	57-PEB-GG9385	8/24/01	Public Officials	\$ 5,000
Hartford Fire Insurance Company	57-PEB-GG9377	8/24/01	Public Employee Dishonesty Bond	\$ 100,000

Source - City of San Rafael Human Resources Division - Risk Manager

**CITY OF SAN RAFAEL
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2000**

Date of Incorporation	February 18, 1874
Form of Government	
Incorporated as a Charter City, effective July 1, 1913	
Council/Manager	
City Council consists of a directly elected Mayor and four council members, all elected to four year terms.	
Number of City employees	546
Election (1)	
Registered voters	26,954
Number of votes cast last general election	9,188
Percentage of registered voters voting	34.6 %
Population (2)	54,752
Location	
17 miles north of San Francisco in Marin County	
Elevation	
Ranges from sea level to 900 feet	
Area in square miles	
22 square miles - consisting of 17 square miles of land and 5 of water and tidelands	
Police	
Number of stations	1
Number of sub-stations	2
Number of employees	
Sworn	78
Civilian	34.5
Ratio of sworn personnel per 1,000 population	1.4 %
Public Works	
Miles of streets	165
Number of major intersections with traffic signals	86
Number of street lights	4,167
Recreation	
Parks	22
Number of acres	146.00
Recreation facilities	3

**CITY OF SAN RAFAEL
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2000**

Library Services		
Number of volumes		128,892
Hours of service per week		59
Library facilities		1
Housing ⁽³⁾		
Single family – Detached	10,406	
Single family – Attached	2,119	
Multi family	9,902	
Mobile Homes	<u>445</u>	
Total Units		22,872
Total Occupied		21,960
Percent Vacant		3.99 %
Education		
Elementary schools		9
Middle schools		2
High schools		3
Parochial schools		11
Colleges		2
Churches ⁽⁴⁾		42
Financial institutes ⁽⁵⁾		
Banks		19
Savings & Loans		13
Credit unions		1
Ethnic breakdown ⁽⁶⁾		
White		68.0 %
Hispanic		17.0 %
African-American		8.0 %
Asian		7.0 %

Sources:

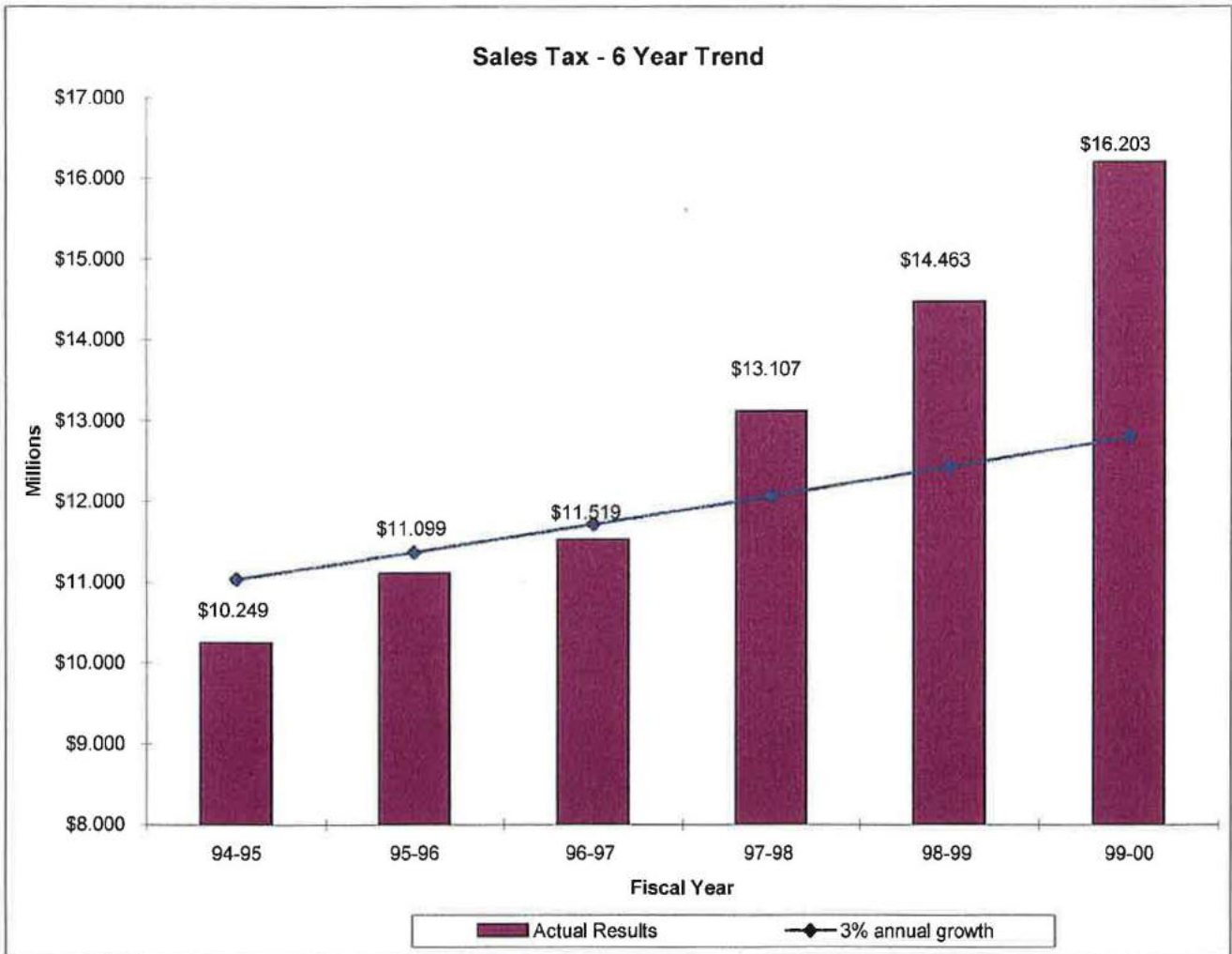
- (1) Marin County Registrar of Voters, July 2000
- (2) California Department of Finance Estimates
- (3) Planning Department, San Rafael (Population and Housing Estimates, Department of Finance, State of California)
- (4) Marin County Pacific Bell SMART Yellow Pages, May 2001
- (5) The Findley Reports, June 30, 1997
- (6) San Rafael Chamber of Commerce, 1999 Economic Profile

SALES TAX

Description: Sales and use tax is imposed upon most retail transactions. The Marin County rate reflects only the basic tax as charged by the State. Of the total 7.25%, 1.00% is returned to San Rafael. The remainder is allocated to the State's General Fund (5.00%) and the County for transportation, public safety and other programs (1.25%).

Background: Voter approved laws, restricting tax raising limits, began with Proposition 13 in 1978 and have occurred up through Proposition 218 in 1996. These revenue restrictions, coupled with State redistribution of property taxes, have forced cities to rely more and more on sales tax for municipal services. San Rafael continues to be the retail hub of Marin County, and as such has benefited from retail uses created by market forces and the Redevelopment Agency efforts over the past few years.

Results: The early part of this decade represented a deep recession that lasted for several years. Beginning in 1994-95, the City began to see real increases in sales tax that reflected an economy on the rise. For the last two years, a combination of global expansion, international commerce, new local retail business and significant new and leased automobile sales have translated into significant increases in sales tax. Sales tax grew 12% in 1999-2000 over the prior year level.

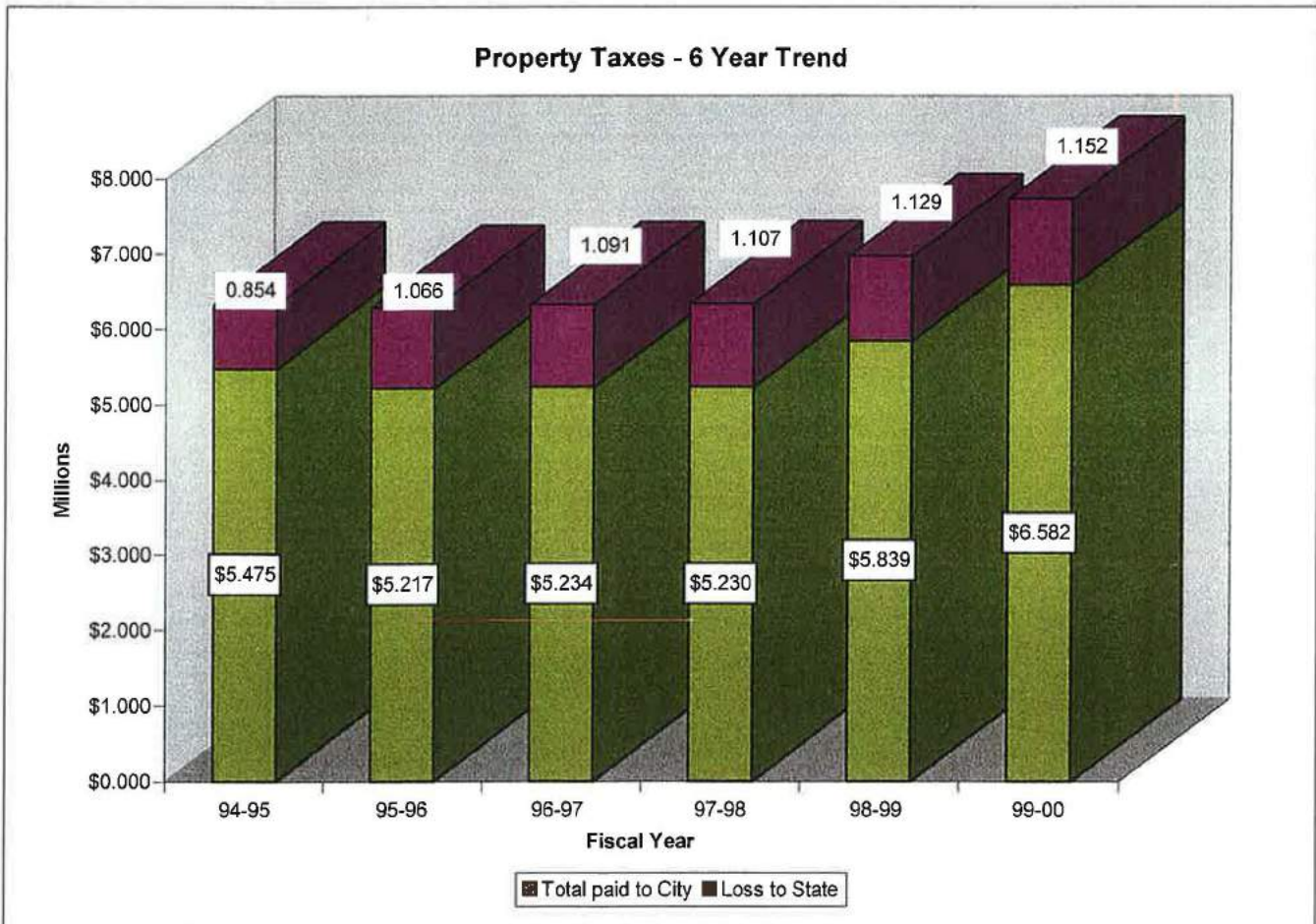


PROPERTY TAX

Description: Property tax is imposed on real property (land and permanent improvements) as well as tangible personal property (furniture, fixtures and equipment). The general levy tax rate is 1% of assessed value, adjusted by an annual inflation factor not to exceed 2%. Property is assessed by the Marin County Assessor's office, except for certain public utility property which is assessed by the State Board of Equalization.

Background: Growth in property tax revenues is realized from either increased valuation occurring when property is sold and subsequently reassessed or from the 2% annual increase allowed under Proposition 13. Since 1992-93, the State has redirected 26% of local San Rafael taxes into its own budget. Beginning in 1994-1995, the City adopted the "teeter" plan which allows the City to receive 100% of its property tax, regardless of when the taxes are paid.

Results: The graph below takes on two elements. The first bar shows the actual and estimated 1% levy revenues for the City. The additional bar shows the amount of money lost to the State via tax redistribution. The City receives approximately 12% of each dollar net of redistribution to the State. One-time payments to the City were received in 1999-2000. The State returned \$121,000 of "shifted" dollars from the 1992-93 redistribution formulas. A Bill for Marin County only, provided \$344,000 as excess contributions based upon State formulas.

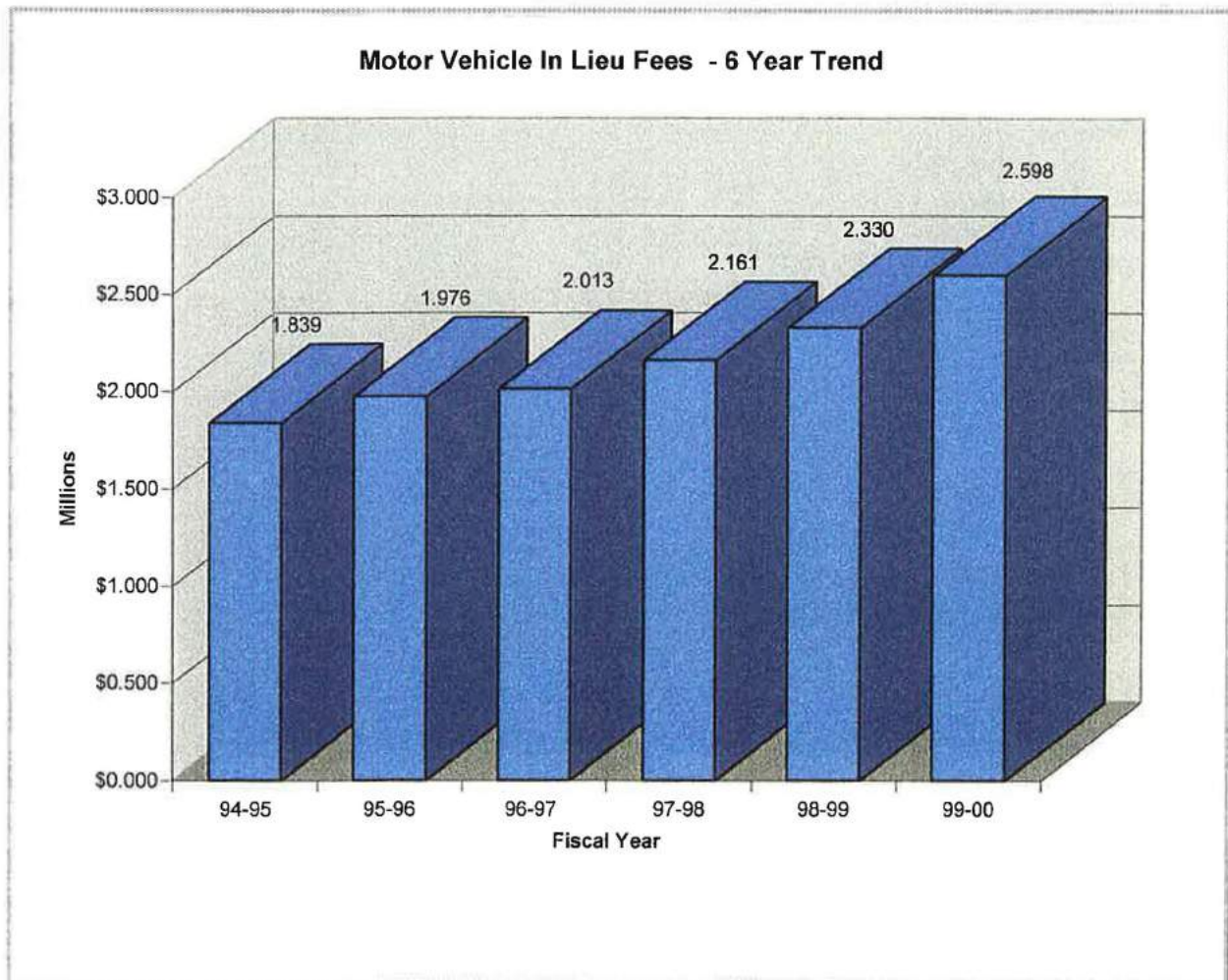


MOTOR VEHICLE IN LIEU FEES

Description: A special license fee is imposed by the State on motor vehicles "in lieu" of property tax. The Motor Vehicle In Lieu Fees are paid by the registered owner of a vehicle. This fee is paid initially at the date of purchase on new or used vehicles. In second and subsequent years, it is remitted as part of the vehicle registration process.

Background: A two percent rate is applied to vehicle value annually in order to compute the fee paid by the registered owner. The 2% rate applies to the original sales value in the year of purchase. By State Statute, the valuation declines each year by 10% of the remaining value, leveling off at a 15% valuation factor in year 11. Of the total fees collected by the State, approximately 17% are distributed to cities. The State approved a reduction of 25% in the personal property tax to voters for calendar year 1999. An additional 10% rate reduction occurred beginning January 1, 2000.. The City continues to receive the same level of funding. The tax break is "backfilled" from State general fund revenues. This revenue remains unstable so long as State legislators have the ability to manipulate collection and distribution reductions during each year of the budget sessions.

Results: The strong economy has continued for purchases of motor vehicles on both sales and leases. High end cars and SUV's continue to produce high volumes at local dealerships, which translates into more vehicle taxes to San Rafael.

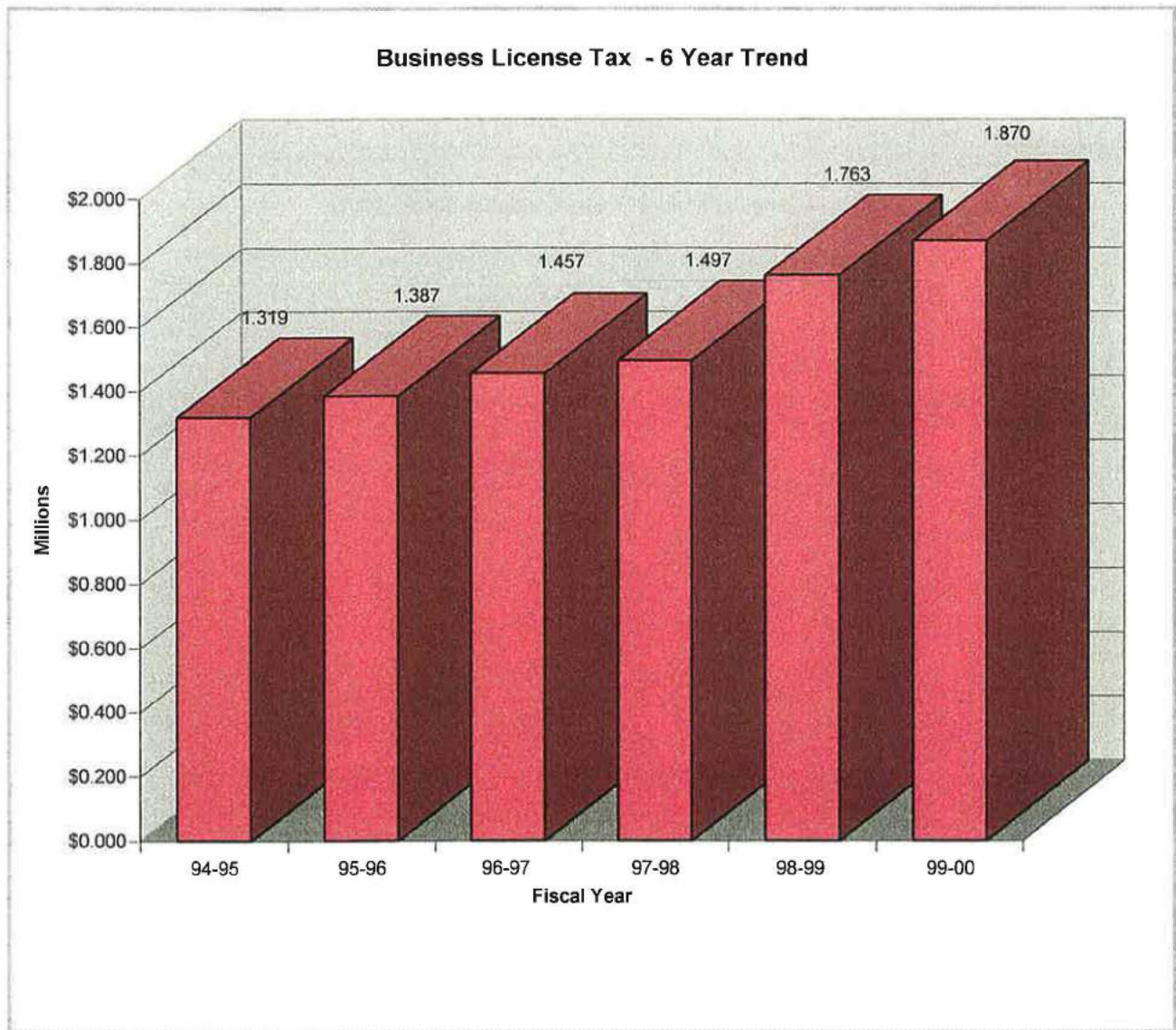


BUSINESS LICENSE TAX

Description: Business License Tax is imposed on all business for the privilege of conducting business within the City. Most retail, wholesale, professional and service industries pay this tax on a gross receipts basis. A small portion of businesses pay a tax rate based upon the number of employees. Apartments pay a tax based upon the number of rental units.

Background: The tax rates are identified in Municipal Code Section 10.04, subject to indexing for inflation. The rates were last modified in 1991. Future rate restructuring would likely fall under Proposition 218 voter approval requirements. Estimated tax revenues are based upon a combination of inflation factors, business expansion and retention, turnover, desk and field audits.

Results: This source of revenues is sensitive to economic cycles. As such, it suffered during the recession of the early 1990's. In FY 1999-00, a continuation of the compliance and collection efforts, started in the prior year, garnered lowered delinquencies and resulted in a substantial increase in taxes for this period.

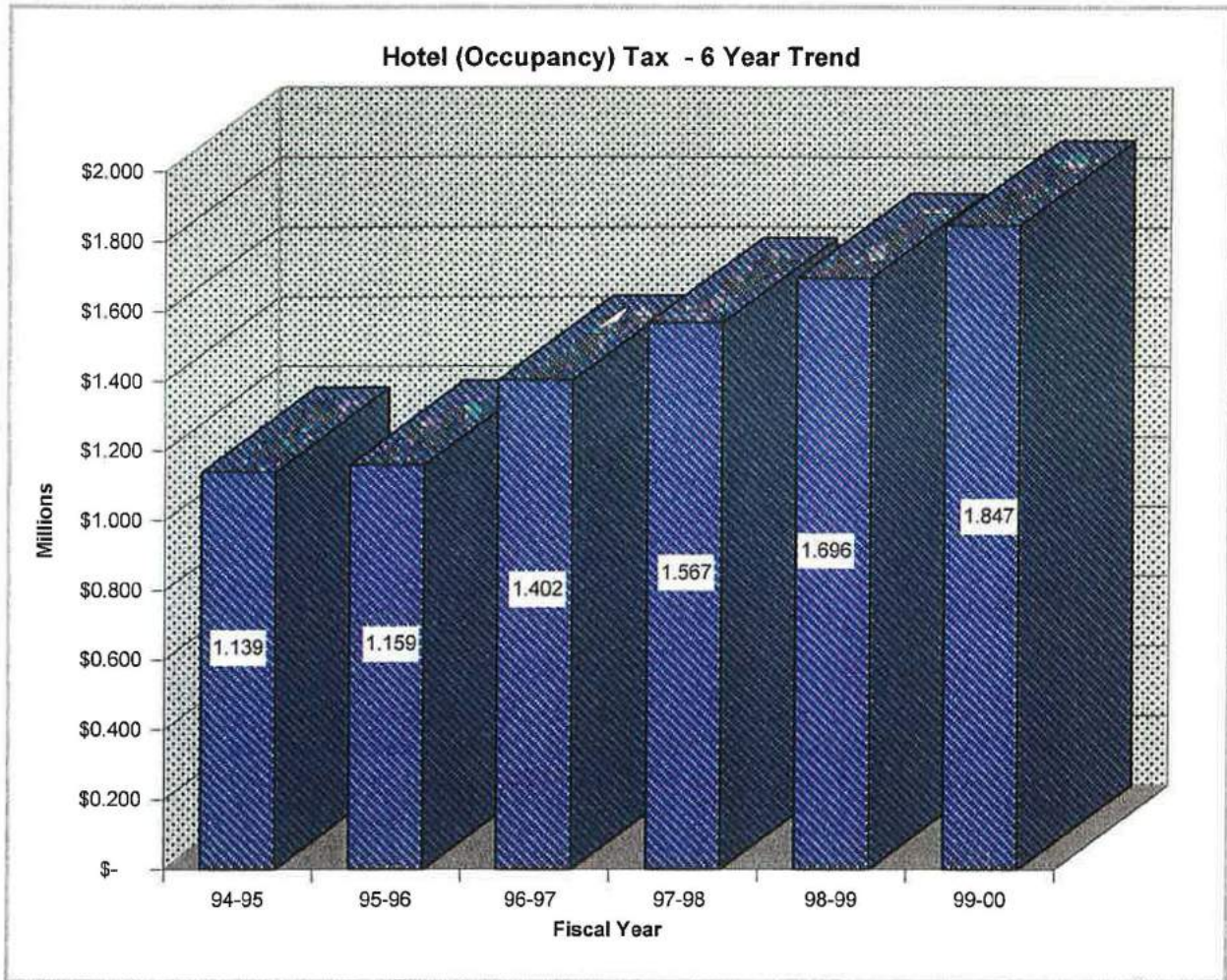


HOTEL (OCCUPANCY) TAX

Description: Hotel tax, also referred to as occupancy tax, is imposed on occupants of hotels, inns, motels and other lodging facilities unless such occupancy is for a period of 30 or more days. The tax is applied to a customer's lodging bill. Taxes are remitted either monthly or quarterly for all approved lodging operators.

Background: The current hotel tax rate is 10%. It was last modified in 1988. Factors that influence this revenue source include room rates, occupancy levels, the number of rooms available for lodging, business retention, new business development and tourism. The City currently has 9 hotels/motels. These range in scope from a bed and breakfast inn all the way up to corporate chain facilities. The two largest hotels generate 83% of the total tax received by the City.

Results: The acquisition of Holiday Inn by Wyndham Gardens in fiscal year 1995-96 was a plus for the City. A period of remodeling pulled down potential revenues in that year. However, in 1996-97, Wyndham had a full year of reportable operations and exceeded estimated tax figures. For 1998-99, remodeling of the old Bermuda Palms into the Days Inn has translated into improved tax from this location. In 1999-00 the Wyndham was acquired by the Four Points Hotel. Strong tourism and low room vacancies have occurred over the last four years and are expected to continue.

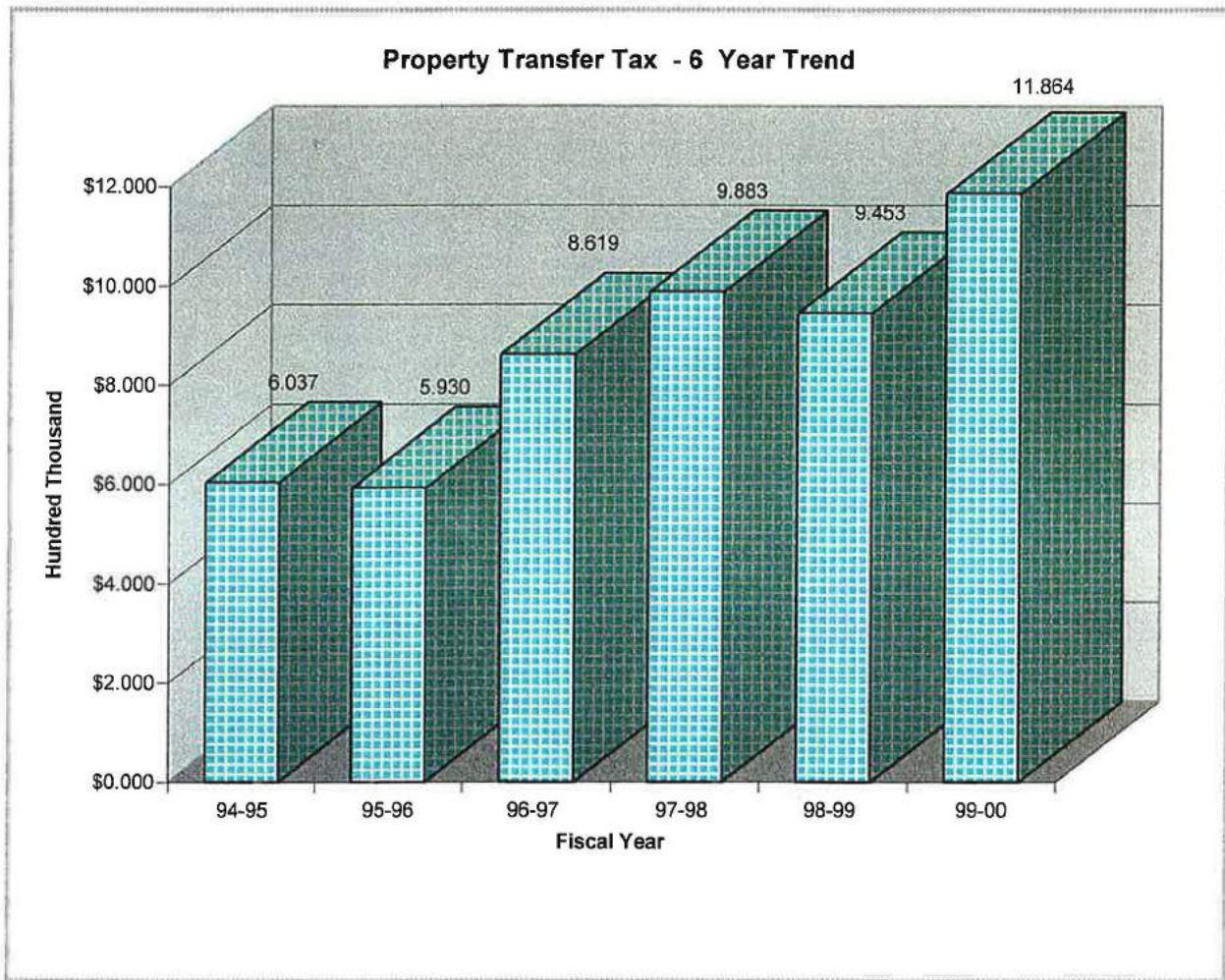


PROPERTY TRANSFER TAX

Description: Property transfer tax is imposed on any conveyance of real property when a change in "deed" is filed with the County of Marin.

Background: The City's Real Property Transfer Tax regulations are laid out in Municipal Code Section 3.22. San Rafael's tax is imposed at the rate of two dollars for each thousand dollars or fractional part of one thousand dollars in sales value. This revenue source was last modified in 1990, resulting in an increase in rates from \$1.10 to \$2.00 per thousand dollars of value. This rate change is reflect in the chart below.

Results: This resource, like many tax revenues, is tied to the overall economic vitality of the City. A boom in market activity resulted in a 45% increase in 1996-97 over 1995-96. Likewise, 1997-98 was another banner year, up 15% over 1996-97. 1998-99 was 4% less due to limited housing stock available on the market. In 1999-00, double digit increases in real estate values on pre-Proposition 13 properties that turned over and new commercial and office sites resulted in a 25 % growth in this category.

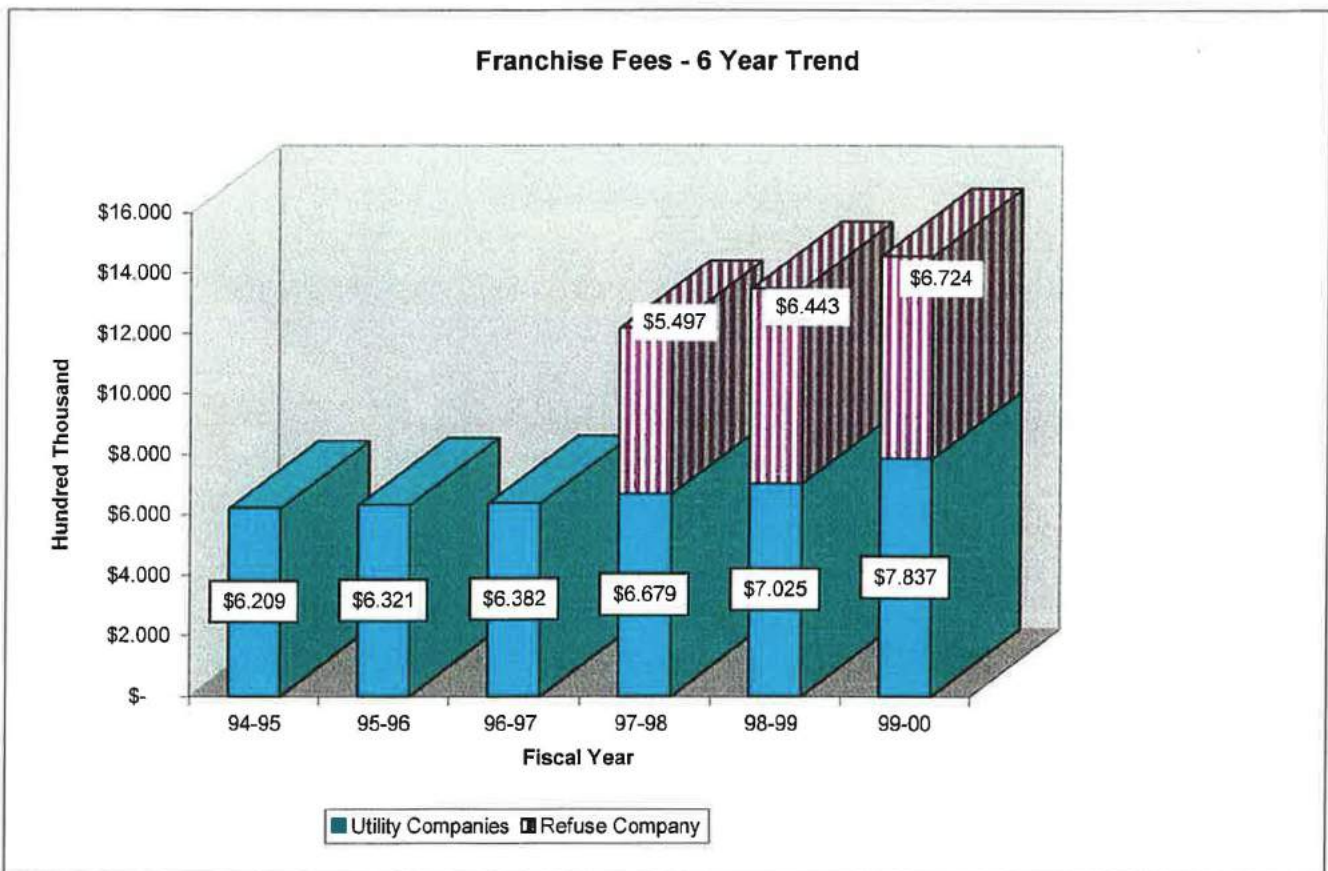


FRANCHISE FEES

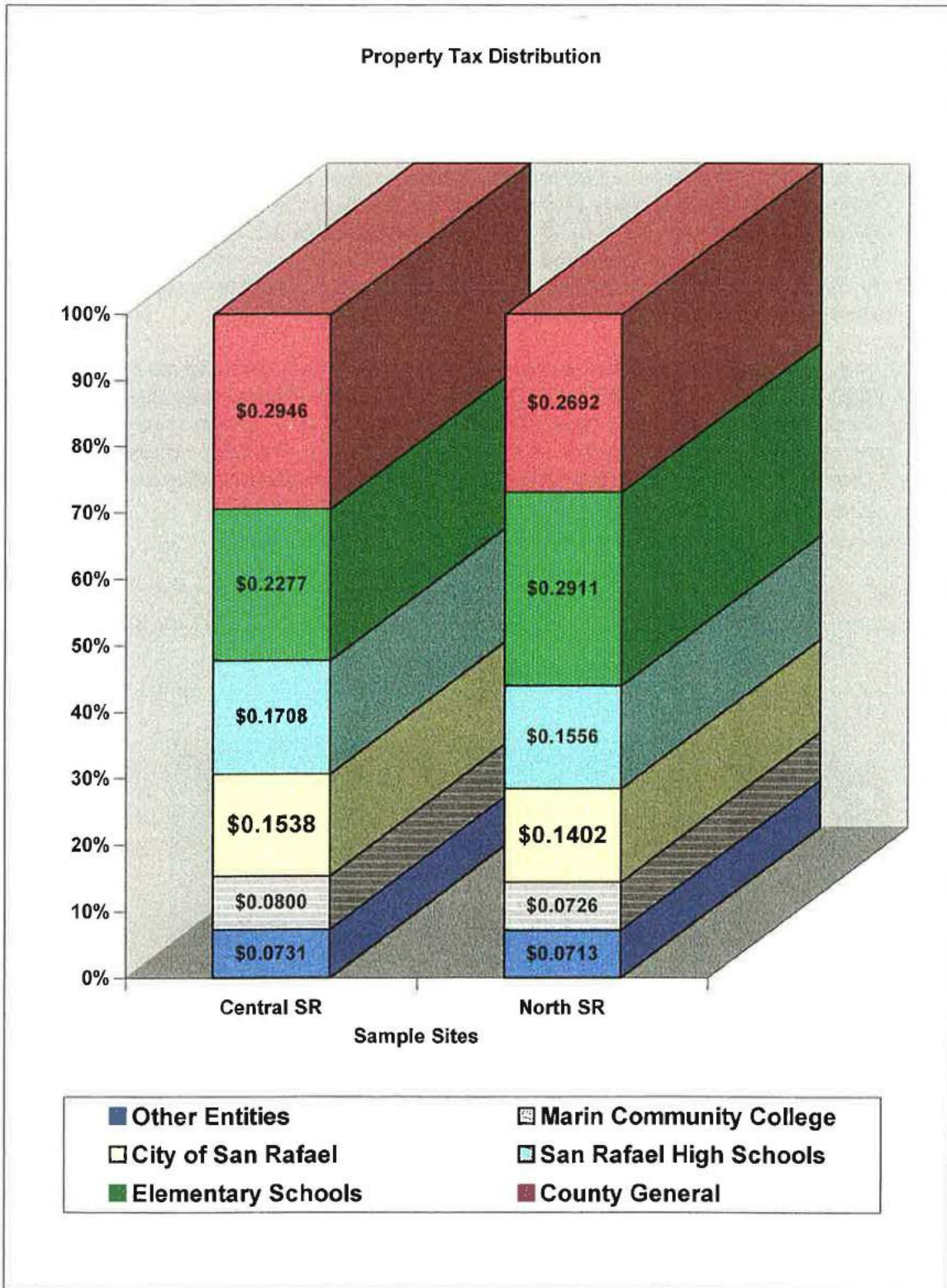
Description: San Rafael imposes a fee on the distribution and sales of public utility services. City Charter Article XIV provides regulations concerning franchised agencies and businesses. Currently, the City charges PG&E a franchise fee of 1% for gas and 1/2% for electricity. The local cable provider, TCI, pays a 5% franchise fee on a quarterly basis to San Rafael.

Background: In 1997, the City adopted a new franchisee fee for refuse services. The 10% rate is imposed on Marin Sanitary Service for refuse and recycling services provided in the franchisee's service area (all of the City except North San Rafael). For the other utilities, the current rates are applied to revenues generated within the City limits. Statewide utility deregulation is causing cities, including San Rafael, to see lower overall franchise fees from the major utility provider.

Results: The graph below takes on two elements. The first bar shows the franchise fees on utility companies only (PG&E and TCI Cable). The second portion shows the new franchise fee for refuse that began in 1997-98. In 1999-00 Taxes on the refuse hauler increased due to service volume and additional customers, without a rate increase. Changes in the City's cable provider resulted in increased services, rates and fee collections.



CITY OF SAN RAFAEL
ALLOCATION OF \$1.00 OF PROPERTY TAX REVENUE
FISCAL YEARS 1999-2000



Other Entities include Mosquito Abatement District, Marin Open Space, Marin County Transit District, Bay Area AQMD and Sanitation Districts

NOTES: - Elementary schools are San Rafael District in Central SR graph and Dixie District in North SR graph. Sanitation Districts are San Rafael Sanitation for Central SR graph and Las Gallinas Valley for North SR graph
 source: 1998-99 sample properties from Marin County Assessor records